GRI STANDARDS

Consolidated Set of the GRI Standards

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This document contains the complete set of GRI Sustainability Reporting Standards (GRI Standards). It includes the most recent versions of the Standards available as of 30 June 2022. The full contents of each Standard have been incorporated, including the original formatting and page numbering, but the cover pages between the Standards have been left out.

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This document was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities

Legal liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

Contents

1 The effluents-related content of the GRI Standard *GRI 306: Effluents and Waste 2016* has been superseded by GRI Standard *GRI 303: Water and Effluents 2018*, and the waste-related content has been superseded by *GRI 306: Waste 2020*. The spills-related content in *GRI 306: Effluents and Waste 2016* remains in effect.

0 There are now 31 Topic Standards after the withdrawal of three Standards. The reason for withdrawal was that either their content was discontinued or incorporated in the revised Universal Standards.

GRI 1: Foundation 2021

Universal Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2023

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Content

Introduction

GRI 1: Foundation 2021 introduces the purpose and system of the GRI Sustainability Reporting Standards (GRI Standards) and explains key concepts for sustainability reporting. It also specifies the requirements and reporting principles that organizations must comply with to report in accordance with the GRI Standards. *GRI 1* is the first Standard that organizations should consult to understand how to report using the GRI Standards.

GRI 1 is structured as follows:

- Section 1 introduces the purpose and the system of the GRI Standards.
- Section 2 explains the key concepts that are used throughout the GRI Standards.
- Section 3 specifies the requirements for reporting in accordance with the GRI Standards.
- Section 4 specifies the reporting principles, which are fundamental to ensuring the quality of the reported information.
- Section 5 presents recommendations for the organization to align its sustainability reporting with other types of reporting and to enhance the credibility of its sustainability reporting.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.
- The Appendixes provide guidance on how to prepare a GRI content index.

1. Purpose and system of GRI Standards

1.1 Purpose of the GRI Standards

Through their activities and business relationships, organizations can have an effect on the economy, environment, and people, and in turn make negative or positive contributions to sustainable development. Sustainable development refers to 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs' [8]. The objective of sustainability reporting using the GRI Sustainability Reporting Standards (GRI Standards) is to provide transparency on how an organization contributes or aims to contribute to sustainable development.

The GRI Standards enable an organization to publicly disclose its most significant impacts on the economy, environment, and people, including impacts on their human rights and how the organization manages these impacts. This enhances transparency on the organization's impacts and increases organizational accountability.

The Standards contain disclosures that allow an organization to report information about its impacts consistently and credibly. This enhances the global comparability and quality of reported information on these impacts, which supports information users in making informed assessments and decisions about the organization's impacts and contribution to sustainable development.

The GRI Standards are based on expectations for responsible business conduct set out in authoritative intergovernmental instruments, such as the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises* [3] and the *United Nations (UN) Guiding Principles on Business and Human Rights* [5] (see the Bibliographies of the GRI Standards for a list of authoritative instruments used in developing the GRI Standards). Information reported using the GRI Standards can help users assess whether an organization meets the expectations set out in these instruments. It is important to note that the GRI Standards do not set allocations, thresholds, goals, targets, or any other benchmarks for good or bad performance.

1.2 Users

Any organization can use the GRI Standards – regardless of size, type, geographic location, or reporting experience – to report information about its impacts on the economy, environment, and people, including impacts on their human rights.

The reported information can be used by the organization in its decision-making, for example, when setting goals and targets, or when assessing and implementing its policies and practices.

Stakeholders and other information users can use the GRI Standards to understand what organizations are expected to report about. Stakeholders can also use an organization's reported information to assess how they are affected or how they could be affected by the organization's activities.

Investors, in particular, can use the reported information to assess an organization's impacts and how it integrates sustainable development in its business strategy and model. They can also use this information to identify financial risks and opportunities related to the organization's impacts and to assess its long-term success. Users other than the organization's stakeholders, such as academics and analysts, can also use the reported information for purposes such as research or benchmarking.

The term 'information users' in the GRI Standards refers to all these diverse users of the organization's reported information.

1.3 System of GRI Standards

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard). The Universal Standards are used by all organizations when reporting in accordance with the GRI Standards. Organizations use the Sector Standards according to the sectors in which they operate, and the Topic Standards according to their list of material topics.

Universal Standards: GRI 1, GRI 2 and GRI 3
An organization begins by consulting *GRI 1: Foundation 2021*. *GRI 1* introduces the purpose and system of GRI Standards and explains key concepts for sustainability reporting. It also specifies the requirements and reporting principles that the organization must comply with to report in accordance with the GRI Standards.

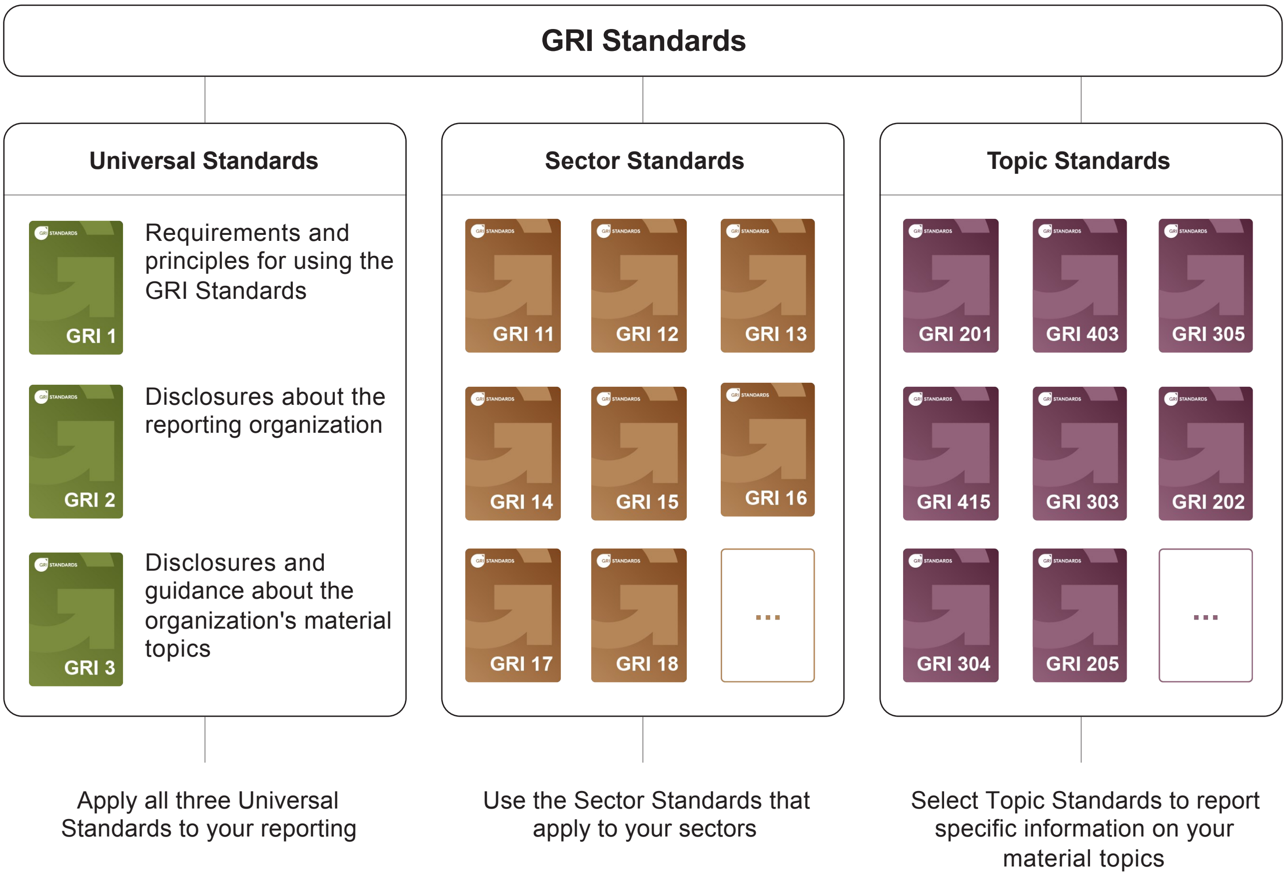
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies. This information gives insight into the profile and scale of the organization and provides a context for understanding the organization's impacts.

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

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

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

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



1.4 Using the GRI Standards

All disclosures in the GRI Standards contain requirements. The requirements list information that an organization must report or provide instructions that the organization must comply with to report in accordance with the GRI Standards.

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

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

Requirements, guidance and defined terms
The following apply throughout the GRI Standards:

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

Requirements may be accompanied by guidance.

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

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

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

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

Reporting format

In the GRI Standards, the term ‘sustainability reporting’ refers to the process of reporting, which starts with an organization determining its material topics based on its most significant impacts and results in the organization publicly reporting information about these impacts.

The organization can publish or make information accessible in a range of formats (e.g., electronic, paper-based) across one or more locations (e.g., a standalone sustainability report, web pages, an annual report). The terms ‘report’ and ‘reported information’ in the GRI Standards both refer to information reported across all locations.

The GRI content index provides an overview of the organization’s reported information and shows the location where information users can find it. The content index also shows which GRI Standards and disclosures the organization has used.

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

Effective date

All GRI Standards have an effective date. This is the date from when the information published by an organization must make use of a particular GRI Standard. All information published after the effective date of a Standard must make use of that Standard.

For example, *GRI 1: Foundation 2021* has an effective date of 1 January 2023. This means that the organization must make use of *GRI 1* for the information it publishes on or after 1 January 2023.

Effective dates are set keeping in mind that organizations may need time to adopt a new or revised Standard. Adoption of a Standard before its effective date is encouraged, as this allows the organization to report according to best practice.

2. Key concepts

This section explains the concepts that lay the foundation for sustainability reporting. Understanding how these concepts are applied in the GRI Standards is essential for those who collect and prepare information for reporting and those who interpret information that is reported using the Standards.

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

2.1 Impact

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

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

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

The organization's impacts on people refer to the impacts on individuals and groups, such as communities, vulnerable groups, or society. This includes the impacts the organization has on people's human rights. An organization can have an impact on people through, for example, its employment practices (e.g., the wages it pays to employees), its supply chain (e.g., the working conditions of workers of suppliers), and its products and services (e.g., their safety or accessibility). Individuals or groups that have interests that are affected or could be affected by the organization's activities are referred to as stakeholders (see section 2.4 in this Standard for more information).

The impacts on the economy, environment, and people are interrelated. For example, an organization's impacts on the economy and environment can result in impacts on people and their human rights. Similarly, an organization's positive impacts can result in negative impacts and vice versa. For example, an organization's positive impacts on the environment can lead to negative impacts on people and their human rights.

2.2 Material topics

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

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

The process of determining material topics is informed by the organization's ongoing identification and assessment of impacts. The ongoing identification and assessment of impacts involves engaging with relevant stakeholders and experts and it is conducted independently of the sustainability reporting process. See section 1 in *GRI 3: Material Topics 2021* for more information on determining material topics.

Box 1. Sustainability reporting and financial and value creation reporting

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

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

Even if not financially material at the time of reporting, most, if not all, of the impacts of an organization's activities and business relationships on the economy, environment, and people will eventually become financially material issues. Therefore, the impacts are also important for those interested in the organization's financial performance and long-term success. Understanding these impacts is a necessary first step in determining related financially material issues for the organization.

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

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

2.3 Due diligence

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

The way the organization is involved with negative impacts (i.e., whether it causes or contributes to the impacts, or whether the impacts are directly linked by its business relationships) determines how the organization should address the impacts. It also determines whether the organization has a responsibility to provide for or cooperate in the remediation of the impacts. The organization should:

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

If it is not feasible to address all identified impacts on the economy, environment, and people at once, the organization should prioritize the order in which to address potential negative impacts based on their severity and likelihood. In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood. See section 1 in GRI 3: Material Topics 2021 for more information.

Due diligence is elaborated by the *United Nations (UN) Guiding Principles on Business and Human Rights* [5], the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises* [3], and the *OECD Due Diligence Guidance for Responsible Business Conduct* [2].

2.4 Stakeholder

Stakeholders are individuals or groups that have interests that are affected or could be affected by an organization's activities. 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.

In the GRI Standards, an interest (or 'stake') is something of value to an individual or group, which can be affected by the activities of an organization. Stakeholders can have more than one interest. Not all interests are of equal importance and they do not all need to be treated equally. Human rights have a particular status as an entitlement of all people under international law. The most acute impacts the organization can have on people are those that negatively affect their human rights. The term 'rightsholders' refers to stakeholders whose individual human rights or collective rights (held by groups such as indigenous peoples) are or could be affected.

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

Stakeholders may not always have a direct relationship with the organization. For example, the workers in the organization's supply chain can also be its stakeholders, or there can be individuals or groups living at a distance from the organization's operations who can be affected or potentially affected by these operations. They may not be aware that they are stakeholders of that particular organization, especially if they have not yet been affected by its activities. The organization should identify the interests of these and other stakeholders who are unable to articulate their views (e.g., future generations).

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

Where it is impossible to engage with all relevant stakeholders directly, the organization can engage with credible stakeholder representatives or proxy organizations (e.g., non-governmental organizations, trade unions).

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

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

See reference [2] in the Bibliography.

3. Reporting in accordance with the GRI Standards

Reporting in accordance with the GRI Standards enables an organization to provide a comprehensive picture of its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts. This allows information users to make informed assessments and decisions about the organization's impacts and its contribution to sustainable development.

The organization must comply with all nine requirements in this section to report in accordance with the GRI Standards.

Overview of in accordance requirements

Requirement 1:	Apply the reporting principles
Requirement 2:	Report the disclosures in GRI 2: General Disclosures 2021
Requirement 3:	Determine material topics
Requirement 4:	Report the disclosures in GRI 3: Material Topics 2021
Requirement 5:	Report disclosures from the GRI Topic Standards for each material topic
Requirement 6:	Provide reasons for omission for disclosures and requirements that the organization cannot comply with
Requirement 7:	Publish a GRI content index
Requirement 8:	Provide a statement of use
Requirement 9:	Notify GRI

If the organization does not comply with all nine requirements, it cannot claim that it has prepared the reported information in accordance with the GRI Standards. In such a case, the organization may be able to claim that it has prepared the reported information with reference to the GRI Standards, provided it complies with the requirements specified in 'Reporting with reference to the GRI Standards' at the end of this section.

Requirement 1: Apply the reporting principles

a. The organization shall apply all the reporting principles specified in section 4 of GRI 1: Foundation 2021.

Requirement 2: Report the disclosures in GRI 2: General Disclosures 2021

a. The organization shall report all disclosures in *GRI 2: General Disclosures 2021.*

Guidance

Reasons for omission are permitted for all disclosures in *GRI 2* except for:

- Disclosure 2-1 Organizational details
- Disclosure 2-2 Entities included in the organization's sustainability reporting
- Disclosure 2-3 Reporting period, frequency and contact point
- Disclosure 2-4 Restatements of information
- Disclosure 2-5 External assurance

If the organization cannot comply with a disclosure or with a requirement in a disclosure for which reasons for omission are permitted, then the organization is required to specify in the GRI content index the disclosure or the requirement it cannot comply with, and provide a reason for omission with an explanation. See Requirement 6 in this Standard for more information on reasons for omission.

Requirement 3: Determine material topics

The organization shall:

a. determine its material topics;

b. review the GRI Sector Standard(s) that apply to its sector(s) and:
   i. determine whether each topic in the applicable Sector Standard(s) is a material topic for the organization;
   ii. list in the GRI content index any topics from the applicable Sector Standard(s) that the organization has determined as not material and explain why they are not material.

Guidance
See section 1 in *GRI 3: Material Topics 2021* for guidance on how to determine material topics.

The organization is required to determine its material topics based on its specific circumstances.

Using the GRI Sector Standards supports the organization in this process. The Sector Standards provide information for organizations about their likely material topics.

The organization is required to use the applicable Sector Standards when determining its material topics.

Guidance to 3-b
The organization is required to comply with Requirement 3-b only if GRI Sector Standards that apply to its sectors are available.

The organization is required to review each topic described in the applicable Sector Standards and determine whether it is a material topic for the organization. If the organization has determined any of the topics included in the applicable Sector Standards as not material, then the organization is required to list them in the GRI content index and explain why they are not material. See Requirement 7 in this Standard for more information on the content index.

See section 1 in *GRI 3* and the GRI Sector Standards for guidance on how to use the Sector Standards to determine material topics.

Requirement 4: Report the disclosures in GRI 3: Material Topics 2021

The organization shall:

a. report its process of determining material topics using Disclosure 3-1;

b. report a list of its material topics using Disclosure 3-2;

c. report how it manages each material topic using Disclosure 3-3.

Guidance
Reasons for omission are only permitted for Disclosure 3-3 Management of material topics in *GRI 3*.

If the organization cannot comply with Disclosure 3-3 or with a requirement in Disclosure 3-3, then the organization is required to specify this in the GRI content index, and to provide a reason for omission with an explanation. See Requirement 6 in this Standard for more information on reasons for omission.

Requirement 5: Report disclosures from the GRI Topic Standards for each material topic

The organization shall:

a. report disclosures from the GRI Topic Standards for each material topic;

b. for each material topic covered in the applicable GRI Sector Standard(s), either:
i. report the disclosures from the GRI Topic Standards listed for that topic in the Sector Standard(s), or;
ii. provide the 'not applicable' reason for omission and the required explanation in the GRI content index.

Guidance to 5-a
For each material topic, the organization needs to identify disclosures from the GRI Topic Standards to report. The organization is required to report only those disclosures relevant to its impacts in relation to a material topic. The organization is not required to report disclosures that are not relevant.

There is no requirement for a minimum number of disclosures to report from the Topic Standards. The number of disclosures that the organization reports is based on its assessment of which disclosures are relevant to its impacts in relation to a material topic.

The organization may need to use more than one Topic Standard to report on a material topic. In addition, not all disclosures in a Topic Standard may be relevant for the organization to report. For example, an organization identifies pay equality as a material topic. The organization determines that the following disclosures are relevant to report on the topic: Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage in *GRI 202: Market Presence 2016*, and Disclosure 405-2 Ratio of basic salary and remuneration of women to men in *GRI 405: Diversity and Equal Opportunity 2016*. The organization is not required to report other disclosures from these Standards (e.g., Disclosure 202-2 Proportion of senior management hired from the local community in *GRI 202*), as these disclosures do not address the topic of pay equality.

When a material topic is covered in the applicable GRI Sector Standards, the organization uses the Sector Standards to identify disclosures to report. See Requirement 5-b in this Standard for more information.

Reasons for omission are permitted for all disclosures from the Topic Standards. If the organization cannot comply with a disclosure or with a requirement in a disclosure, then the organization is required to specify in the GRI content index the disclosure or the requirement it cannot comply with, and provide a reason for omission with an explanation. See Requirement 6 in this Standard for more information on reasons for omission.

The organization should provide sufficient information about its impacts in relation to each material topic so that information users can make informed assessments and decisions about the organization. If the disclosures from the Topic Standards do not provide sufficient information about the organization's impacts, then the organization should report additional disclosures. These can include the additional sector disclosures recommended in the GRI Sector Standards, disclosures from other sources, or disclosures developed by the organization itself.

Disclosures that the organization reports from other sources or that are developed by the organization itself, should have the same rigor as disclosures from the GRI Standards, and they should align with expectations set out in authoritative intergovernmental instruments.

Reporting on material topics not covered in the GRI Topic Standards
When the organization's material topic is not covered by the disclosures in the GRI Topic Standards, the organization is required to report how it manages the material topic, using Disclosure 3-3 in *GRI 3: Material Topics 2021*. See Requirement 4-c in this Standard for more information.

In addition to reporting Disclosure 3-3, the organization should report other disclosures for that topic. These can include the additional sector disclosures recommended in the GRI Sector Standards, disclosures from other sources, or disclosures developed by the organization itself.

For example, an organization determines freedom of speech to be a material topic. As there is no Topic Standard that covers this topic, the organization should report disclosures from other sources or develop its own disclosures to report on the topic. The organization is still required to report how it manages the topic of freedom of speech, using Disclosure 3-3 in *GRI 3*.

Guidance to 5-b
The organization is required to comply with Requirement 5-b only if GRI Sector Standards that apply to its sectors are

available. The Sector Standards provide information for organizations about their likely material topics.

The organization is required to review each topic described in the applicable Sector Standards and determine whether it is a material topic for the organization.

If the organization determines a topic in an applicable Sector Standard to be material, the Sector Standard helps the organization identify disclosures to report information about its impacts in relation to that topic. For each likely material topic, the Sector Standards list disclosures from the GRI Topic Standards for organizations to report. If any of the Topic Standards disclosures listed in the Sector Standards are not relevant to the organization's impacts, the organization is not required to report these. However, the organization is required to list these disclosures in the GRI content index and provide 'not applicable' as the reason for omission for not reporting the disclosures. The organization is also required to explain in brief why the disclosures are not relevant to its impacts in relation to the material topic. See Requirement 6 in this Standard for more information on reasons for omission.

Note that when reporting the Topic Standards disclosures listed in the Sector Standards, the organization can still use any of the four reasons for omission included in Table 1 of this Standard if it cannot comply with the disclosure or with a requirement in the disclosure.

Besides the disclosures from the Topic Standards, the Sector Standards may list additional sector disclosures for organizations to report. Reporting these additional sector disclosures is a recommendation. The organization is not required to provide a reason for omission for the additional sector disclosures it does not report.

Requirement 6: Provide reasons for omission for disclosures and requirements that the organization cannot comply with

a. **If the organization cannot comply with a disclosure or with a requirement in a disclosure for which reasons for omission are permitted, the organization shall in the GRI content index:**
   i. **specify the disclosure or the requirement it cannot comply with;**
   ii. **provide one of the four reasons for omission included in Table 1 and the required explanation for that reason.**

Table 1. Permitted reasons for omission and required explanations

REASON FOR OMISSION	REQUIRED EXPLANATION
Not applicable	**Explain why the disclosure or the requirement is considered not applicable.**
Legal prohibitions	**Describe the specific legal prohibitions.**
Confidentiality constraints	**Describe the specific confidentiality constraints.**
Information unavailable / incomplete	**Specify which information is unavailable or incomplete. When the information is incomplete, specify which part is missing (e.g., specify the entities for which the information is missing).** **Explain why the required information is unavailable or incomplete.** **Describe the steps being taken and the expected time frame to obtain the information.**

Guidance

Reasons for omission are permitted for all disclosures from the GRI Standards except for:

- Disclosure 2-1 Organizational details
- Disclosure 2-2 Entities included in the organization's sustainability reporting
- Disclosure 2-3 Reporting period, frequency and contact point
- Disclosure 2-4 Restatements of information
- Disclosure 2-5 External assurance
- Disclosure 3-1 Process to determine material topics
- Disclosure 3-2 List of material topics

The organization is only permitted to provide one of the four reasons for omission included in Table 1 of this Standard:

Not applicable

The organization provides 'not applicable' as the reason for omission in the following situations:

- When a disclosure or a requirement in a disclosure does not apply to the organization based on its characteristics (e.g., size, type). For example, 2-15-b-iii in *GRI 2: General Disclosures 2021* requires the organization to report whether conflicts of interest relating to the existence of controlling shareholders are disclosed to stakeholders. This requirement does not apply to organizations that do not have shareholders (e.g., foundations).

  In such cases, the organization is required to explain why the disclosure or the requirement does not apply to the organization.

  However, there may be cases where a disclosure or a requirement in a disclosure applies to the organization, but the organization does not have in place the item specified in the disclosure or in the requirement (e.g., committee, policy, practice, process). For example, 2-23-b in *GRI 2* requires the organization to describe its policy commitment to respect human rights. This expectation applies to every organization. All organizations are expected to have a policy commitment to respect human rights, but not every organization may have developed such a policy commitment yet.

  If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. It does not need to provide the 'not applicable' reason for omission.

  In such cases, the organization can explain the reasons for not having this item or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

- When a disclosure from the GRI Topic Standards that is listed in the applicable GRI Sector Standards is not relevant to the organization's impacts in relation to a material topic. In such cases, the organization is required to explain why the disclosure is not relevant to its impacts in relation to the material topic.

Legal prohibitions

The organization provides 'legal prohibitions' as the reason for omission when the law forbids collecting the required information or reporting it publicly.

Confidentiality constraints

There may be cases where the law does not forbid collecting or reporting the required information, but the organization considers the information confidential and cannot report it publicly. In such cases, the organization provides 'confidentiality constraints' as the reason for omission.

Information unavailable / incomplete

There may be cases where the organization has the item specified in a disclosure or in a requirement in a disclosure, but the information about the item is unavailable or incomplete. In such cases, the organization provides 'information unavailable / incomplete' as the reason for omission. For example, information is unavailable for Disclosure 305-3 in *GRI 305: Emissions 2016* when the organization has other indirect (Scope 3) greenhouse gas (GHG) emissions, but it has not collected data on its other indirect (Scope 3) GHG emissions yet.

When the organization cannot report part of the required information it means the information is incomplete. When the reported information does not cover the complete scope required by a disclosure (e.g., the information is missing for certain entities, sites, geographic locations), then the organization is required to provide 'information unavailable / incomplete' as the reason for omission. The organization must specify the entities, sites, geographic locations, etc., for which the required information is missing and cannot be reported.

The required information, or part of the required information, can be unavailable when, for example, it cannot be obtained or is not of adequate quality to report. This may be the case when the information is collected from another organization, such as a supplier.

The reasons 'confidentiality constraints' and 'information unavailable / incomplete' should only be used in exceptional cases. Using 'confidentiality constraints' and 'information unavailable / incomplete' frequently as reasons for omitting information reduces the credibility and usefulness of the organization's sustainability reporting. It does not align with the aim of reporting in accordance with the GRI Standards, which is to provide a comprehensive picture of the organization's most significant impacts.

The organization is not allowed to use other reasons for omission than those included in Table 1 of this Standard.

The organization is required to report reasons for omission in the GRI content index. See Requirement 7 in this Standard for more information on the content index.

Requirement 7: Publish a GRI content index

The organization shall:

a. publish a GRI content index that includes:

  i. the title: GRI content index;
  ii. the statement of use;
  iii. the title of GRI 1 used;
  iv. the title(s) of the GRI Sector Standard(s) that apply to the organization's sector(s);
  v. a list of the organization's material topics;
  vi. a list of the topics in the applicable GRI Sector Standard(s) determined as not material and an explanation for why they are not material;
  vii. a list of the reported disclosures, including the disclosure titles;
  viii. the titles of the GRI Standards and other sources that the reported disclosures come from;
  ix. when the organization does not report GRI Topic Standard disclosures for a material topic from the applicable GRI Sector Standard(s), a list of the disclosures and the required reason for omission;
  x. the GRI Sector Standard reference numbers for the disclosures from the applicable Sector Standard(s);
  xi. the location where the information reported for each disclosure can be found;
  xii. any reasons for omission used;

b. if it publishes a standalone sustainability report and the GRI content index is not included in the report itself, provide a link or reference to the GRI content index in the report.

Guidance
The information reported using the GRI Standards can be published or made accessible in a range of formats (e.g., electronic, paper-based) across one or more locations (e.g., a standalone sustainability report, web pages, an annual report). The GRI content index provides an overview of the organization's reported information, shows where the reported information can be found, and helps information users access this information. The content index also shows which GRI Standards and disclosures the organization has used.

Appendix 1 of this Standard provides guidance on how to prepare the GRI content index when reporting in accordance with the GRI Standards. It includes an example that the organization can use to prepare the content index. The organization can use a different format for the content index than the one provided in Appendix 1, as long as it complies with the requirements for the content index.

Requirement 8: Provide a statement of use

a. The organization shall include the following statement in its GRI content index:
[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].

Guidance
To state that the organization has reported in accordance with the GRI Standards, the organization must have complied with all nine requirements in this section.

The organization is required to insert the name of the organization and the start and end dates of its reporting period in the statement, for example:

'ABC Limited has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.'

The organization is required to report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, under Disclosure 2-14 in *GRI 2: General Disclosures 2021*.

Requirement 9: Notify GRI

a. The organization shall notify GRI of the use of the GRI Standards and the statement of use by sending an email to reportregistration@globalreporting.org.

Guidance

The organization should include the following information in the email:

- The legal name of the organization.
- The link to the GRI content index.
- The link to the report, if publishing a standalone sustainability report.
- The statement of use.
- A contact person in the organization and their contact details.

There is no cost associated with notifying GRI of the use of the GRI Standards.

Reporting with reference to the GRI Standards

An organization can report with reference to the GRI Standards if it cannot comply with all the requirements for reporting in accordance with the GRI Standards. The organization should transition to reporting in accordance with the GRI Standards in time as it will provide a comprehensive picture of the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

The organization can also report with reference to the GRI Standards if it uses selected GRI Standards, or parts of their content, to report information about specific topics for specific purposes, such as complying with a reporting regulation on climate change.

The organization must comply with all three requirements in this section to report with reference to the GRI Standards. The organization should also apply the reporting principles specified in section 4 of this Standard to ensure high-quality reporting. Additionally, the organization should explain how it manages its impacts for the topics it reports on using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

Overview of requirements for reporting with reference to the GRI Standards

Publish a GRI content index Provide a statement of use Notify GRI

Publish a GRI content index

The organization shall:

a. publish a GRI content index that includes:
- **i. the title: GRI content index;**
- **ii. the statement of use;**
- **iii. the title of GRI 1 used;**
- **iv. a list of the reported disclosures from the GRI Standards, including the disclosure titles;**
- **v. the titles of the GRI Standards that the reported disclosures come from;**
- **vi. the location where the information reported for each disclosure can be found;**

b. if it publishes a standalone sustainability report and the GRI content index is not included in the report itself, provide a link or reference to the GRI content index in the report.

Guidance
The information reported using the GRI Standards can be published or made accessible in a range of formats (e.g., electronic, paper-based) across one or more locations (e.g., a standalone sustainability report, web pages, an annual report). The GRI content index provides an overview of the organization's reported information, shows where the reported information can be found, and helps information users access this information. The content index also shows which GRI Standards and disclosures the organization has used.

Appendix 2 of this Standard provides guidance on how to prepare the GRI content index when reporting with reference to the GRI Standards. It includes an example that the organization can use to prepare the content index. The organization can use a different format for the content index than the one provided in Appendix 2, as long as it complies with the requirements for the content index. The organization can also use the content index specified for reporting in accordance with the GRI Standards in Appendix 1 of this Standard, if suitable. In such a case, the statement of use in Appendix 1, which is for reporting in accordance with the GRI Standards, must be replaced by the statement of use for reporting with reference to the GRI Standards.

Provide a statement of use

**a. The organization shall include the following statement in its GRI content index:
[Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.**

Guidance
To state that the organization has reported with reference to the GRI Standards, the organization must have complied with all three requirements in this section.

The organization is required to insert the name of the organization and the start and end dates of its reporting period in the statement, for example:

'ABC Limited has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.'

Notify GRI

a. The organization shall notify GRI of the use of the GRI Standards and the statement of use by sending an email to reportregistration@globalreporting.org.

Guidance
The organization should include the following information in the email:
- The legal name of the organization.
- The link to the GRI content index.
- The link to the report, if publishing a standalone sustainability report.
- The statement of use.
- A contact person in the organization and their contact details.

There is no cost associated with notifying GRI of the use of the GRI Standards.

4. Reporting principles

The reporting principles are fundamental to achieving high-quality sustainability reporting. Therefore, an organization is required to apply the reporting principles to be able to claim that it has prepared the reported information in accordance with the GRI Standards (see section 3 in this Standard).

The reporting principles guide the organization in ensuring the quality and proper presentation of the reported information. High-quality information allows information users to make informed assessments and decisions about the organization's impacts and its contribution to sustainable development.

Each reporting principle consists of a requirement and guidance on how to apply it.

Overview of principles

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

Accuracy

Requirement

a. The organization shall report information that is correct and sufficiently detailed to allow an assessment of the organization's impacts.

Guidance
The characteristics that determine accuracy vary depending on the nature of the information (qualitative or quantitative) and the intended use of the information. The accuracy of quantitative information depends on the specific methods used to gather, compile, and analyze data. The accuracy of qualitative information depends on the level of detail and consistency with the available evidence. Information users require sufficient detail to make assessments about the organization's impacts.

To apply the Accuracy principle, the organization should:
- report qualitative information that is consistent with available evidence and other reported information;
- indicate which data has been measured;
- adequately describe data measurements and bases for calculations, and ensure it is possible to replicate measurements and calculations with similar results;
- ensure that the margin of error for data measurements does not inappropriately influence the conclusions or assessments of information users;
- indicate which data has been estimated, and explain the underlying assumptions and techniques used for the estimation as well as any limitations of the estimates.

Balance

Requirement

a. The organization shall report information in an unbiased way and provide a fair representation of the organization's negative and positive impacts.

Guidance

To apply the Balance principle, the organization should:

- present information in a way that allows information users to see negative and positive year-on-year trends in impacts;
- distinguish clearly between facts and the organization's interpretation of the facts;
- not omit relevant information concerning its negative impacts;
- not overemphasize positive news or impacts;
- not present information in a way that is likely to inappropriately influence the conclusions or assessments of information users.

Clarity

Requirement

a. The organization shall present information in a way that is accessible and understandable.

Guidance

To apply the Clarity principle, the organization should:

- consider specific accessibility needs of information users, associated with abilities, language, and technology;
- present information in a way that users can find the information they want without unreasonable effort, for example, through a table of contents, maps, or links;
- present information in a way that it can be understood by users who have reasonable knowledge of the organization and its activities;
- avoid abbreviations, technical terms, or other jargon likely to be unfamiliar to users or, if these are used, include relevant explanations in the appropriate sections or in a glossary;
- report information in a concise way and aggregate information where useful without omitting necessary details;
- use graphics and consolidated data tables to make information accessible and understandable.

Comparability

Requirement

a. The organization shall select, compile, and report information consistently to enable an analysis of changes in the organization's impacts over time and an analysis of these impacts relative to those of other organizations.

Guidance

Information reported in a comparable way enables the organization and other information users to assess the organization's current impacts against its past impacts and its goals and targets. It also enables external parties to assess and benchmark the organization's impacts against impacts of other organizations as part of rating activities, investment decisions, and advocacy programs.

To apply the Comparability principle, the organization should:

- present information for the current reporting period and at least two previous periods, as well as any goals and targets that have been set;
- use accepted international metrics (e.g., kilograms, liters), and standard conversion factors and protocols, where applicable, for compiling and reporting information;
- maintain consistency in the methods used to measure and calculate data and in explaining the methods and assumptions used;
- maintain consistency in the manner of presenting the information;
- report total numbers or absolute data (e.g., metric tons of CO_2 equivalent) as well as ratios or normalized data

(e.g., CO_2 emissions per unit produced) to enable comparisons, and provide explanatory notes when using ratios;
- provide contextual information (e.g., the organization's size, geographic location) to help information users understand the factors that contribute to differences between the organization's impacts and the impacts of other organizations;
- present the current disclosures alongside restatements of historical data to enable comparisons if there have been changes from the information reported previously. This can include changes in the length of the reporting period, in the measurement methodologies, in the definitions used, or in other elements of reporting. The organization is required to report restatements of information under Disclosure 2-4 in *GRI 2: General Disclosures 2021*;
- if restatements of historical data are not provided, explain the changes to provide contextual information for interpreting the current disclosures.

Completeness

Requirement

a. The organization shall provide sufficient information to enable an assessment of the organization's impacts during the reporting period.

Guidance
To apply the Completeness principle, the organization should:
- present activities, events, and impacts for the reporting period in which they occur. This includes reporting information about activities that have a minimal impact in the short-term, but a reasonably foreseeable cumulative impact that can become unavoidable or irreversible in the long-term (e.g., activities that generate bio-accumulative or persistent pollutants);
- not omit information that is necessary for understanding the organization's impacts.

If the organization consists of multiple entities (i.e., a parent entity and its subordinate entities), the organization is required to explain the approach used for consolidating the information under 2-2-c in *GRI 2: General Disclosures 2021*.

If the information for a disclosure or a requirement in a disclosure for which reasons for omission are permitted is unavailable or incomplete, then the organization is required to provide a reason for omission. When information is incomplete, the organization is required to specify which part is missing (e.g., specify the entities for which the information is missing). See Requirement 6 in this Standard for more information.

Sustainability context

Requirement

a. The organization shall report information about its impacts in the wider context of sustainable development.

Guidance
Sustainable development has been defined as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs' [8]. The objective of sustainability reporting using the GRI Standards is to provide transparency on how an organization contributes or aims to contribute to sustainable development. For this purpose, the organization needs to assess and report information about its impacts in the wider context of sustainable development.

To apply the Sustainability context principle, the organization should:
- draw on objective information and authoritative measures on sustainable development to report information about its impacts (e.g., scientific research or consensus on the limits and demands placed on environmental resources);
- report information about its impacts in relation to sustainable development goals and conditions (e.g., reporting total greenhouse gas [GHG] emissions as well as reductions in GHG emissions in relation to the goals set out in the *United Nations [UN] Framework Convention on Climate Change [FCCC] Paris Agreement* [4]);

- report information about its impacts in relation to societal expectations and expectations of responsible business conduct set out in authoritative intergovernmental instruments with which the organization is expected to comply (e.g., *Organisation for Economic Co-operation and Development [OECD] Guidelines for Multinational Enterprises* [3], *UN Guiding Principles on Business and Human Rights* [5]) and in other recognized sector-specific, local, regional, or global instruments;
- if operating in a range of locations, report information about its impacts in relation to appropriate local contexts (e.g., reporting total water use, as well as water use relative to the sustainable thresholds and the social context of given catchments).

Understanding the sustainability context provides the organization with critical information to determine and report on its material topics (see *GRI 3: Material Topics 2021*). The GRI Sector Standards describe the sectors' context and can help the organization understand its sustainability context.

Timeliness

Requirement

a. The organization shall report information on a regular schedule and make it available in time for information users to make decisions.

Guidance
The usefulness of information is closely tied to whether it is available in time for information users to integrate it into their decision-making. Thus, the Timeliness principle refers to how regularly and how soon after the reporting period the information is published.

To apply the Timeliness principle, the organization should:
- find a balance between the need to make information available in a timely manner and ensuring that the information is of high quality and meets the requirements under the other reporting principles;
- ensure consistency in the length of reporting periods;
- indicate the time period covered by the reported information.

See section 5.1 in this Standard for information on aligning the reporting periods and publishing schedules of sustainability reporting and other types of reporting.

Verifiability

Requirement

a. The organization shall gather, record, compile, and analyze information in such a way that the information can be examined to establish its quality.

Guidance
It is important that the reported information can be examined to establish its veracity and to determine the extent to which the reporting principles have been applied.

To apply the Verifiability principle, the organization should:
- set up internal controls and organize documentation in such a way that individuals other than those preparing the reported information (e.g., internal auditors, external assurance providers) can review them;
- document the decision-making processes underlying the organization's sustainability reporting in a way that allows for the examination of the key decisions and processes, such as the process of determining material topics;
- if the organization designs information systems for its sustainability reporting, design these systems in a way that they can be examined as part of an external assurance process;
- be able to identify the original sources of the reported information and provide reliable evidence to support assumptions or calculations;

- be able to provide representation from the original sources of the reported information attesting to the accuracy of the information within acceptable margins of error;
- avoid including information that is not substantiated by evidence unless it is relevant for understanding the organization’s impacts;
- provide clear explanations of any uncertainties associated with the reported information.

See section 5.2 in this Standard for more information on enhancing the credibility of the organization’s sustainability reporting.

5. Additional recommendations for reporting

This section presents recommendations for an organization to align its sustainability reporting with other types of reporting and to enhance the credibility of its sustainability reporting.

5.1 Aligning sustainability reporting with other reporting

An organization should align its sustainability reporting with other statutory and regulatory reporting, in particular its financial reporting. This means that the organization should report the information for the same reporting period and for the same group of entities as covered in its financial reporting. The organization should also publish the information at the same time as its financial reporting, where this is possible.

5.2 Enhancing the credibility of sustainability reporting

There are several ways in which an organization can enhance the credibility of its sustainability reporting. These include the use of internal controls, external assurance, and stakeholder or expert panels. The organization is not required to apply these methods when reporting in accordance with the GRI Standards but is encouraged to do so.

Internal controls
The organization should set up internal controls to strengthen the integrity and credibility of its sustainability reporting. Internal controls are processes designed and implemented by the organization, generally its management, to provide reasonable assurance regarding the achievement of its objectives.

Internal controls can be implemented in day-to-day operations and through compliance functions. The organization can also establish and maintain an internal audit function as part of its processes for risk management to further improve the credibility of its sustainability reporting.

In some jurisdictions, corporate governance codes require the highest governance body to inquire and, if it is satisfied, to confirm the adequacy of an organization's internal controls in the annual report. This confirmation may only relate to the adequacy of the internal controls for financial reporting. It may not provide information about whether the same internal controls are also adequate to assess the credibility of the organization's sustainability reporting. If the organization relies on internal controls set up for financial reporting, it should assess the relevance of these controls for its sustainability reporting. In cases where these controls are inadequate, the organization should identify and use additional internal controls to assess the credibility of its sustainability reporting.

External assurance
In addition to internal controls, the organization should seek external assurance for its sustainability reporting. Disclosure 2-5 in *GRI 2: General Disclosures 2021* requires the organization to describe its policy and practice for seeking external assurance for its sustainability reporting. If the sustainability reporting has been externally assured, the organization is also required to describe what was assured and on what basis.

External assurance comprises activities carried out by assurance providers to assess the quality and credibility of the qualitative and quantitative information reported by the organization. External assurance can also be used to assess the organization's systems or processes to prepare the information (e.g., the process of determining material topics). External assurance is different from activities used to assess or validate the performance, such as compliance assessments or the issuing of performance certifications.

External assurance results in published assurance reports or conclusions that can be used to verify that the information has been prepared in accordance with reporting standards. It can also be used to reduce risk in data quality and increase trust in the reported information. This, in turn, helps information users and the organization rely on the reported information for their decision-making.

External assurance should be conducted by competent assurance providers with appropriate experience and qualifications. Assurance providers should be:
- independent from the organization and therefore able to reach impartial and objective conclusions about the organization's reporting and to publish these conclusions in a report that is publicly available;
- demonstrably competent in the subject matter and assurance practices;

- competent in applying quality control procedures to the assurance engagement;
- able to conduct the engagement in a manner that is systematic, documented, evidence-based, and characterized by defined procedures in line with professional standards for assurance;
- able to consider the selection of the information reported as well as its accuracy, and to assess whether the reporting provides a comprehensive picture of the organization's most significant impacts and how it manages these impacts;
- able to assess the extent to which the organization has applied the GRI Standards in formulating opinions or reaching conclusions.

Stakeholder or expert panels
The organization can also convene a stakeholder or expert panel to seek views on its approach to sustainability reporting or for advice on the information to be reported.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law

or practice

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

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

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

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

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

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

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

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

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

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

Bibliography

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

Authoritative instruments:

1. International Labour Organization (ILO), *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, 2017.
2. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
4. United Nations (UN), *Framework Convention on Climate Change (FCCC) Paris Agreement*, 2015.
5. United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011.
6. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
7. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.
8. World Commission on Environment and Development, *Our Common Future*, 1987.

Appendix 1. GRI content index in accordance

GRI content index

Statement of use	[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	[Titles of the applicable GRI Sector Standards]

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details		*A gray cell indicates something that does not apply. This only relates to the 'Omission' and 'GRI Sector Standard ref. no.' columns.*			
	2-2 Entities included in the organization's sustainability reporting					
	2-3 Reporting period, frequency and contact point					
	2-4 Restatements of information					
	2-5 External assurance					
	2-6 Activities, value chain and other business relationships					
	" "	" "	" "	" "	" "	
	2-30 Collective bargaining agreements					
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics					
	3-2 List of material topics					
[Material topic]						
GRI 3: Material Topics 2021	3-3 Management of material topics					
[Title of source]	[Disclosure title]					
" "	" "	" "	" "	" "	" "	" "
[Material topic]						
GRI 3: Material Topics 2021	3-3 Management of material topics					
[Title of source]	[Disclosure title]					
" "	" "	" "	" "	" "	" "	" "

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	**EXPLANATION**
[Title of GRI Sector Standard]	
[Topic]	[Explanation]
[Topic]	[Explanation]

Guidance
This Appendix provides guidance on how to prepare the GRI content index when reporting in accordance with the GRI Standards. It includes an example that the organization can use to prepare the content index. The organization can use a different format for the content index than the one provided here, as long as it complies with the requirements for the content index specified in Requirement 7 in this Standard.

The organization can include additional information in the content index, beyond what is required by the GRI Standards. For example, the organization can show how the disclosures it has reported using the GRI Standards are related to those required by other reporting standards or frameworks.

The organization should make sure that such additions do not compromise the readability of the content index. This can be done by providing any additional information in separate columns or rows that are included at the end of the content index, after all the required information has been specified.

The organization should not report the information required by the disclosures directly in the content index. Exceptions can be made if the information is brief and easier to find in the content index than in other locations (e.g., information on the reporting period may be easier to find when stated directly in the content index); or to report that an item (e.g., committee, policy, practice, process) specified in a disclosure does not exist. Detailed reporting in the content index should be avoided.

	**Statement of use** The organization is required to include in the GRI content index the statement of use for reporting in accordance with the GRI Standards, as specified in Requirement 7-a-ii in this Standard. See Requirement 8 in this Standard for more information on the statement of use. **GRI 1 used** The organization is required to include in the GRI content index the title of GRI 1 it has used, as specified in Requirement 7-a-iii in this Standard. The title of GRI 1 includes the number, name, and publication year (e.g., *GRI 1: Foundation 2021*). GRI 1 does not contain disclosures, but it does specify the requirements for reporting in accordance with the GRI Standards. The GRI Standards are regularly updated, and a newer version of GRI 1 may have different requirements for reporting in accordance with the GRI Standards than its previous version. Indicating which version of GRI 1 the organization has used helps clarify which requirements it must comply with. **Applicable GRI Sector Standard(s)** The organization is required to include in the GRI content index the titles of the GRI Sector Standards that apply to its sectors, as specified in Requirement 7-a-iv in this Standard. The title of a GRI Sector Standard includes the number, name, and publication year (e.g., *GRI 11: Oil and Gas Sector 2021*).
	**Titles of the GRI Standards and other sources of reported disclosures** The organization is required to include in the GRI content index the titles of the GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards it has used to report disclosures, as specified in Requirement 7-a-viii in this Standard. These include: • *GRI 2: General Disclosures 2021*; • *GRI 3: Material Topics 2021*; • the Topic Standards the organization has used for reporting on its material topics; • the Sector Standards the organization has used to report additional sector disclosures listed for its material topics. The title of a GRI Standard includes the number, name, and publication year (e.g., *GRI 303: Water and Effluents 2018*). The publication year indicates which version of a GRI Standard the organization has used. The GRI Standards are regularly updated, and a newer version of a GRI Standard may have different disclosures than its previous version. The publication year of the Standard does not refer to the reporting period covered by the reported information or to the year that the reported information is published.

	If the organization reports disclosures from other sources, the organization is required to include in the content index the titles of the sources it has used.
	**Disclosures** The organization is required to list in the GRI content index all the disclosures it has reported, as specified in Requirement 7-a-vii in this Standard. These include the disclosures from *GRI 2: General Disclosures 2021* and *GRI 3: Material Topics 2021*, and the disclosures it has reported for each material topic. For each material topic the organization is required to list the disclosures it has reported from the GRI Topic Standards and GRI Sector Standards, as well as the disclosures it has reported from other sources. The organization should organize these disclosures by each material topic. See Requirement 5-a and Requirement 5-b-i in this Standard for more information on reporting disclosures for each material topic. Besides the disclosures from the Topic Standards, the Sector Standards may list additional sector disclosures for organizations to report. Reporting these additional sector disclosures is a recommendation. If the organization reports any of these additional sector disclosures for its material topics, it is required to list them in the content index. The organization is required to include the disclosure titles in the content index. The title of a disclosure includes the number and name (e.g., 2-6 Activities, value chain and other business relationships). For disclosures from other sources, if there is no disclosure title available, the organization can list any other information that helps identify the disclosure. **GRI Topic Standards disclosures listed in the applicable GRI Sector Standards that are not reported** For each topic in the applicable GRI Sector Standards determined as material, the organization is required to include in the GRI content index any GRI Topic Standards disclosures listed for that topic that the organization does not report, as specified in Requirement 7-a-ix in this Standard. There can be cases where a Topic Standard disclosure listed in the Sector Standard is not relevant to the organization's impacts in relation to the material topic. In such cases, the organization is required to provide the 'not applicable' reason for omission, and to briefly explain why the disclosure is not relevant. See Requirement 5-b in this Standard for more information on reporting on material topics covered in the Sector Standards.
	**Location** For each disclosure that it has reported, the organization is required to include in the GRI content index the location (i.e., the specific page numbers or links) in, for example, a report, document, website where the information can be found, as specified in Requirement 7-a-xi in this Standard. If the information reported for a disclosure is spread across multiple pages or web pages, the organization is required to specify all page numbers and links across which the information is distributed. If the organization is required to report information that it has previously reported, and the information has not changed during the reporting period (e.g., the organization is required to report information about a policy or process that has not changed since the previous reporting period), the organization can republish this information or provide a reference to the previously reported information in the content index.

	**Omissions** The organization is required to include in the GRI content index the reasons for omission it has used for each disclosure or requirement it cannot comply with, as specified in Requirement 7-a-xii in this Standard. If the organization cannot comply with a disclosure or with a requirement in a disclosure for which reasons for omission are permitted, the organization is required to specify the disclosure or the requirement it cannot comply with in the content index. It is also required to provide one of the permitted reasons for omission and the required explanation for that reason. The four permitted reasons for omission are: not applicable, legal prohibitions, confidentiality constraints, and information unavailable / incomplete. See Requirement 6 in this Standard for more information on reasons for omission.
	**GRI Sector Standard reference numbers** When listing the GRI disclosures and additional sector disclosures from the applicable GRI Sector Standards in the GRI content index, the organization is required to include the GRI Sector Standard reference numbers, as specified in Requirement 7-a-x in this Standard. The GRI Sector Standard reference number refers to the unique identifier for each disclosure listed in a Sector Standard (e.g., S11.1.1). This identifier helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.
	**Material topics** The organization is required to list its material topics in the GRI content index, as specified in Requirement 7-a-v in this Standard. The list of material topics included in the content index is the same as the list of material topics reported under 3-2-a in *GRI 3: Material Topics 2021*.
	**Topics in the applicable GRI Sector Standards determined as not material** The organization is required to list in the GRI content index any topics from the applicable GRI Sector Standards that it has determined as not material and explain why they are not material, as specified in Requirement 7-a-vi in this Standard. See Requirement 3-b in this Standard for more information on using the Sector Standards to determine material topics.

Appendix 2. GRI content index with reference

GRI content index

Statement of use	[Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
[Title of GRI Standard]	[Disclosure title]	
[Title of GRI Standard]	[Disclosure title]	

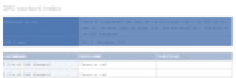
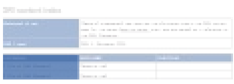
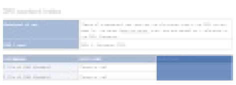
Guidance

This Appendix provides guidance on how to prepare the GRI content index when reporting with reference to the GRI Standards. It includes an example that the organization can use to prepare the content index. The organization can use a different format for the content index than the one provided here, as long as it complies with the requirements for the content index specified in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard. The organization can also use the content index specified for reporting in accordance with the GRI Standards in Appendix 1, if suitable. In such a case, the statement of use in Appendix 1, which is for reporting in accordance with the GRI Standards, must be replaced by the statement of use for reporting with reference to the GRI Standards.

The organization can include additional information in the content index, beyond what is required by the GRI Standards. For example, the organization can show how the disclosures it has reported using the GRI Standards are related to those required by other reporting standards or frameworks.

The organization should make sure that such additions do not compromise the readability of the content index. This can be done by providing any additional information in separate columns or rows that are included at the end of the content index, after all the required information has been specified.

The organization should not report the information required by the disclosures directly in the content index. Exceptions can be made if the information is brief and easier to find in the content index than in other locations (e.g., information on the reporting period may be easier to find when stated directly in the content index). Detailed reporting in the content index should be avoided.

	**Statement of use** The organization is required to include in the GRI content index the statement of use for reporting with reference to the GRI Standards, as specified in Requirement a-ii in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard. See the requirement to provide a statement of use in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard for more information on the statement of use. **GRI 1 used** The organization is required to include in the GRI content index the title of GRI 1 it has used, as specified in Requirement a-iii in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard. The title of GRI 1 includes the number, name, and publication year (e.g., *GRI 1: Foundation 2021*). GRI 1 does not contain disclosures, but it does specify the requirements for reporting with reference to the GRI Standards. The GRI Standards are regularly updated, and a newer version of GRI 1 may have different requirements for reporting with reference to the GRI Standards than its previous version. Indicating which version of GRI 1 the organization has used helps clarify which requirements it must comply with.
	**Titles of the GRI Standards of reported disclosures** The organization is required to include in the GRI content index the titles of all the GRI Standards it has used to report disclosures, as specified in Requirement a-v in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard. These can include *GRI 2: General Disclosures 2021*, *GRI 3: Material Topics 2021*, the GRI Sector Standards, and the GRI Topic Standards. The title of a GRI Standard includes the number, name, and publication year (e.g., *GRI 303: Water and Effluents 2018*). The publication year indicates which version of a GRI Standard the organization has used. The GRI Standards are regularly updated, and a newer version of a GRI Standard may have different disclosures than its previous version. The publication year of the Standard does not refer to the reporting period covered by the reported information or to the year that the reported information is published.
	**Disclosures** The organization is required to list in the GRI content index all the disclosures it has reported from the GRI Standards, as specified in Requirement a-iv in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard. The organization is required to include the disclosure titles in the content index. The title of a disclosure includes the number and name (e.g., 303-3 Water withdrawal).
	**Location** For each disclosure that it has reported, the organization is required to include in the GRI content index the location (i.e., the specific page numbers and links) in, for example, a report, document, website where the information can be found, as specified in Requirement a-vi in 'Reporting with reference to the GRI Standards' at the end of section 3 of this Standard. If the information reported for a disclosure is spread across multiple pages or web pages, the organization is required to specify all page numbers and links across which the information is distributed.

GRI 2: General Disclosures 2021

Universal Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2023

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 2: General Disclosures 2021 contains disclosures for organizations to provide information about their reporting practices; activities and workers; governance; strategy, policies, and practices; and stakeholder engagement. This information gives insight into the profile and scale of organizations and provides a context for understanding their impacts.

The Standard is structured as follows:

- Section 1 contains five disclosures, which provide information about the organization, its sustainability reporting practices, and the entities included in its sustainability reporting.
- Section 2 contains three disclosures, which provide information about the organization's activities, employees, and other workers.
- Section 3 contains thirteen disclosures, which provide information about the organization's governance structure, composition, roles, and remuneration.
- Section 4 contains seven disclosures, which provide information about the organization's sustainable development strategy and its policies and practices for responsible business conduct.
- Section 5 contains two disclosures, which provide information about the organization's stakeholder engagement practices and how it engages in collective bargaining with employees.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard, as well as resources that the organization can consult.

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

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

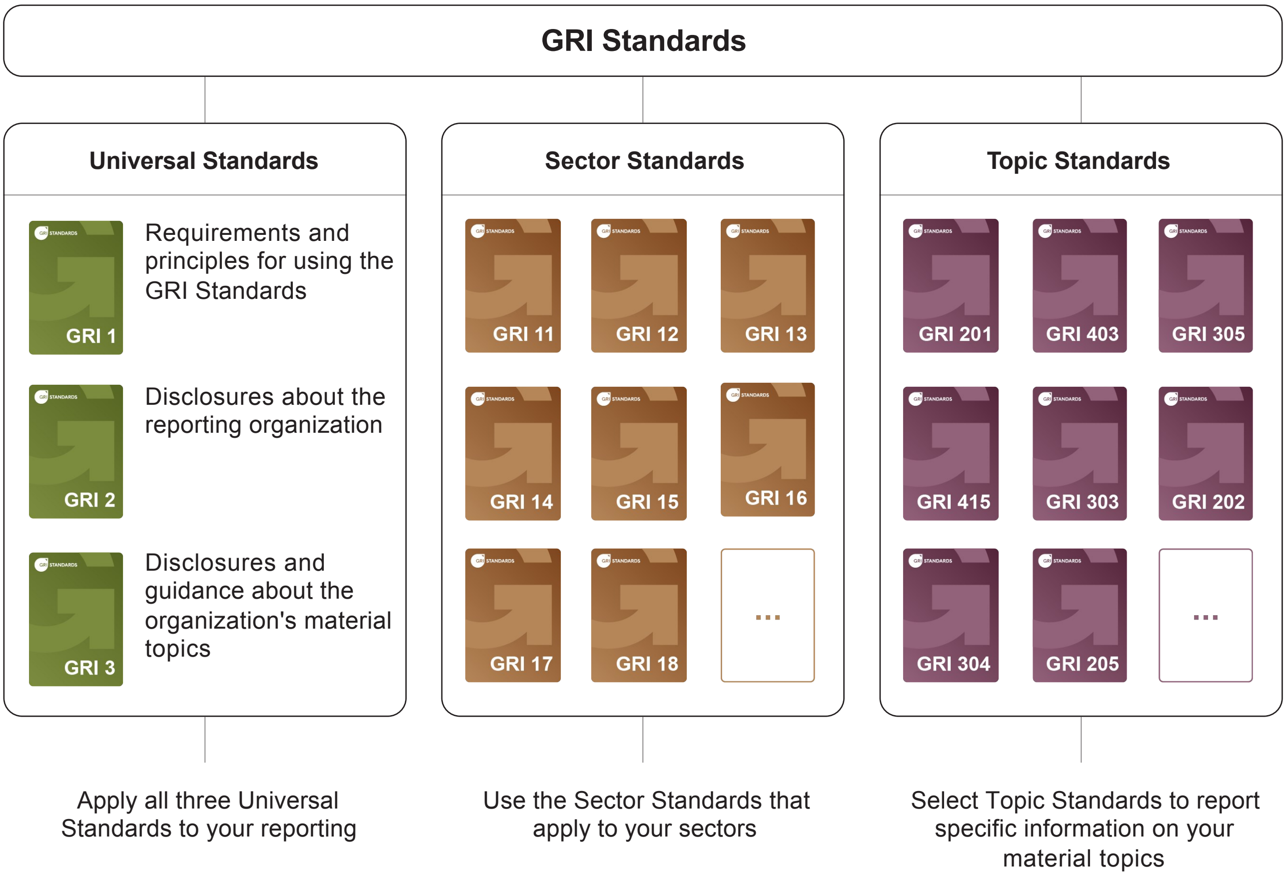
Sector Standards

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

Topic Standards

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

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



Using this Standard

An organization reporting in accordance with the GRI Standards is required to report all disclosures in this Standard. Disclosure 2-2 in this Standard requires the organization to list its entities included in its sustainability reporting. These entities define the scope for reporting all other disclosures in this Standard.

Reasons for omission are permitted for all disclosures in this Standard except for:

- Disclosure 2-1 Organizational details
- Disclosure 2-2 Entities included in the organization’s sustainability reporting
- Disclosure 2-3 Reporting period, frequency and contact point
- Disclosure 2-4 Restatements of information
- Disclosure 2-5 External assurance

If the organization cannot comply with a disclosure or with a requirement in a disclosure for which reasons for omission are permitted (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout the GRI Standards:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. The organization and its reporting practices

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

Disclosure 2-1 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 2-1-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 2-1-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 charity.

Guidance to 2-1-c
Headquarters are an organization's global administrative center, the place from which it is controlled or directed.

Guidance to 2-1-d
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. The organization can also report the regions or specific locations within countries (e.g., states, cities) where it has operations, if this provides contextual information for understanding the organization's impacts.

Disclosure 2-2 Entities included in the organization's sustainability reporting

REQUIREMENTS

The organization shall:

a. list all its entities 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 the disclosures in this Standard and across material topics.

GUIDANCE

Guidance to 2-2-a
The entities reported under 2-2-a form the basis for reporting the disclosures in this Standard and for determining the organization's material topics.

Requirement 2-2-a includes those entities that the organization controls or has an interest in and are included in its sustainability reporting, such as subsidiaries, joint ventures, and affiliates, including minority interests. The organization should report information for the same group of entities as covered in its financial reporting.

When determining its material topics, the organization should consider the impacts of additional entities with which it has business relationships that are not included in the list reported under 2-2-a. See section 1 in *GRI 3: Material Topics 2021* for more information.

Guidance to 2-2-a and 2-2-b
If all the entities in the organization's financial reporting are also included in its sustainability reporting, a brief statement of this fact, including a link or reference to the list of entities included in its audited consolidated financial statements or financial information filed on public record, is sufficient to comply with 2-2-a and 2-2-b.

The organization should separately specify any additional entities included in the sustainability reporting that are not included in its financial reporting.

Guidance to 2-2-c
A minority interest is an ownership interest in an entity that is not controlled by the parent entity.

Disclosure 2-3 Reporting period, frequency and contact point

REQUIREMENTS

The organization shall:

a. specify the reporting period for, and the frequency of, its sustainability reporting;

b. 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 of the report or reported information;

d. specify the contact point for questions about the report or reported information.

GUIDANCE

Guidance to 2-3-a
The organization can specify the frequency of sustainability reporting as 'annual'. See the Timeliness principle in *GRI 1: Foundation 2021* for more information.

Guidance to 2-3-a and 2-3-b
The reporting period refers to the time period covered by the reported information and should include the start and end dates (e.g., 1 January 2022 to 31 December 2022, 1 July 2022 through 30 June 2023).

The organization should report the information for the same reporting period as covered in its financial reporting. The organization should also publish the information at the same time as its financial reporting, where this is possible.

Disclosure 2-4 Restatements of information

REQUIREMENTS

The organization shall:

a. report restatements of information made from previous reporting periods and explain:

- **i. the reasons for the restatements;**
- **ii. the effect of the restatements.**

GUIDANCE

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 to the nature of the business. Restatements of information ensure consistency and enable comparability of information between reporting periods. See the Comparability principle in *GRI 1: Foundation 2021* for more information.

The organization should report the criteria used to determine when a change or error in previously reported information is considered significant enough to provide a restatement. A change or error could be significant when it influences information users' decision-making (e.g., it influences the analysis of the changes in the organization's impacts over time).

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 previously reported GHG emissions that meets the organization's restatement criteria. The organization then restates its previously reported GHG emissions. In such a case, the organization is required to explain that it has restated its previously reported GHG emissions due to the new measurement methodology and that this has resulted in lower GHG emissions than previously reported. The organization should also report the quantitative change observed (e.g., GHG emissions are 10% lower than the emissions previously reported).

If the organization has not made any restatement in the reporting period, a brief statement of this fact is sufficient to comply with the requirement.

Guidance to 2-4-a-i

Examples of reasons for restatements of information include:

- change of base period or length of the reporting period;
- change in the nature of the business;
- change in the measurement methodologies or in the definitions used;
- disposals, mergers, or acquisitions;
- error made in previous reporting periods.

Guidance to 2-4-a-ii

The effect of the restatement refers to the consequences of the change 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 (e.g., GHG emissions are 10% lower compared to the level of emissions previously reported).

Disclosure 2-5 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 any limitations of the assurance process;**
- **iii. describe the relationship between the organization and the assurance provider.**

GUIDANCE

See section 5.2 in *GRI 1: Foundation 2021* for information on external assurance.

Guidance to 2-5-b-ii
If this information is covered in the external assurance reports or statements that the organization has provided a link or a reference to under 2-5-b-i, then a brief statement of this fact is sufficient to comply with the requirement.

The organization can also describe, in accessible language:
- the scope of information and processes covered;
- the responsibilities of the organization relative to the assurance provider;
- the opinion or conclusions formally signed off by the assurance provider;
- a summary of the work performed;
- information on the experience and qualifications of the assurance provider, e.g., profile and level of subject matter expertise of the individuals involved.

Guidance to 2-5-b-iii
An assurance provider conducting external assurance needs to demonstrate independence from the organization to reach and publish objective and impartial conclusions about the organization's sustainability reporting.

2. Activities and workers

The disclosures in this section provide an overview of the organization’s activities, employees, and other workers.

Disclosure 2-6 Activities, value chain and other business relationships

REQUIREMENTS

The organization shall:

a. report the sector(s) in which it is active;

b. describe its value chain, including:

- **i. the organization’s activities, products, services, and markets served;**
- **ii. the organization’s supply chain;**
- **iii. the entities downstream from the organization and their activities;**

c. report other relevant business relationships;

d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.

GUIDANCE

Guidance to 2-6-a
Sectors can be identified according to categories, such as the public or private sector; or industry-specific categories, such as the education sector or the financial sector.

Depending on the organization’s activities, sectors can be identified using the GRI Sector Standards or classification systems such as the Global Industry Classification Standard (GICS®), the Industry Classification Benchmark (ICB), the International Standard Industrial Classification of All Economic Activities (ISIC), and the Sustainable Industry Classification System (SICS®).

Guidance to 2-6-b
The organization’s value chain includes the range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization’s products or services from their conception to their end use. Entities upstream from the organization provide products or services used in the development of the organization’s own products or services. Entities downstream from the organization are those that receive products or services from the organization. Entities in the value chain include entities beyond the first tier, both upstream and downstream.

The information reported under 2-6-b provides a context for understanding 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.

The organization is not required to provide a detailed description of each activity in its value chain. Instead, it can provide a high-level overview of its value chain.

Guidance to 2-6-b-i
When describing 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 (e.g., number of products or services provided, net sales of products or services provided);
- whether it sells products or services that are banned in certain markets or are the subject of stakeholder concerns or public debate, including the reason for the ban or concerns and how the organization has responded to these concerns.

When describing the markets served, the organization can report:
- the geographic locations where products and services are offered;
- the demographic or other characteristics of the markets;
- information on the size and relative importance of the markets (e.g., net sales, net revenues).

Guidance to 2-6-b-ii
The organization can describe:
- the types of suppliers (e.g., brokers, contractors, wholesalers);
- the estimated number of suppliers throughout its supply chain and in each tier (e.g., first tier, second tier);
- the types of activities related to the organization's products and services carried out by its suppliers (e.g., manufacturing, providing consulting services);
- the nature of its business relationships 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 location of its suppliers.

Guidance to 2-6-b-iii
The organization can describe:
- the types of downstream entities (e.g., customers, beneficiaries);
- the estimated number of downstream entities;
- the types of activities related to the organization's products and services carried out by the downstream entities (e.g., manufacturing, wholesale, retail);
- the nature of its business relationships with the downstream entities (e.g., long-term or short-term, contractual or non-contractual, project-based or event-based);
- the geographic location of the downstream entities.

Guidance to 2-6-c
Other relevant business relationships include relationships that the organization has with entities that are not described as part of its value chain under 2-6-b. These may include business partners (e.g., joint ventures) and other entities directly linked to the organization's operations, products, or services (for examples, see the note in the definition of 'business relationships').

The organization can report the types of entities, their activities, and their geographic location.

Guidance to 2-6-d
Requirement 2-6-d entails describing significant changes in the organization's sectors, value chain, and other business relationships compared to the previous reporting period. This information can help explain changes to the organization's impacts. 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, including selection and termination; or changes in the location of its suppliers.

Disclosure 2-7 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, and a breakdown by gender and by region;
ii. temporary employees, and a breakdown by gender and by region;
iii. non-guaranteed hours employees, and a breakdown by gender and by region;
iv. full-time employees, and a breakdown by gender and by region;
v. part-time employees, and a breakdown by gender and by region;

c. describe the methodologies and assumptions used to compile the data, including whether the numbers 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;

d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;

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

GUIDANCE

Together with Disclosure 2-8, this disclosure gives insight into the organization's approach to employment, including the scope and nature of impacts arising from its employment practices. It also provides contextual information that aids an understanding of the information reported in other disclosures, and serves as the basis for calculation in other disclosures, such as Disclosure 2-21 Annual total compensation ratio and Disclosure 2-30 Collective bargaining agreements in this Standard.

This disclosure covers all employees who perform work for any of the organization's entities included in its sustainability reporting as reported under Disclosure 2-2 in this Standard.

See references [7], [19], [22], [23], [24], [26], and [30] in the Bibliography.

Guidance to 2-7-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 across the organization. Providing a breakdown of employees by region gives insight into regional variations. A region can refer to a country or other geographic locations, such as a city or a world region.

See Table 1 and Table 2 of this Standard for examples of how to present this information.

Guidance to 2-7-b
The definitions of permanent, temporary, 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 calculate country-level data. The country-level data should then 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 or fixed number of working hours. The employee may need to make themselves available for work as required, but the organization is not contractually obligated to offer the employee a minimum or 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 1,000, to the nearest 100, and explain this under 2-7-c.

See Table 1 and Table 2 of this Standard for examples of how to present this information.

Guidance to 2-7-c
The organization can report the total number of employees and the number of permanent, temporary, non-guaranteed hours, full-time, and part-time employees in head count or full-time equivalent (FTE). Reporting these numbers in head count gives insight into the number of individual employees, whether full-time or part-time employed. Reporting these numbers in FTE gives insight into the hours worked.

The organization can 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.

Guidance to 2-7-d
Quantitative data, such as the number of temporary or part-time employees, is unlikely to be sufficient 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, the organization is required to report contextual information to help information users interpret the data.

The organization can explain the reasons for temporary employment. An example of such a reason is the recruitment of employees to undertake work on a temporary or seasonal project or event. Another example is the standard practice to offer a temporary contract (e.g., six months) to new employees before an offer of permanent employment is made. 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 for the regions that cover these countries. The organization can also explain the reasons for part-time employment. Examples of such reasons are 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 2-7-e
Requirement 2-7-e enables the organization to explain how the numbers of employees vary during the reporting period compared to the previous reporting periods (i.e., whether the numbers have increased or decreased). 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. Conversely, a decrease in the number of employees compared to the previous reporting period could be due to the completion of a temporary project.

It is up to the organization to determine which fluctuations in the number of employees it considers significant to report under 2-7-e. The organization should report its threshold for determining significant fluctuations.

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.

Table 1. Example template for presenting information on employees by gender

[Reporting period]				
FEMALE	MALE	OTHER*	NOT DISCLOSED	TOTAL
Number of employees (head count / FTE)				
Number of permanent employees (head count / FTE)				
Number of temporary employees (head count / FTE)				
Number of non-guaranteed hours employees (head count / FTE)				
Number of full-time employees (head count / FTE)				
Number of part-time employees (head count / FTE)				

*** Gender as specified by the employees themselves.**

Table 2. Example template for presenting information on employees by region

[Reporting period]		
REGION A	REGION B	TOTAL
Number of employees (head count / FTE)		
Number of permanent employees (head count / FTE)		
Number of temporary employees (head count / FTE)		
Number of non-guaranteed hours employees (head count / FTE)		
Number of full-time employees (head count / FTE)		
Number of part-time employees (head count / FTE)		

Disclosure 2-8 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 and describe:

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

b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is 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;

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

GUIDANCE

This disclosure provides an understanding of how much the organization relies on workers who are not employees to perform its work, in comparison to employees. This information is important for understanding 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 2-7.

Disclosure 2-8, together with Disclosure 2-7, 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 aids an understanding of the information reported in other disclosures.

This disclosure covers all workers who are not employees and whose work is controlled by any of the organization's entities included in its sustainability reporting as reported under Disclosure 2-2 in this Standard.

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

See references [7], [19], [22], [23], [24], [26], and [30] in the Bibliography.

Guidance to 2-8-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.

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). Types of workers who are not employees and whose work is controlled by the organization include agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, and volunteers. The organization should report how it has determined when it has control of the work for workers who are not employees.

The following are examples of workers who are not employees and whose work is controlled by the organization. The following 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), or directly at the workplace of the organization's client.
- Workers of one of the organization's suppliers, where the organization instructs the supplier to use particular materials or work methods to manufacture the products or deliver the

services.
- Volunteers or interns performing work for the organization.

The following are examples of workers who are not employees and whose work is not controlled by the organization. The following 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 one of the organization's suppliers, if the organization sources standard products manufactured using the supplier's production methods (e.g., purchasing stationery that is a standard product of the supplier).

If the organization cannot 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 1,000, to the nearest 100, and explain this under 2-8-b.

Guidance to 2-8-a-i and 2-8-a-ii
When reporting its contractual relationship with the most common types of workers, the organization should report 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, contractor).

It is sufficient that 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 2-8-b
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 use another methodology for reporting this number.

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 this number as an average across the reporting period takes into account fluctuations during the reporting period.

Guidance to 2-8-c
Requirement 2-8-c enables the organization to explain how the number of workers who are not employees varies during the reporting period or compared to previous reporting periods (i.e., whether the numbers have increased or decreased). It can also include the reasons for the fluctuations. For example, an increase in the number of workers who are not employees during the reporting period could be due to a seasonal event. Conversely, a decrease in the number of workers who are not employees compared to the previous reporting period could be due to the completion of a temporary project.

It is up to the organization to determine which fluctuations in the number of workers it considers significant to report under 2-8-c. The organization should report its threshold for determining significant fluctuations.

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.

3. Governance

The disclosures in this section provide information about the organization’s governance structure, composition, knowledge, roles, and remuneration.

The information reported under these disclosures is important for understanding how the management of the organization’s impacts on the economy, environment, and people, including impacts on their human rights, is integrated into the organization’s strategy and operations. It addresses how the governance bodies are set up and how well equipped they are to oversee the management of the organization’s impacts. It also facilitates an understanding of the role and the responsibilities of governance bodies with respect to these impacts.

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

Disclosure 2-9 Governance structure and composition

REQUIREMENTS

The organization shall:

a. describe its governance structure, including committees of the highest governance body;

b. list the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization’s impacts on the economy, environment, and people;

c. describe the composition of the highest governance body and its committees by:

i. executive and non-executive members;
ii. independence;
iii. tenure of members on the governance body;
iv. number of other significant positions and commitments held by each member, and the nature of the commitments;
v. gender;
vi. under-represented social groups;
vii. competencies relevant to the impacts of the organization;
viii. stakeholder representation.

GUIDANCE

Guidance to 2-9-c
The organization can describe the composition of the highest governance body and its committees by additional indicators of diversity, such as age, ancestry and ethnic origin, citizenship, creed, disability, or any other indicators of diversity that are relevant for reporting.

Guidance to 2-9-c-ii
‘Independence’ refers to conditions that enable the members of the highest governance body to exercise independent judgment free from any external influence or conflicts of interest. See reference [20] in the Bibliography for more information on independence criteria for governance bodies.

Guidance to 2-9-c-iv
A position or commitment held by a highest governance body member is significant when the time and attention it demands compromises the member’s ability to perform its duties in the organization. Significant positions can include cross-board memberships.

Guidance to 2-9-c-vii
Competencies relevant to the impacts of the organization include competencies relevant to impacts commonly associated with the organization’s sectors, products, and geographic locations.

Disclosure 2-10 Nomination and selection of the highest governance body

REQUIREMENTS

The organization shall:

a. describe the nomination and selection processes for the highest governance body and its committees;

b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:

i. views of stakeholders (including shareholders);
ii. diversity;
iii. independence;
iv. competencies relevant to the impacts of the organization.

GUIDANCE

Guidance to 2-10-b-iii
'Independence' refers to conditions that enable the members of the highest governance body to exercise independent judgment free from any external influence or conflicts of interest. See reference [20] in the Bibliography for more information on independence criteria for governance bodies.

Guidance to 2-10-b-iv
Competencies relevant to the impacts of the organization include competencies relevant to impacts commonly associated with the organization's sectors, products, and geographic locations.

Disclosure 2-11 Chair of the highest governance body

REQUIREMENTS

The organization shall:

a. report whether the chair of the highest governance body is also a senior executive in the organization;

b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.

Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts

REQUIREMENTS

The organization shall:

a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;

b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:

i. whether and how the highest governance body engages with stakeholders to support these processes;
ii. how the highest governance body considers the outcomes of these processes;

c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.

GUIDANCE

For more information about the role of the highest governance body in overseeing the management of the organization's impacts, see reference [20] in the Bibliography.

Guidance to 2-12-b-i
Requirement 2-12-b-i covers the role of the highest governance body in stakeholder engagement. The organization is also required to report information about stakeholder engagement under other disclosures, such as under the disclosures in section 5 of this Standard.

The organization can describe the frequency of engagement between the highest governance body and stakeholders as well as the means of engagement. If stakeholder engagement is delegated, the organization can report to whom it is delegated and how the feedback received is provided to the highest governance body.

Disclosure 2-13 Delegation of responsibility for managing impacts

REQUIREMENTS

The organization shall:

a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:

i. whether it has appointed any senior executives with responsibility for the management of impacts;
ii. whether it has delegated responsibility for the management of impacts to other employees;

b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.

Disclosure 2-14 Role of the highest governance body in sustainability reporting

REQUIREMENTS

The organization shall:

a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;

b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.

GUIDANCE

The organization can report whether the highest governance body has established a sustainability reporting committee to support the highest governance body's review and approval process. The organization can also report whether the highest governance body reviews the adequacy of the organization's internal controls to strengthen the integrity and credibility of the organization's sustainability reporting (see section 5.2 in *GRI 1: Foundation 2021* for more information). The involvement of the highest governance body and senior executives in developing the organization's policy and practice for seeking external assurance is reported under Disclosure 2-5 in this Standard.

Disclosure 2-15 Conflicts of interest

REQUIREMENTS

The organization shall:

a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;

b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:

i. cross-board membership;
ii. cross-shareholding with suppliers and other stakeholders;
iii. existence of controlling shareholders;
iv. related parties, their relationships, transactions, and outstanding balances.

GUIDANCE

See reference [20] in the Bibliography.

Guidance to 2-15-b-iii
The organization should use the definition of controlling shareholder applied in the organization’s consolidated financial statements or equivalent documents.

Disclosure 2-16 Communication of critical concerns

REQUIREMENTS

The organization shall:

a. describe whether and how critical concerns are communicated to the highest governance body;

b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.

GUIDANCE

Critical concerns include concerns about the organization's potential and actual negative impacts on stakeholders raised through grievance mechanisms and other processes. They also include concerns identified through other mechanisms about the organization's business conduct in its operations and its business relationships. See guidance to Disclosure 2-25 and Disclosure 2-26 in this Standard for more information.

Disclosure 2-17 Collective knowledge of the highest governance body

REQUIREMENTS

The organization shall:

a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.

Disclosure 2-18 Evaluation of the performance of the highest governance body

REQUIREMENTS

The organization shall:

a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;

b. report whether the evaluations are independent or not, and the frequency of the evaluations;

c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.

Disclosure 2-19 Remuneration policies

REQUIREMENTS

The organization shall:

a. describe the remuneration policies for members of the highest governance body and senior executives, including:

i. fixed pay and variable pay;
ii. sign-on bonuses or recruitment incentive payments;
iii. termination payments;
iv. clawbacks;
v. retirement benefits;

b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.

GUIDANCE

Guidance to 2-19-a-i
Fixed pay and variable pay can include performance-based pay, equity-based pay, bonuses, and deferred and vested shares.

If the organization uses performance-based pay, it should describe how remuneration for senior executives is designed to reward long-term performance.

Guidance to 2-19-a-iii
Termination payments are all payments and benefits given to a departing member of the highest governance body or senior executive whose appointment is terminated. Termination payments extend beyond monetary payments, from transferring property to automatic or accelerated vesting of incentives.

If the organization provides termination payments, it should explain whether:
- notice periods for highest governance body members and senior executives are different from those for other employees;
- termination payments for highest governance body members and senior executives are different from those for other employees;
- departing highest governance body members and senior executives receive payments other than those related to the notice period;
- any mitigation clauses are included in the termination arrangements.

Guidance to 2-19-a-iv
Clawbacks are repayments of previously received compensation that a highest governance body member or senior executive is required to make to their employer if certain conditions of employment or goals are not met.

Guidance to 2-19-a-v
The organization should report the differences between the retirement benefit schemes and the contribution rates for the highest governance body members, senior executives, and all other employees.

Disclosure 2-20 Process to determine remuneration

REQUIREMENTS

The organization shall:

a. describe the process for designing its remuneration policies and for determining remuneration, including:

i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration;
ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration;
iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives;

b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.

GUIDANCE

Remuneration policies are established to ensure that the remuneration arrangements help recruit, motivate, and retain the highest governance body members, senior executives, and other employees. Remuneration policies further support the organization's strategy and contribution to sustainable development and align with stakeholders' interests.

Disclosure 2-21 Annual total compensation ratio

REQUIREMENTS

The organization shall:

a. **report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual);**

b. **report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);**

c. **report contextual information necessary to understand the data and how the data has been compiled.**

GUIDANCE

Guidance to 2-21-a and 2-21-b
This disclosure covers all employees as reported under Disclosure 2-7 in this Standard.

Annual total compensation includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year. When calculating the ratio, the organization should, depending on the organization's remuneration policies and availability of data, consider all of the following:

- Base salary, which is the sum of guaranteed, short-term, and non-variable cash compensation.
- Total cash compensation, which is the sum of the base salary and cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments.
- Direct compensation, which is the sum of total cash compensation and total fair value of all annual long-term incentives (e.g., stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards).

The annual total compensation ratio can be calculated using the following formula:

$$\frac{\text{Annual total compensation for the organization's highest paid-individual}}{\text{Median annual total compensation for all of the organization's employees excluding the highest-paid individual}}$$

The change in the annual total compensation ratio can be calculated using the following formula:

$$\frac{\text{Percentage increase in annual total compensation for the organization's highest-paid individual}}{\text{Median percentage increase in annual total compensation for all of the organization's employees excluding the highest-paid individual}}$$

Guidance to 2-21-c
Quantitative data, such as the annual total compensation ratio, may not be sufficient on its own to understand pay disparity and its drivers. For example, pay ratios can be influenced by the size of the organization (e.g., revenue, number of employees), its sector, its employment strategy (e.g., reliance on outsourced workers or part-time employees, a high degree of automation), or currency volatility.

The difference in pay disparity reported over the years may be the result of a change in the organization’s compensation policy or the level of compensation for its highest-paid individual or employees, a change in calculation methodology (e.g., selection of the median annual total compensation, inclusions or exclusions) or an improvement in data collection processes. For this reason, the organization is required to report contextual information to help information users interpret the data and understand how it has been compiled.

The organization should provide the following contextual information:

- Whether any employees reported under Disclosure 2-7 in this Standard have been excluded.
- Whether full-time equivalent (FTE) pay rates are used for each part-time employee.
- A list of the types of compensation included.
- The title of the highest-paid individual.

4. Strategy, policies and practices

The disclosures in this section provide information about 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 authoritative intergovernmental instruments.[1]

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

In the disclosures in this section, the organization is required to report information about its overall policies and practices for responsible business conduct, rather than information for specific material topics. Disclosure 3-3 in *GRI 3: Material Topics 2021* 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 Disclosure 3-3 in *GRI 3* and does not need to repeat the information.

Disclosure 2-22 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

The organization should describe:
- its short, medium, and long-term vision and strategy to manage its impacts on the economy, environment, and people, including impacts on their human rights, across the organization's activities and business relationships;
- how its purpose, business strategy, and business model aim to prevent 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 how the priorities are aligned with authoritative intergovernmental instruments;
- the broader trends (e.g., macroeconomic, social, political) affecting the organization and its strategy for contributing to sustainable development;
- the key events, achievements, and failures associated with the organization's contribution to sustainable development during the reporting period;
- a view of performance against goals and targets related to the organization's material topics during the reporting period;
- the organization's main challenges, goals, and targets regarding its contribution to sustainable development for the next year and the coming three to five years.

1 These instruments include the *International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* [9]; the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises* [12]; the *OECD Due Diligence Guidance for Responsible Business Conduct* [11]; and the *United Nations (UN) Guiding Principles on Business and Human Rights* [14]. These instruments are in turn based on international legal instruments, such as the *United Nations (UN) International Bill of Human Rights* [15] and the ILO conventions.

Disclosure 2-23 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;**
- **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

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 be included within one or more other policy documents, such as codes of conduct.

The *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises* [12], the *OECD Due Diligence Guidance for Responsible Business Conduct* [11], and the *United Nations (UN) Guiding Principles on Business and Human Rights* [14] set out expectations for organizations in relation to these policy commitments.

Guidance to 2-23-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 2-23-a-i

See the Bibliography 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 2-23-a-iii

The precautionary principle is set out in Principle 15 of the *UN Rio Declaration on Environment and Development* [18]. 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 3-3-d-i in *GRI 3: Material Topics 2021*, as part of the organization's actions to prevent or mitigate potential negative impacts for each material topic.

Guidance to 2-23-b-i
Human rights are rights inherent to all human beings and 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* [15] and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work* [5]. The *UN International Bill of Human Rights* consists of the *Universal Declaration of Human Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *International Covenant on Civil and Political Rights* and its two Optional Protocols.

Other 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 [1].[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 comply with the requirement. The organization can also state if the policy commitment references certain rights that require particular attention. For example, an organization 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. It can explain why the policy commitment is limited to these rights.

Guidance to 2-23-b-ii
Categories of stakeholders that the organization gives particular attention to can include consumers, customers, employees and other workers, and local communities. They can also include individuals belonging to groups or populations that are considered to be at risk or vulnerable groups, 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.

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

Guidance to 2-23-d
The most senior level may differ between organizations. For example, the most senior level in an organization could be the highest governance body (e.g., the board) or 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.

2 See the Office of the United Nations High Commissioner for Human Rights' non-exhaustive list of universal human rights instruments, https://www.ohchr.org/EN/ProfessionalInterest/Pages/UniversalHumanRightsInstruments.aspx, accessed on 7 May 2021.

3 See the Office of the United Nations High Commissioner for Human Rights' list of regional human rights treaties, https://www.ohchr.org/en/issues/escr/pages/regionalhrtreaties.aspx, accessed on 7 May 2021.

Guidance to 2-23-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 comply with 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 activities the commitments apply to. It can also 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). It can also 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 2-23-f

The organization can report:

- whether the policy commitments need to be read, agreed to, and regularly signed 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 2-24 Embedding policy commitments

REQUIREMENTS

The organization shall:

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

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

GUIDANCE

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 2-24-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 for implementing 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 2-24-a-ii
The organization can describe:
- how it aligns the policy commitments with its:
  - broader risk management systems and management policies;
  - economic, environmental, social, 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 2-24-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 2-24-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 to 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 implementing 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). The organization can report the number or percentage of workers, business partners, and other parties that have been trained during the reporting period.

Disclosure 2-25 Processes to remediate negative impacts

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

c. describe 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;

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

e. 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

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

The *United Nations (UN) Guiding Principles on Business and Human Rights* [14] and the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises* [12] 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. The organization is not responsible for the remediation of negative impacts directly linked to its operations, products, or services by its business relationships, where the organization has not contributed to the impacts. It can, however, play a role in the remediation. See Box 3 in *GRI 3: Material Topics 2021* 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 reported under Disclosure 2-26 in this Standard.

This disclosure covers the operation of grievance mechanisms and other remediation processes. The actions taken to provide for or cooperate in the remediation of actual negative impacts for material topics are reported under 3-3-d-ii in *GRI 3*.

The disclosure is only relevant to environmental remediation processes (e.g., processes to remove contaminants from soil) when these are connected to impacts on stakeholders or grievances raised by stakeholders. However, the remedy provided to stakeholders through the mechanisms and processes covered by this disclosure may involve environmental remediation. The use of environmental remediation processes can be reported under 3-3-d-ii in *GRI 3*.

Guidance to 2-25-b

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 and collective bargaining, including the mechanisms established by collective bargaining. They also include 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, as well as 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 a 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* [14];
- 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 2-25-c
Requirement 2-25-c covers remediation processes other than grievance mechanisms. Such processes lead to the remediation of an impact without mechanisms for filing a formal complaint.

Examples include 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.

Guidance to 2-25-d
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 2-25-e
According to *UN Guiding Principle 31* [14], 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 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 accessible, 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 data, 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 their intended users do not trust the mechanisms. For this reason, contextual information should be provided to help information users interpret the data.

Disclosure 2-26 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 business conduct.

GUIDANCE

This disclosure covers the organization's mechanisms for individuals to seek advice and raise concerns about responsible business conduct in the organization's operations and 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 / remediation for, the organization's potential and actual negative impacts on them. Grievance mechanisms are reported under Disclosure 2-25 in this Standard.

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.

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 information about 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 raising concerns);
- how satisfied users are with the mechanisms 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 2-27 Compliance with laws and regulations

REQUIREMENTS

The organization shall:

a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:

i. instances for which fines were incurred;
ii. instances for which non-monetary sanctions were incurred;

b. report the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:

i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;
ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;

c. describe the significant instances of non-compliance;

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

GUIDANCE

This disclosure addresses non-compliance, or failure to comply with, laws and regulations that apply to the organization.

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

Laws and regulations can be issued by various bodies, including local, regional, and national governments; 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.

This disclosure includes significant instances of non-compliance that resulted in administrative or judicial sanctions and fines that are being appealed during the reporting period.

Non-monetary sanctions can 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. They can also include directives to cease or remediate an unlawful activity.

The organization can use information about fines that have been reported in its audited consolidated financial statements or in the financial information filed on public record, including fines that are being appealed and which may appear as balance sheet reserves in the financial statements.

If there were no significant instances of non-compliance with laws and regulations or no fines were paid during the reporting period, a brief statement of this fact is sufficient to comply with the disclosure.

Guidance to 2-27-c
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, such as a tax fraud or a spill. The organization is required to report sufficient information for information users to understand the type and the context of significant instances of non-compliance.

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

Guidance to 2-27-d

When determining the significant instances of non-compliance, the organization can assess:

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

Disclosure 2-28 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

The organization may 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. The role may also be significant 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.

5. Stakeholder engagement

The disclosures in this section provide information about the organization's stakeholder engagement practices, including how it engages in collective bargaining with employees.

Disclosure 2-29 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

Stakeholders are individuals or groups that have interests that are affected or could be affected by the organization's activities [11]. For more information on stakeholders, see section 2.4 in *GRI 1: Foundation 2021*.

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 2-29-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 2-29-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.

Further information on stakeholder engagement undertaken for specific activities is reported under other disclosures. For example, the organization must report on stakeholder engagement undertaken to determine and manage material topics under 3-1-b and 3-3-f in *GRI 3: Material Topics 2021*.

Guidance to 2-29-a-iii
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. [11]

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, for example, 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 2-30 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 the organization 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

This disclosure provides insights into how the organization engages in collective bargaining with its employees. Collective bargaining is a fundamental right at work covered in the *International Labour Organization (ILO) Right to Organise and Collective Bargaining Convention* [8].

Collective bargaining refers to negotiations that take place between one or more employers or employers' organizations and one or more workers' organizations (e.g., trade unions). The objective of these negotiations is to reach a collective agreement on working conditions and terms of employment (e.g., wages, working time) and to regulate relations between employers and workers. [3] These negotiations are an important means through which employers' organizations and workers' organizations 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 agreements can cover specific groups of workers, for example, those performing a specific activity or working at a specific location.

If the organization has a statement or policy commitment on freedom of association and collective bargaining, this is reported under 2-23-b-i in this Standard or 3-3-c in *GRI 3: Material Topics 2021*.

See references [2], [3], [4], [5], [6], [8], [10], [21], [25], and [26] in the Bibliography.

Guidance to 2-30-a
The organization is required to report the percentage of its employees whose working conditions and terms of employment are regulated by one or more collective bargaining agreements.

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

$$\frac{\text{Number of employees covered by collective bargaining agreements}}{\text{Total number of employees reported under 2-7-a}} \times 100$$

The employees covered by collective bargaining agreements are those employees to whom the organization is obligated 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.

This requirement does not ask for the percentage of employees represented by a works council or 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 the collective bargaining agreements apply 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 may be the case when there are no collective bargaining agreements available or when the collective bargaining agreements do not cover all unionized employees.

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

Guidance to 2-30-b

There may be instances where collective bargaining agreements cover some or none of the organization's employees. 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. If this is the case, the organization is required to report it under 2-30-b. If this is not the case, and the working conditions and terms of employment of these employees are not influenced or determined based on other collective bargaining agreements, a brief statement of this fact is sufficient to comply with this requirement.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

conflict of interest
situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities

due diligence

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

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

full-time employee
employee whose working hours per week, month, or year are defined according to national law or practice regarding working time

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

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

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

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

non-guaranteed hours employee
employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required

Source: ShareAction, *Workforce Disclosure Initiative Survey Guidance Document*, 2020; modified

Examples: casual employees, employees with zero-hour contracts, on-call employees

part-time employee
employee whose working hours per week, month, or year are less than the number of working hours for full-time employees

permanent employee
employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or part-time work

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

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

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

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

senior executive
high-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

temporary employee
employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)

under-represented social group
group of individuals who are less represented within a subset (e.g., a body or committee, employees of an organization) relative to their numbers in the general population, and who therefore have less opportunity to express their economic, social, or political needs and views

Note 1: Under-represented social groups may include minority groups.

Note 2: The groups included under this definition depend on the organization's operating context and are not uniform for every organization.

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

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

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

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GRI 3: Material Topics 2021

Universal Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2023

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 3: Material Topics 2021 provides step-by-step guidance for organizations on how to determine material topics. It also explains how the Sector Standards are used in this process. Material topics are topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

GRI 3 also contains disclosures for organizations to report information about their process of determining material topics, their list of material topics, and how they manage each of their material topics.

The Standard is structured as follows:
- Section 1 provides step-by-step guidance on how to determine material topics.
- Section 2 contains three disclosures, which provide information about the organization's process of determining material topics, its list of material topics, and how it manages each topic.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard, as well as resources that the organization can consult.

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

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

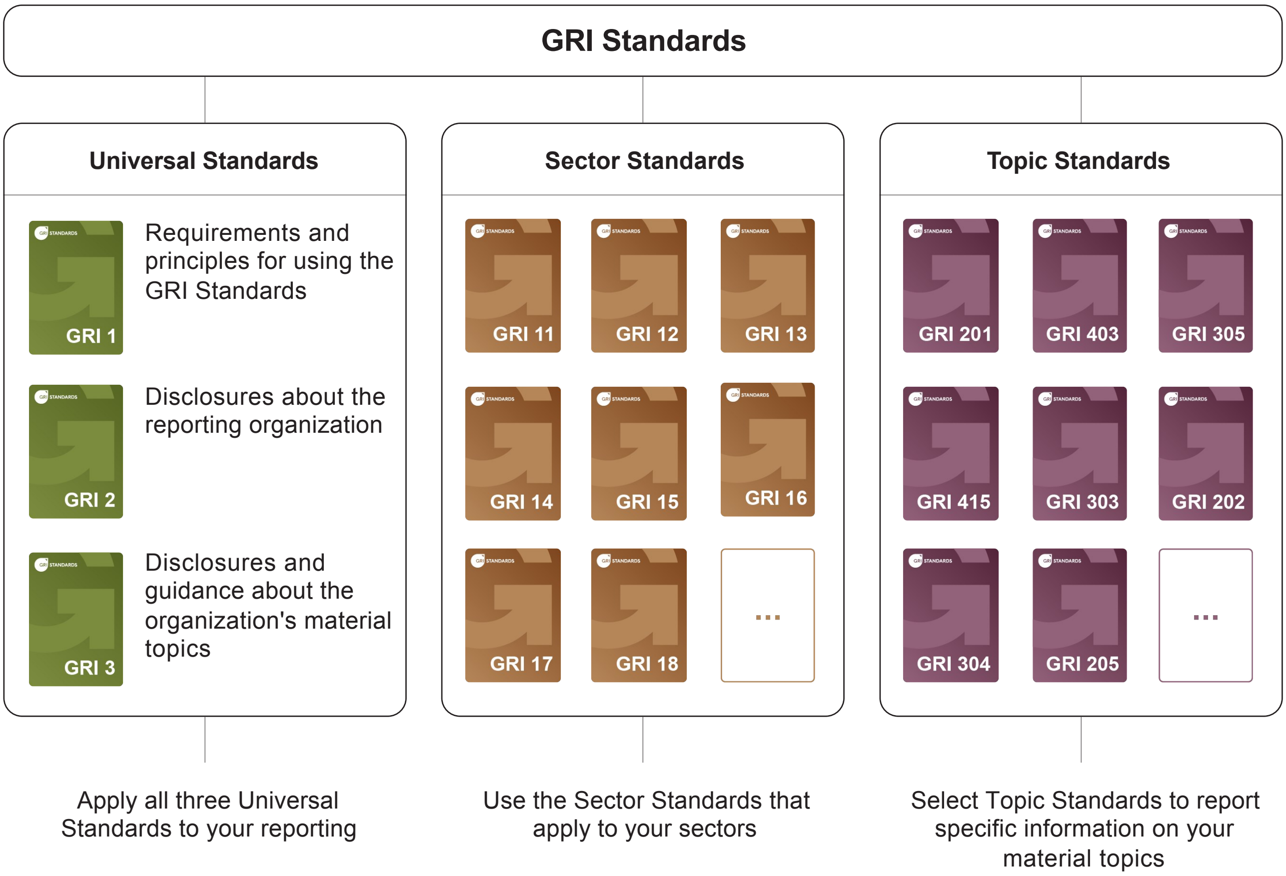
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

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

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

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

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



Using this Standard

An organization reporting in accordance with the GRI Standards is required to determine its material topics and report all disclosures in this Standard. The organization is required to report Disclosure 3-3 Management of material topics for each material topic.

Reasons for omission are only permitted for Disclosure 3-3.

If the organization cannot comply with Disclosure 3-3 or with a requirement in Disclosure 3-3 (e.g., because the required information is confidential or subject to legal prohibitions), then the organization is required to specify this in the GRI content index, and provide a reason for omission with an explanation. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout the GRI Standards:

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

Requirements may be accompanied by guidance.

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

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

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

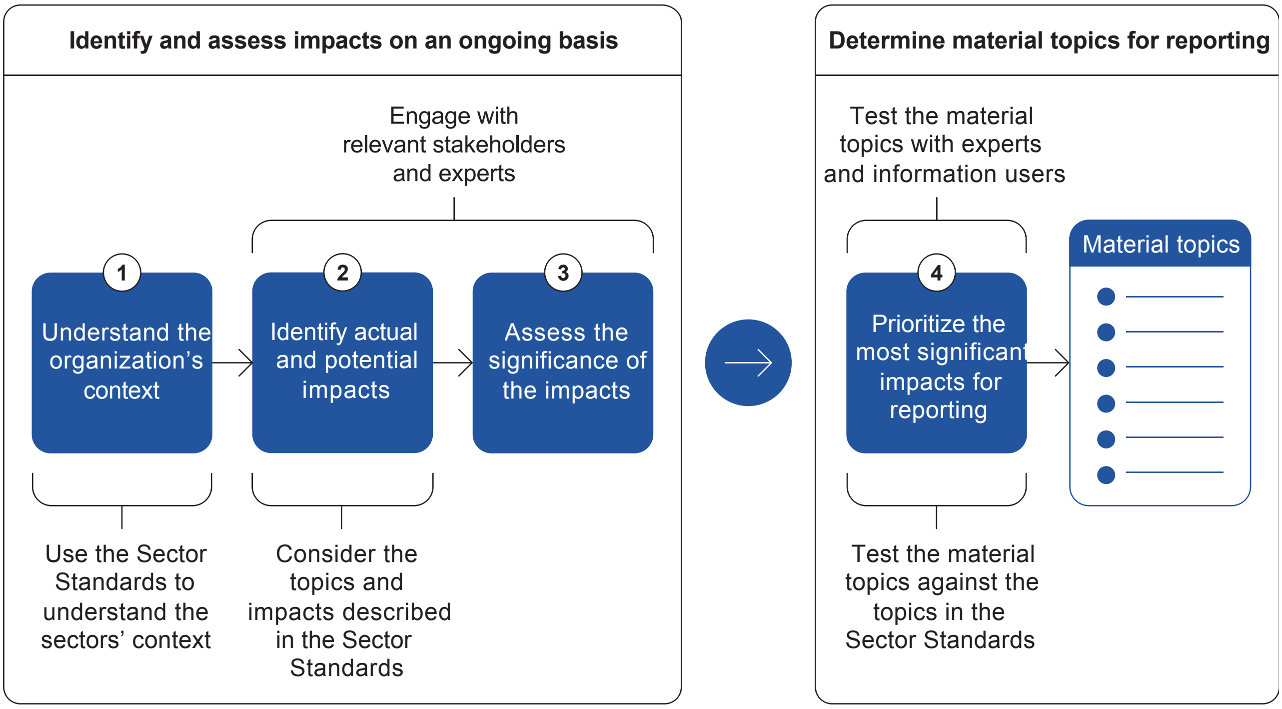
Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Guidance to determine material topics

An organization reporting in accordance with the GRI Standards is required to determine its material topics. When doing this, the organization is also required to use the applicable GRI Sector Standards (see Requirement 3 in *GRI 1: Foundation 2021* and Box 5 in this Standard).

This section describes the four steps that the organization should follow in determining its material topics (see Figure 2). Following the steps in this section helps the organization determine its material topics and report the disclosures in section 2 of this Standard. The steps provide guidance and are not requirements on their own.

Figure 2. Process to determine material topics



The first three steps in the process to determine material topics relate to the organization's ongoing identification and assessment of impacts. During these steps, the organization identifies and assesses its impacts regularly, as part of its day-to-day activities, and while engaging with relevant stakeholders and experts. These ongoing steps allow the organization to actively identify and manage its impacts as they evolve and as new ones arise. The first three steps are conducted independently of the sustainability reporting process, but they inform the last step. In Step 4, the organization prioritizes its most significant impacts for reporting and, in this way, determines its material topics.

In each reporting period, the organization should review its material topics from the previous reporting period to account for changes in the impacts. Changes in impacts can result from changes in the organization's activities and business relationships. This review helps ensure the material topics represent the organization's most significant impacts in each new reporting period.

The organization should document its process of determining material topics. This includes documenting the approach taken, decisions, assumptions, and subjective judgments made, sources analyzed, and evidence gathered. Accurate records help the organization explain its chosen approach and report the disclosures in section 2 of this Standard. The records facilitate analysis and assurance. See the Verifiability principle in *GRI 1* for more information.

The approach for each step will vary according to the specific circumstances of the organization, such as its business model; sectors; geographic, cultural, and legal operating context; ownership structure; and the nature of its impacts. Given these specific circumstances, the steps should be systematic, documented, replicable, and used consistently in each reporting period. The organization should document any changes in its approach together with the rationale for those changes and their implications.

The organization's highest governance body should oversee the process and review and approve the material topics. If the organization does not have a highest governance body, a senior executive or group of senior executives should oversee the process and review and approve the material topics.

Box 1. Input to financial and value creation reporting

The material topics and impacts that have been determined through this process inform financial and value creation reporting. They provide crucial input for identifying financial risks and opportunities related to the organization's impacts, and for financial valuation. This in turn helps in making financial materiality judgments about what to recognize in financial statements.

While most, if not all, of the impacts that have been identified through this process will eventually become financially material, sustainability reporting is also highly relevant in its own right as a public interest activity and is independent of the consideration of financial implications. It is therefore important for the organization to report on all the material topics that it has determined using the GRI Standards. These material topics cannot be deprioritized on the basis of not being considered financially material by the organization.

See Box 1 in *GRI 1: Foundation 2021* for more information on sustainability reporting and financial and value creation reporting.

The following sections describe the four steps to determine material topics in more detail.

Step 1. Understand the organization's context

In this step, the organization creates an initial high-level overview of its activities and business relationships, the sustainability context in which these occur, and an overview of its stakeholders. this provides the organization with critical information for identifying its actual and potential impacts.

The organization should consider the activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in (e.g., subsidiaries, joint ventures, affiliates), including minority interests.

Relevant departments and functions within the organization that can assist in this step include communications, human resources, investor relations, legal and compliance departments or functions, marketing and sales, procurement, and product development. The GRI Sector Standards describe the sectors' context and they can also assist in this step.

Activities
The organization should consider the following in relation to its activities:
- The organization's purpose, value or mission statements, business model, and strategies.
- The types of activities it carries out (e.g., sales, marketing, manufacturing, distribution) and the geographic locations of these activities.
- The types of products and services it offers and the markets it serves (i.e., the types of customers and beneficiaries targeted, and the geographic locations where products and services are offered).
- The sectors in which the organization is active and their characteristics (e.g., whether they involve informal work, whether they are labor or resource intensive).
- The number of employees, including whether they are full-time, part-time, non-guaranteed hours, permanent or temporary, and their demographic characteristics (e.g., age, gender, geographic location).
- The number of workers who are not employees and whose work is controlled by the organization, including the types of worker (e.g., agency workers, contractors, self-employed persons, volunteers), their contractual relationship with the organization (i.e., whether the organization engages these workers directly or indirectly through a third party), and the work they perform.

Business relationships
The organization's business relationships include relationships with business partners, entities in its value chain (including entities beyond the first tier), and any other entities directly linked to its operations, products, or services. The organization should consider the following in relation to its business relationships:
- The types of business relationships it has (e.g., joint ventures, suppliers, franchisees).

- The types of activities undertaken by those with which it has business relationships (e.g., manufacturing the organization's products, providing security services to the organization).
- The nature of the business relationships (e.g., whether they are based on a long-term or short-term contract, whether they are based on a specific project or event).
- The geographic locations where the activities of the business relationships take place.

Sustainability context
The organization should consider the following to understand the sustainability context of its activities and business relationships:

- Economic, environmental, human rights, and other societal challenges at local, regional, and global levels related to the organization's sectors and the geographic location of its activities and business relationships (e.g., climate change, lack of law enforcement, poverty, political conflict, water stress).
- The organization's responsibility regarding the authoritative intergovernmental instruments with which it is expected to comply.
  Examples include the *International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* [1]; the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises* [3]; the *United Nations (UN) Framework Convention on Climate Change (FCCC) Paris Agreement* [4]; the *UN Guiding Principles on Business and Human Rights* [5]; and the *UN International Bill of Human Rights* [6].
- The organization's responsibility regarding the laws and regulations with which it is expected to comply.

See the Sustainability context principle in *GRI 1: Foundation 2021* for more information.

Stakeholders
The organization should identify who its stakeholders are across its activities and business relationships and engage with them to help identify its impacts.

The organization should draw a full list of individuals and groups whose interests are affected or could be affected by the organization's activities. 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 further distinguish between individuals and groups whose human rights are affected or could be affected, and individuals and groups with other interests.

When identifying its stakeholders, the organization should ensure it identifies any individuals or groups it does not have a direct relationship with (e.g., workers in the supply chain or local communities that live at a distance from the organization's operations) and those who are unable to articulate their views (e.g., future generations) but whose interests are affected or could be affected by the organization's activities.

Different lists of stakeholders can be drawn per activity, project, product or service, or other classification that is relevant for the organization.

See Box 2 in this Standard for information on engaging with stakeholders.

Step 2. Identify actual and potential impacts

In this step, the organization identifies its actual and potential impacts on the economy, environment, and people, including impacts on their human rights, across the organization's activities and business relationships. Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred. These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

To identify its impacts, the organization can use information from diverse sources. It can use information from its own or third-party assessments of impacts on the economy, environment, and people, including impacts on their human rights. It can also use information from legal reviews, anti-corruption compliance management systems, financial audits, occupational health and safety inspections, and shareholder filings. It can also use information from any other relevant assessments of business relationships carried out by the organization or by industry or multi-stakeholder initiatives.

Further information can be gathered through grievance mechanisms that the organization has established itself, or that have been established by other organizations. The organization can also use information from broader enterprise risk management systems, provided that these systems identify the organization's impacts on the economy, the environment, and people, in addition to identifying risks for the organization itself. It can also use information from external sources, such as news organizations and civil society organizations.

In addition, the organization should seek to understand the concerns of its stakeholders (see Box 2 in this Standard) and consult internal and external experts, such as civil society organizations or academics.

Box 2. Engaging with relevant stakeholders and experts

The organization should seek to understand the concerns of its stakeholders by consulting them directly in a way that takes into account language and other potential barriers (e.g., cultural differences, gender and power imbalances, divisions within the community). Identifying and removing potential barriers is necessary to ensure that stakeholder engagement is effective.

Engagement with at-risk or vulnerable groups may necessitate specific approaches and call for special attention. Such approaches include removing social barriers that limit the participation of women in public forums and removing physical barriers that prevent remotely located communities from attending a meeting.

The organization should respect the human rights of all stakeholders and other individuals with whom it engages (e.g., their rights to privacy, freedom of expression, and peaceful assembly and protest) and it should protect them against reprisals (i.e., non-retaliation for raising complaints or concerns).

Broad engagement with stakeholders may not be possible in cases that involve many stakeholders or in cases that involve impacts resulting in collective harm. For example, broad engagement may not be possible in the case of corruption, which collectively harms the population of the jurisdiction in which it takes place or greenhouse gas (GHG) emissions, which contribute to collective transboundary harm.

In such cases, the organization may engage with credible stakeholder representatives or proxy organizations (e.g., non-governmental organizations, trade unions). This is also relevant in cases where engaging with individuals could undermine certain rights or collective interests. For example, when considering a decision to restructure or shut down a factory, it may be important for an organization to engage with trade unions to mitigate the employment impacts of the decision. In such a case, engaging with individual workers could undermine the right of workers to form or join trade unions and to bargain collectively.

The degree of impact on stakeholders may inform the degree of engagement. The organization should prioritize the most severely affected or potentially affected stakeholders for engagement.

Where direct consultation is not possible, the organization should consider reasonable alternatives, such as consulting credible independent experts, such as national human rights institutions, human rights and environmental defenders, trade unions, and other members of civil society.

See references [2] and [5] in the Bibliography.

In this step, the organization needs to consider the impacts described in the applicable GRI Sector Standards and determine whether these impacts apply to it.

Impacts may change over time as the organization's activities, business relationships, and context evolve. New activities, new business relationships, and major changes in operations or the operating context (e.g., new market entry, product launch, policy change, wider changes to the organization) could lead to changes in the organization's impacts. For this reason, the organization should assess its context and identify its impacts on an ongoing basis.

In cases where the organization has limited resources available for identifying its impacts, it should first identify its negative impacts, before identifying positive impacts, to ensure it complies with applicable laws, regulations, and authoritative intergovernmental instruments.

Identifying negative impacts

Identifying actual and potential negative impacts with which the organization is involved or could be involved is the first step of due diligence. The organization should consider actual and potential impacts that it causes or contributes to through its activities, as well as actual and potential impacts that are directly linked to its operations, products, or services by its business relationships(see Box 3 in this Standard).

In some cases, the organization might be unable to identify actual and potential negative impacts across all its activities and business relationships. This could be, for example, because the organization has diverse or multiple global operations or because its value chain comprises many entities. In such cases, the organization may carry out an initial assessment or scoping exercise to identify general areas across its activities and business relationships (e.g., product lines, suppliers located in specific geographic locations) where negative impacts are most likely to be present and significant. Once the organization has conducted the initial assessment or scoping exercise, it can identify and assess actual and potential negative impacts for these general areas.

As part of the initial assessment or scoping exercise, the organization should consider impacts commonly associated with its sectors, its products, geographic locations, or with specific organizations (i.e., impacts associated with a specific entity of the organization, or with an entity it has a business relationship with, such as a poor history of conduct in relation to respecting human rights). It should also consider impacts it has been involved with or knows it is likely to be involved with. In addition to the GRI Sector Standards, the organization can use the *Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct* [2] and the OECD sectoral guidance on due diligence [13] for information on impacts commonly associated with sectors, products, geographic locations, and specific organizations. It can also use reports from governments, environmental agencies, international organizations, civil society organizations, workers' representatives and trade unions, national human rights institutions, media, or other experts.

See references [2], [3], [5] and [13] in the Bibliography.

Box 3. Causing, contributing, or being directly linked to negative impacts

An organization **'causes'** a negative impact if its activities on their own result in the impact, for example, if the organization pays a bribe to a foreign public official, or if it withdraws water from a water-stressed aquifer without replenishing the water level.

An organization **'contributes to'** a negative impact if its activities lead, facilitate, or incentivize another entity to cause the impact. The organization can also contribute to a negative impact if its activities in combination with the activities of other entities cause the impact. For example, if the organization sets a short lead time for a supplier to deliver a product, despite knowing from experience that this production time is not feasible, this could result in excessive overtime for the supplier's workers. In such a case, the organization may contribute to negative impacts on the health and safety of these workers.

An organization can cause or contribute to a negative impact through its actions as well as by failure to take action (e.g., failure to prevent or mitigate a potential negative impact).

Even if an organization does not cause or contribute to a negative impact, its operations, products, or services may be **'directly linked to'** a negative impact by its business relationships. For example, if the organization uses cobalt in its products that is mined using child labor, the negative impact (i.e., child labor) is directly linked to the organization's products through the tiers of business relationships in its supply chain (i.e., through the smelter and minerals trader, to the mining enterprise that uses child labor), even though the organization has not caused or contributed to the negative impact itself. 'Direct linkage' is not defined by the link between the organization and the other entity, and is therefore not limited to direct contractual relationships, such as 'direct sourcing'.

The way the organization is involved with negative impacts determines how it should address the impacts and whether it has a responsibility to provide for or cooperate in their remediation (see section 2.3 in *GRI 1: Foundation 2021*).

See references [2] and [5] in the Bibliography. For additional guidance and examples, see the *Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct* [2], pages 70-72, and the United Nations' (UN) *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide* [15], pages 15-18.

Identifying positive impacts

To identify its actual and potential positive impacts, the organization should assess the manner in which it contributes or could contribute to sustainable development through its activities, for example, through its products, services, investments, procurement practices, employment practices, or tax payments. This also includes assessing how the organization can shape its purpose, business model, and strategies to deliver positive impacts that contribute to the goal of sustainable development.

An example of a positive impact is an organization adopting measures that lower the cost of renewable energy for customers, thereby allowing more customers to switch from using non-renewable energy to renewable energy, and thus contributing to mitigating climate change. Another example is an organization choosing an area with high unemployment to open a new facility so that it can hire and train unemployed members of the local community, and in this way, contribute to job creation and community development.

The organization should consider any negative impacts that could result from activities that aim for a positive contribution to sustainable development. Negative impacts cannot be offset by positive impacts. For example, a renewable energy installation may reduce a region's dependence on fossil fuels and bring energy to underserved communities. However, if it displaces local indigenous communities from their lands or territories without their consent, this negative impact should be addressed and remediated, and it cannot be compensated by the positive impacts.

Step 3. Assess the significance of the impacts

The organization may identify many actual and potential impacts. In this step, the organization assesses the significance of its identified impacts to prioritize them. Prioritization enables the organization to take action to address the impacts and also to determine its material topics for reporting. Prioritizing impacts for action is relevant where it is not feasible to address all impacts at once.

Assessing the significance of the impacts involves quantitative and qualitative analysis. How significant an impact is will be specific to the organization and will be influenced by the sectors in which it operates, and its business relationships, among other factors. In some instances, this may need a subjective decision. The organization should consult with relevant stakeholders (see Box 2 in this Standard) and business relationships to assess the significance of its impacts. The organization should also consult relevant internal or external experts.

Assessing the significance of negative impacts
The significance of an actual negative impact is determined by the severity of the impact. The significance of a potential negative impact is determined by the severity and likelihood of the impact.

The combination of the severity and the likelihood of a negative impact can be referred to as 'risk'. The assessment of the significance of the impacts can be included within broader enterprise risk management systems, provided that these systems assess the impacts the organization has on the economy, the environment, and people, in addition to assessing risks for the organization itself.

Severity
The severity of an actual or potential negative impact is determined by the following characteristics:
- Scale: how grave the impact is.
- Scope: how widespread the impact is, for example, the number of individuals affected or the extent of environmental damage.
- Irremediable character: how hard it is to counteract or make good the resulting harm.

The scale of a negative impact (i.e., how grave the impact is) can depend on whether the impact leads to non-compliance with laws and regulations or with authoritative intergovernmental instruments with which the organization is expected to comply. For example, if a negative impact leads to a violation of human rights or fundamental rights at work or to non-compliance with the reductions in greenhouse gas (GHG) emissions to be achieved under the *United Nations (UN) Framework Convention on Climate Change (FCCC) Paris Agreement* [4], the scale of this impact can be considered greater.

The scale of a negative impact can also depend on the context in which the impact takes place. For example, the scale of the impact of an organization's water withdrawal can depend on the area from which water is withdrawn. The scale will be greater if water is withdrawn from an area affected by water stress, compared to an area with abundant water resources to meet the demands of water users and ecosystems.

Any of the three characteristics (scale, scope, and irremediable character) can make an impact severe. But it is often the case that these characteristics are interdependent: the greater the scale or the scope of an impact, the less remediable it is.

The severity – and therefore the significance – of an impact are not absolute concepts. The severity of an impact should be assessed in relation to the other impacts of the organization. For example, an organization should compare the severity of the impacts of its GHG emissions against the severity of its other impacts. The organization should not assess the significance of its GHG emissions in relation to global GHG emissions, as that comparison could lead to the misleading conclusion that the organization's emissions are not significant.

See references [2], [3], [4] and [5] in the Bibliography.

Likelihood
The likelihood of a potential negative impact refers to the chance of the impact happening. The likelihood of an impact can be measured or determined qualitatively or quantitatively. It can be described using general terms (e.g., very likely, likely) or mathematically using probability (e.g., 10 in 100, 10%) or frequency over a given time period (e.g., once every three years).[1]

Human rights
In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood. For example, an organization operating a nuclear power facility may prioritize the potential impact related to loss of life in cases of natural disasters affecting the power facility, even though natural disasters are less likely to occur than other incidents.

The severity of a negative human rights impact is not limited to physical harm. Highly severe impacts can occur in relation to any human right. For example, interfering with, damaging, or destroying a sacred space without consultation or agreement with the people for whom the space has spiritual importance can have a highly severe impact on their cultural rights.

When prioritizing other types of impacts, such as potential negative environmental impacts, the organization may also choose to prioritize highly severe negative impacts even though they may be less likely to occur.

Assessing the significance of positive impacts
The significance of an actual positive impact is determined by the scale and scope of the impact. The significance of a potential positive impact is determined by the scale and scope as well as the likelihood of the impact.

Scale and scope
In the case of positive impacts, the scale of an impact refers to how beneficial the impact is or could be, and the scope refers to how widespread the impact is or could be (e.g., the number of individuals or the extent of environmental resources that are or could be positively affected).

Likelihood
The likelihood of a potential positive impact refers to the chance of the impact happening. The likelihood of an impact can be measured or determined qualitatively or quantitatively. It can be described using general terms (e.g., very likely, likely) or mathematically using probability (e.g., 10 in 100, 10%) or frequency over a given time period (e.g., once every three years).[2]

Step 4. Prioritize the most significant impacts for reporting

In this step, to determine its material topics for reporting, the organization prioritizes its impacts based on their significance.

Setting a threshold to determine which topics are material
The significance of an impact is assessed in relation to the other impacts the organization has identified. The organization should arrange its impacts from most to least significant and define a cut-off point or threshold to determine which of the impacts it will focus its reporting on. The organization should document this threshold. To facilitate prioritization, the organization should group the impacts into topics (see Box 4 in this Standard).

For example, when setting a threshold, the organization first groups its impacts into a number of topics and ranks them, based on their significance, from highest to lowest priority. The organization then needs to determine how many of the topics it will report on, starting with those that have the highest priority. Where to set the threshold is up to the organization. For transparency, the organization can provide a visual representation of the prioritization that shows the initial list of topics it has identified and the threshold it has set for reporting.

1 International Organization for Standardization (ISO), *ISO 31000:2018 Risk management – Guidelines*, 2018.
2 *Ibidem*.

The significance of an impact is the sole criterion to determine whether a topic is material for reporting. The organization cannot use difficulty in reporting on a topic or the fact that it does not yet manage the topic as criteria to determine whether or not to report on the topic. In cases where the organization does not manage a material topic, it can report the reasons for not doing so or any plans to manage the topic to comply with the requirements in Disclosure 3-3 Management of material topics in this Standard.

While some topics can cover both negative and positive impacts, it may not always be possible to compare the two. Additionally, negative impacts cannot be offset by positive impacts. The organization should therefore prioritize negative impacts separately from positive impacts.

Even if the organization has not prioritized an actual or potential negative impact for reporting, it may still be responsible for addressing the impact in line with applicable laws, regulations, or authoritative intergovernmental instruments. See section 2.3 in *GRI 1: Foundation 2021* for more information.

Box 4. Grouping impacts into topics

Grouping impacts into topics, like 'water and effluents', helps the organization report in a cohesive way about multiple impacts related to the same topic.

The organization can group impacts into topics according to general categories that relate to a business activity, stakeholder category, type of business relationship, or an economic or environmental resource. For example, an organization's activities result in water pollution, which causes negative impacts on both ecosystems and local communities' access to safe drinking water. The organization can group these impacts into the topic of 'water and effluents' as both impacts relate to its use of water.

The organization can refer to the topics in the GRI Topic Standards and the GRI Sector Standards. These topics provide a useful reference for understanding the range of impacts that can be covered in each topic. For impacts or topics that the GRI Standards do not cover, the organization can refer to other sources, such as authoritative intergovernmental instruments or industry standards.

Testing the material topics
The organization should test its selection of material topics against the topics in the applicable GRI Sector Standards. This helps the organization ensure that it has not overlooked any topics that are likely to be material for its sectors.

The organization should also test its selection of material topics with potential information users and experts who understand the organization or its sectors and have insight into one or more of the material topics. This can help the organization validate the threshold it has set to determine which topics are material to report. Examples of experts the organization can consult are academics, consultants, investors, lawyers, national institutions, and non-governmental organizations.

The organization should seek external assurance to assess the quality and credibility of its process of determining material topics. See section 5.2 in *GRI 1* for more information on seeking external assurance.

This testing process results in a list of the organization's material topics.

Approval of the material topics
The organization's highest governance body should review and approve the list of material topics. If such a body does not exist, the list should be approved by a senior executive or group of senior executives in the organization.

Determining what to report for each material topic
Once the organization has determined its material topics, it needs to determine what to report for each material topic. See Requirement 4 and Requirement 5 in *GRI 1* for information about how to report on material topics.

Box 5. Using GRI Sector Standards to determine material topics

The GRI Sector Standards provide information for organizations about their likely material topics. The topics have been identified on the basis of the sectors' most significant impacts, using multi-stakeholder expertise, authoritative intergovernmental instruments, and other relevant evidence.

The organization is required to use the applicable Sector Standards when determining its material topics (see Requirement 3-b in *GRI 1: Foundation 2021*). Using the Sector Standards is not a substitute for the process of determining material topics, but an aid. The organization still needs to consider its own specific circumstances when determining its material topics.

The organization is required to review each topic described in the applicable Sector Standards and determine whether it is a material topic for the organization.

There can be cases where a topic included in the applicable Sector Standards is not material for the organization. This may be because the organization assesses the specific impacts the topic covers to be absent. It may also be because, compared to other impacts of the organization, the ones that the topic covers are not among the most significant.

For example, an organization in the oil and gas sector is required to use *GRI 11: Oil and Gas Sector 2021* when determining its material topics. One of the topics included in this Sector Standard is land and resource rights. Oil and gas projects often require land for operations, access routes, and distribution. This can lead to impacts such as involuntary resettlement of local communities, which can involve their physical displacement and economic displacement through lost access to resources. However, if the organization's oil and gas projects do not result in these impacts and will not result in these impacts in the future, the organization may determine that the topic of land and resource rights is not a material topic for the organization. In such a case, the reporting organization is required to explain why it has determined that this topic, which is likely to be material for organizations in the oil and gas sector, is not a material topic for the organization.

If any of the topics that are included in the applicable Sector Standards have been determined by the organization as not material, the organization is required to list them in the GRI content index and explain why they are not material (see Requirement 3-b-ii in *GRI 1*). This explanation helps information users understand why the organization has determined that topics that are likely to be material for the organization's sectors are not material in its specific circumstances.

A brief explanation in the GRI content index of why the topic is not material is sufficient to comply with Requirement 3-b-ii in *GRI 1*. In the previous example, the organization could explain that land and resource rights is not a material topic because its existing oil and gas projects are located in uninhabited areas, and there are no plans to start projects in new areas.

2. Disclosures on material topics

The disclosures in this section provide information about the organization's material topics, how the organization has determined these topics, and how it manages each material topic. Material topics are topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights. Section 1 of this Standard provides guidance on how to determine material topics and helps in understanding and reporting the disclosures in this section.

Disclosure 3-1 Process to determine material topics

REQUIREMENTS

The organization shall:

a. describe the process it has followed to determine its material topics, including:

i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships;

ii. how it has prioritized the impacts for reporting based on their significance;

b. specify the stakeholders and experts whose views have informed the process of determining its material topics.

GUIDANCE

This disclosure requires information on how the organization has determined its material topics. The list of material topics is reported under Disclosure 3-2 in this Standard.

The organization is required to use the applicable GRI Sector Standards when determining its material topics. If any of the topics that are included in the applicable Sector Standards have been determined by the organization as not material, the organization is required to list them in the GRI content index and explain why they are not material. See Requirement 5 and Requirement 7 in *GRI 1: Foundation 2021* and Box 5 in this Standard for more information.

In the absence of applicable Sector Standards, the organization should explain how it has considered impacts commonly associated with its sectors, and whether any of these impacts have been determined as not material, together with an explanation for why this is the case. The organization should also explain how it has considered impacts commonly associated with its products and geographic locations. See section 1 in this Standard and the Sector Standards for guidance on impacts commonly associated with sectors, products, and geographic locations.

Guidance to 3-1-a-i

The organization should describe the methods used to identify its impacts, for example, economic, environmental, social, and human rights impact assessments, grievance mechanisms, or using information from external sources, such as civil society organizations. The organization should describe the sources and the evidence it has used to identify the impacts.

The organization should also describe the scope it has defined when identifying the impacts, for example, whether it has identified short-term as well as long-term impacts. The organization should also describe any limitations or exclusions, for example, whether it has excluded business relationships from certain parts of its value chain when identifying the impacts.

Disclosure 2-12 in *GRI 2: General Disclosures 2021* requires information on the role of the highest governance body in overseeing the organization's due diligence and other processes to identify its impacts on the economy, environment, and people.

Guidance to 3-1-a-ii

The organization should describe how it has assessed the significance of the impacts, including any assumptions and subjective judgments it has made.

The significance of an actual negative impact is determined by the severity of the impact (scale, scope, and irremediable character), while the significance of a potential negative impact is determined by the severity and likelihood of the impact. In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood.

The significance of an actual positive impact is determined by the scale and scope of the impact, while the significance of a potential positive impact is determined by its scale and scope as well as its likelihood.

See section 1 in this Standard for more guidance on assessing the significance of impacts.

The organization should explain if it has used a different approach to prioritize its impacts, for example, if it has prioritized potential negative environmental impacts based on severity only.

The organization should also describe how it has defined the threshold to determine which topics are material for reporting, and whether it has tested its selection of material topics with potential information users and experts. The organization is required to report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, under Disclosure 2-14 in *GRI 2*. The organization should explain any changes to its initial selection of material topics following internal approval and testing with potential information users and experts.

For transparency, the organization can provide a visual representation of the prioritization that shows the initial list of topics it has identified and the threshold it has set for reporting.

Guidance to 3-1-b
Requirement 3-1-b enables the organization to explain how engagement with stakeholders and experts informs the ongoing identification and assessment of its impacts.

The organization can report whether and how it has prioritized stakeholders for engagement and the methods used to engage with them. It can also report any conflicting interests that have arisen among different stakeholders and how the organization has resolved these conflicting interests.

Disclosure 3-2 List of material topics

REQUIREMENTS

The organization shall:

a. list its material topics;

b. report changes to the list of material topics compared to the previous reporting period.

GUIDANCE

This disclosure requires information on the organization's material topics. The process of determining material topics is reported under Disclosure 3-1 in this Standard.

The organization is required to include the material topics listed under this disclosure in the GRI content index. If the organization has determined any of the topics included in the applicable Sector Standards as not material, then the organization is required to list them in the content index and explain why they are not material. See Requirement 5 and Requirement 7 in *GRI 1: Foundation 2021* for more information.

Guidance to 3-2-a

The organization can group material topics by relevant categories if this helps communicate its impacts. For example, the organization can indicate which of its material topics represent its negative human rights impacts.

Guidance to 3-2-b

Requirement 3-2-b enables the organization to explain why a topic that it determined as material in the previous reporting period is no longer considered to be material or why a new topic has been determined as material for the current reporting period.

Disclosure 3-3 Management of material topics

REQUIREMENTS

For each material topic reported under Disclosure 3-2, the organization shall:

a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;

b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;

c. describe its policies or commitments regarding the material topic;

d. describe actions taken to manage the topic and related impacts, including:

i. actions to prevent or mitigate potential negative impacts;
ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation;
iii. actions to manage actual and potential positive impacts;

e. report the following information about tracking the effectiveness of the actions taken:

i. processes used to track the effectiveness of the actions;
ii. goals, targets, and indicators used to evaluate progress;
iii. the effectiveness of the actions, including progress toward the goals and targets;
iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures;

f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).

GUIDANCE

This disclosure requires the organization to explain how it manages each of its material topics. This means that the organization is required to report this disclosure for each of its material topics. The requirements in this disclosure apply to every material topic.

In addition to this disclosure, there may also be disclosures and guidance in the Topic Standards and Sector Standards that address reporting information about how the organization manages a topic. For example, some Topic Standards contain disclosures about specific actions or methods to manage a topic. The organization does not need to repeat this information under Disclosure 3-3 if it is already reported under another disclosure. The organization can report the information once and provide a reference to this information to fulfill the corresponding requirements in Disclosure 3-3.

If the organization's approach to managing a material topic, such as its policies or actions taken, applies to other material topics, the organization does not need to repeat this information for each topic. The organization can report this information once, with a clear explanation of all the topics it covers.

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

If the organization does not manage a material topic, it can comply with the requirements under this disclosure by explaining the reasons for not managing the topic or describing any plans to manage it.

Guidance to 3-3-a
Requirement 3-3-a enables the organization to indicate if a topic is material because of negative impacts, positive impacts, or both. It does not require a list of all the impacts identified or a detailed description of the impacts. Instead, the organization can provide a high-level overview of the impacts it has identified.

Describing negative impacts

The organization can describe:

- whether the negative impacts are actual or potential;
- the time frame of the negative impacts (i.e., whether the negative effects are short-term or long-term and when they are likely to arise);
- whether the negative impacts are systemic (e.g., child labor or forced labor in countries where the organization operates or sources materials from) or are related to individual incidents (e.g., an oil spill);
- the economic resources, environmental resources, and stakeholders (without identifying specific individuals) that are negatively affected or could be negatively affected, including their geographic location.

Reporting information about negative impacts can help the organization demonstrate that it recognizes these impacts and has taken action or intends to address them. The organization may have concerns about reporting information about negative impacts even if these impacts are publicly known. In cases where negative impacts are publicly known, failure to acknowledge these impacts and to explain how they are being addressed could have consequences for the organization financially, operationally, or reputationally. If the organization is unable to disclose specific information (e.g., because of stakeholders' right to privacy), it can provide the information in aggregated or anonymized form, or it can make a reference to the impacts commonly associated with its sectors, its products, or geographic locations. [11]

Describing positive impacts

The organization can describe:

- whether the positive impacts are actual or potential;
- the time frame of the positive impacts (i.e., whether the positive effects are short-term or long-term and when they are likely to arise);
- the activities that result in the positive impacts (e.g., products, services, investments, procurement practices);
- the economic resources, environmental resources, and stakeholders (without identifying specific individuals) that are positively affected or could be positively affected, including their geographic location.

Guidance to 3-3-b

The way the organization is involved with negative impacts determines how it should address the impacts and whether it has a responsibility to provide for or cooperate in their remediation (see section 2.3 in *GRI 1: Foundation 2021*). Requirement 3-3-b provides contextual information that aids an understanding of the actions taken by the organization to manage its negative impacts. The actions taken are reported under 3-3-d-i and 3-3-d-ii.

Under requirement 3-3-b, the organization is required to report whether it is involved with the negative impacts through its activities or as a result of its business relationships. Where possible, the organization should also report:

- whether it is or could be causing or contributing to the negative impacts through its activities; or
- whether the impacts are or could be directly linked to its operations, products, or services by its business relationships even if it has not contributed to them.

See Box 3 in this Standard for more information on causing, contributing, or being directly linked to negative impacts.

Under requirement 3-3-b, the organization is also required to describe the activities or business relationships. This enables the organization to indicate if the impacts related to a material topic are widespread in the organization's activities or business relationships, or if the impacts concern specific activities or business relationships.

If the impacts concern specific activities, the organization should describe the types of activities (e.g., manufacturing, retail) and their geographic location. If the impacts concern specific business relationships, the organization should describe the types of business relationships (e.g., suppliers of raw materials, franchisees), their position in the value chain, and their geographic location.

For example, if the organization has identified that its activities at specific sites could cause water pollution, it should describe the types of activities carried out at these sites and the geographic location of these sites. Or, if the organization has identified that it is directly linked to child labor by the business relationships in its supply chain, it should specify the types of suppliers using child labor (e.g., sub-contractors doing embroidery work for the organization's products) and the geographic location of these suppliers.

The organization can provide additional contextual information for understanding the extent of its impacts. Adding to the previous examples, the organization can report how many of its sites could cause water pollution (e.g., 60% of sites, five out of 12 sites) or the proportion of production these sites represent, or it can report the estimated number of sub-contractors using child labor that do embroidery work for the organization.

Guidance to 3-3-c
Requirement 3-3-c entails describing the policies or commitments the organization has developed specifically for the topic, in addition to the policy commitments reported under Disclosure 2-23 in *GRI 2: General Disclosures 2021*. If the organization has described its policies for a material topic under Disclosure 2-23, it can provide a reference to this information under 3-3-c and does not need to repeat the information. See Disclosure 2-23 in *GRI 2* for guidance on how to report information about policies.

When reporting its commitments regarding the material topic, the organization should provide a statement of intent to manage the topic or explain:

- the organization's stance on the topic;
- whether the commitment to manage the topic is based on regulatory compliance or extends beyond it;
- compliance with authoritative intergovernmental instruments related to the topic.

Guidance to 3-3-d
Requirement 3-3-d enables the organization to explain how it responds to its impacts. It does not require a detailed description of actions taken in relation to each impact. Instead, the organization can provide a high-level overview of how it manages its impacts.

The organization should report how it integrates the findings from its identification and assessment of impacts across relevant internal functions and processes, including:

- the level and function within the organization that has been assigned responsibility for managing the impacts;
- the internal decision-making, budget allocation, and oversight processes (e.g., internal audit) to enable effective actions to manage the impacts.

Disclosure 2-12 and Disclosure 2-13 in *GRI 2* require information on the role of the highest governance body in overseeing the management of the organization's impacts and on how it delegates responsibility for this.

The organization should also report how it manages actual impacts identified in previous reporting periods and which it continues to manage during the current reporting period.

Guidance to 3-3-d-i
The organization should report:

- examples of actions taken to prevent or mitigate potential negative impacts (e.g., adaptation/modification measures, facility upgrading, training, red-flag systems);
- approaches taken to prevent or mitigate systemic negative impacts;
- how the organization applies the precautionary principle, including:
  - how the organization proactively informs the public about potential negative impacts of its activities, products, and services, and how it deals with related questions and complaints;
  - the organization's support or contribution to scientific research related to evaluating potential negative impacts of its activities, products, and services;
  - the organization's participation in collaborative efforts to share knowledge and to prevent negative impacts of its activities, products, and services;
- how the organization uses or increases its leverage to motivate its business relationships to prevent or mitigate potential negative impacts. For example, whether the organization uses

or increases its leverage by enforcing contractual requirements, implements incentives such as future orders, provides training and support, or actively collaborates with other actors to motivate its business relationships to prevent or mitigate potential negative impacts;
- whether the organization has terminated a business relationship because it lacks the leverage to prevent or mitigate potential negative impacts and, if so, whether it has assessed if terminating the relationship could itself result in negative impacts.

See Guidance to 2-23-a-iii in *GRI 2* for more information on 'precautionary principle'.

Guidance to 3-3-d-ii
The organization should report:
- examples of actions taken to remediate actual negative impacts, including examples of specific remedies or types of remedy provided;
- how grievance mechanisms or other remediation processes (reported under Disclosure 2-25 in *GRI 2*) have made it possible for actual negative impacts to be remediated.

See Disclosure 2-25 in *GRI 2* for more information on processes to remediate negative impacts.

Guidance to 3-3-e
Requirement 3-3-e enables the organization to report information about the effectiveness of its actions to manage its impacts. Tracking the effectiveness of its actions is necessary for an organization to learn if its policies and processes are being implemented optimally. It is also necessary for knowing if it has responded effectively to its impacts and to drive continuous improvement.

The organization should also report information about the effectiveness of its actions to manage actual impacts from previous reporting periods. This applies in cases where the organization has assessed the effectiveness of these actions or derived lessons during the current reporting period.

Guidance to 3-3-e-i
Processes used to track the effectiveness of actions can include internal or external auditing or verification, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking.

Guidance to 3-3-e-ii
When reporting on goals and targets, the organization should report:
- how the goals and targets are set;
- whether and how the goals and targets take into account the sustainability context in which the impacts take place (e.g., sustainable development goals and conditions, the limits and demands placed on environmental resources). See the Sustainability context principle in *GRI 1* for more information;
- whether the goals and targets are informed by expectations in authoritative intergovernmental instruments and, where relevant, by scientific consensus;
- whether goals and targets are mandatory (based on legislation) or voluntary. If they are mandatory, the organization can list the relevant legislation;
- the organization's activities or business relationships to which the goals and targets apply;
- the baseline for the goals and targets;
- the timeline for achieving the goals and targets.

Targets can be qualitative (e.g., implementing a management system by a certain date) or quantitative (e.g., reducing greenhouse gas [GHG] emissions by a certain percentage by a certain date).

The indicators used to evaluate progress can also be qualitative or quantitative. Quantitative indicators can bring precision and enable comparisons. Qualitative information is often needed to put quantitative information into context, enable its interpretation, and determine which comparisons and conclusions are likely to be most valid. The Topic Standards and Sector Standards include qualitative and quantitative indicators.

Guidance to 3-3-e-iii
Requirement 3-3-e-iii enables the organization to show the extent to which the actions taken have been effective. Information on the effectiveness of the actions can be obtained, for example,

from the outcomes of internal or external auditing or verification, data collected through measurement systems, and stakeholder feedback. The organization should show that there is a credible link between the specific action taken by the organization and the effective management of impacts.

For example, to show the effectiveness of its actions to support its suppliers with improving their working conditions, the organization can report survey feedback from the suppliers' workers showing that working conditions have improved. Additional information the organization can provide includes data showing a decrease in the number of incidents identified through independent audits.

Similarly, to demonstrate the effectiveness of its actions to improve the quality of its water discharge, the organization can report data showing a decrease in the concentration of total dissolved solids (mg/L) in the water discharge.

When reporting progress toward its goals and targets, the organization should report whether progress is satisfactory or not. If a goal or target has not been achieved, the organization should explain why.

Guidance to 3-3-e-iv
Managing impacts is typically an ongoing process requiring continuous improvement based on learning from practice.

The organization is not required to provide a detailed description of lessons learned in relation to each material topic. Instead, the organization can provide examples to show how it incorporates lessons learned to manage impacts more successfully in the future.

For example, the organization can briefly describe lessons learned that have led to changes in its policies or practices (e.g., training for workers, giving additional attention to the performance of suppliers), or that have led to plans for changes that will manage impacts more successfully in the future.

Lessons learned may be derived from the organization's own processes (e.g., root cause analysis), from its business relationships, or from stakeholder or expert feedback.

Guidance to 3-3-f
The organization can explain, for example, whether and how affected stakeholders have been involved in determining an appropriate remedy for a negative impact or how stakeholder feedback is used to assess the effectiveness of the actions taken.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law

or practice

full-time employee
employee whose working hours per week, month, or year are defined according to national law or practice regarding working time

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:
- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is

regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

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

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

non-guaranteed hours employee
employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required

Source: ShareAction, *Workforce Disclosure Initiative Survey Guidance Document*, 2020; modified

Examples: casual employees, employees with zero-hour contracts, on-call employees

part-time employee
employee whose working hours per week, month, or year are less than the number of working hours for full-time employees

permanent employee
employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or part-time work

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

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

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

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

senior executive
high-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

temporary employee
employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

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

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

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard, as well as resources that can be consulted the organization.

Authoritative instruments:

1. International Labour Organization (ILO), *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, 2017.
2. Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
4. United Nations (UN), *Framework Convention on Climate Change (FCCC) Paris Agreement*, 2015.
5. United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011.
6. United Nations (UN), *International Bill of Human Rights*:
   - 6.1 United Nations (UN), *Universal Declaration of Human Rights*, 1948.
   - 6.2 United Nations (UN), *International Covenant on Civil and Political Rights*, 1966.
   - 6.3 United Nations (UN), *International Covenant on Economic, Social, and Cultural Rights*, 1966.
   - 6.4 United Nations (UN), *Optional Protocol to the International Covenant on Civil and Political Rights*, 1966.
   - 6.5 United Nations (UN), *Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty*, 1989.
7. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
8. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.
9. United Nations (UN), *Rio Declaration on Environment and Development*, 1992.
10. United Nations (UN) *Resolution*, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015 (A/RES/70/1).

Additional references:

11. Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015.

Resources:

12. Castan Centre for Human Rights Law, Office of the United Nations High Commissioner for Human Rights (OHCHR), and United Nations Global Compact, *Human Rights Translated 2.0: A Business Reference Guide*, 2017.
13. Organisation for Economic Co-operation and Development (OECD), sectoral guidance, *http://mneguidelines.oecd.org/sectors/*, accessed on 7 May 2021.
14. Shift, Oxfam, and Global Compact Network Netherlands, *Doing Business with Respect for Human Rights: A Guidance Tool for Companies*, 2016.
15. United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012.
16. World Benchmarking Alliance (WBA), Corporate Human Rights Benchmark methodology, updated periodically.

GRI 11: Oil and Gas Sector 2021

Sector Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2023

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 11: Oil and Gas Sector 2021 provides information for organizations in the oil and gas sector about their likely material topics. These topics are likely to be material for organizations in the oil and gas sector on the basis of the sector's most significant impacts on the economy, environment, and people, including on their human rights.

GRI 11 also contains a list of disclosures for organizations in the oil and gas sector to report in relation to each likely material topic. This includes disclosures from the GRI Topic Standards and other sources.

The Standard is structured as follows:
- Section 1 provides a high-level overview of the oil and gas sector, including its activities, business relationships, context, and the connections between the United Nations Sustainable Development Goals (SDGs) and the likely material topics for the sector.
- Section 2 outlines the topics that are likely to be material for organizations in the oil and gas sector and therefore potentially merit reporting. For each likely material topic, the sector's most significant impacts are described and disclosures to report information about the organization's impacts in relation to the topic are listed.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text and linked to the definitions.
- The Bibliography contains authoritative intergovernmental instruments and additional references used in developing this Standard, listed by topic. It also lists further resources that the organization can consult.

The rest of the Introduction section provides an overview of the sector this Standard applies to, an overview of the system of GRI Standards, and further information on using this Standard.

Sector this Standard applies to

GRI 11 applies to organizations undertaking any of the following:

- Exploration and production of onshore and offshore oil and gas.
- Supply of equipment and services to oil fields and offshore platforms, such as drilling, exploration, seismic information services, and platform construction.
- Transportation and storage of oil and gas, such as oil and gas pipeline operators.
- Refining of oil into petroleum products for use as fuels and as feedstocks for chemicals.

This Standard can be used by any organization in the oil and gas sector, regardless of size, type, geographic location, or reporting experience.

The organization must use all applicable Sector Standards for the sectors in which it has substantial activities.

Sector classifications

Table 1 lists industry groupings relevant to the oil and gas sector covered in this Standard in the Global Industry Classification Standard (GICS®) [4], the Industry Classification Benchmark (ICB) [3], the International Standard Industrial Classification of All Economic Activities (ISIC) [6], and the Sustainable Industry Classification System (SICS®) [5].[1] The table is intended to assist an organization in identifying whether *GRI 11* applies to it and is for reference only.

Table 1. Industry groupings relevant to the oil and gas sector in other classification systems

CLASSIFICATION SYSTEM	CLASSIFICATION NUMBER	CLASSIFICATION NAME
GICS®	10101010	Oil & Gas Drilling
	10101020	Oil & Gas Equipment & Services
	10102010	Integrated Oil & Gas
	10102020	Oil & Gas Exploration & Production
	10102030	Oil & Gas Refining and Marketing
	10102040	Oil & Gas Storage & Transportation
ICB	60101000	Integrated Oil & Gas
	60101010	Oil: Crude Producers
	60101015	Offshore Drilling & Other Services
	60101020	Oil Refining and Marketing
	60101030	Oil Equipment & Services
	60101035	Pipelines
ISIC	B6	Extraction of crude petroleum and natural gas
	B91	Support activities for petroleum and natural gas extraction
	C192	Manufacture of refined petroleum products
SICS®	EM-EP	Oil & Gas - Exploration & Production
	EM-MD	Oil & Gas - Midstream
	EM-RM	Oil & Gas - Refining & Marketing
	EM-SV	Oil & Gas - Services

1 The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [1] and the North American Industry Classification System (NAICS) [2] can also be established through available concordances with the International Standard Industrial Classification (ISIC).

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

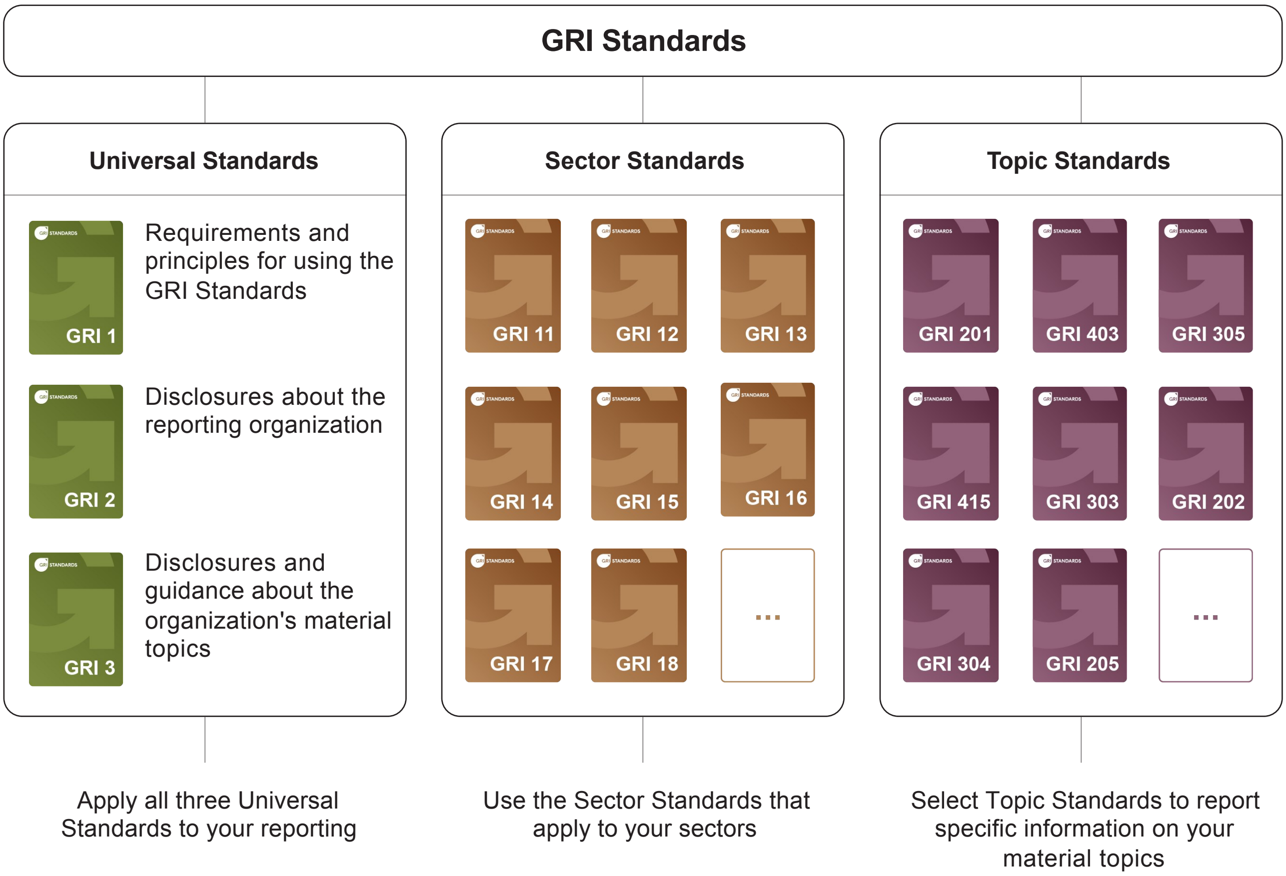
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

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

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

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

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



Using this Standard

An organization in the oil and gas sector reporting in accordance with the GRI Standards is required to use this Standard when determining its material topics and then when determining what information to report for the material topics.

Determining material topics

Material topics represent an organization's most significant impacts on the economy, environment, and people, including their human rights.

Section 1 of this Standard provides contextual information that can help the organization in identifying and assessing its impacts.

Section 2 outlines the topics that are likely to be material for organizations in the oil and gas sector. The organization is required to review each topic described and determine whether it is a material topic for it.

The organization needs to use this Standard when determining its material topics. However, circumstances for each organization vary, and the organization needs to determine its material topics according to its specific circumstances, such as its business model; geographic, cultural, and legal operating context; ownership structure; and the nature of its impacts. Because of this, not all topics listed in this Standard may be material for all organizations in the oil and gas sector. See *GRI 3: Material Topics 2021* for step-by-step guidance on how to determine material topics.

If the organization has determined any of the topics included in this Standard as not material, then the organization is required to list them in the GRI content index and explain why they are not material.

See Requirement 3 in *GRI 1: Foundation 2021* and Box 5 in *GRI 3* for more information on using Sector Standards to determine material topics.

Determining what to report

For each material topic, an organization reports information about its impacts and how it manages these impacts.

Once an organization has determined a topic included in this Standard to be material, the Standard also helps the organization identify disclosures to report information about its impacts relating to that topic.

For each topic in section 2 of this Standard, a reporting sub-section is included. These sub-sections list disclosures from the GRI Topic Standards that are relevant to the topic. They may also list additional sector disclosures and recommendations for the organization to report. This is done in cases where the Topic Standards do not provide disclosures, or where the disclosures from the Topic Standards do not provide sufficient information about the organization’s impacts in relation to a topic. These additional sector disclosures and recommendations may be based on other sources. Figure 2 illustrates how the reporting included in each topic is structured.

The organization is required to report the disclosures from the Topic Standards listed for those topics it has determined to be material. If any of the Topic Standards disclosures listed are not relevant to the organization’s impacts, the organization is not required to report them. However, the organization is required to list these disclosures in the GRI content index and provide ‘not applicable’ as the reason for omission for not reporting the disclosures. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

The additional sector disclosures and recommendations outline further information which has been identified as relevant for organizations in the oil and gas sector to report in relation to a topic. The organization should provide sufficient information about its impacts in relation to each material topic, so that information users can make informed assessments and decisions about the organization. For this reason, reporting these additional sector disclosures and recommendations is encouraged, however it is not a requirement.

When the organization reports additional sector disclosures, it is required to list them in the GRI content index (see Requirement 7 in *GRI 1*).

If the organization reports information that applies to more than one material topic, it does not need to repeat it for each topic. The organization can report this information once, with a clear explanation of all the topics it covers.

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

See Requirement 5 in *GRI 1* for more information on using Sector Standards to report disclosures.

GRI Sector Standard reference numbers

GRI Sector Standard reference numbers are included for all disclosures listed in this Standard, both those from GRI Standards and additional sector disclosures. When listing the disclosures from this Standard in the GRI content index, the organization is required to include the associated GRI Sector Standard reference numbers (see Requirement 7 in *GRI 1: Foundation 2021*). This identifier helps information users assess which of the disclosures listed in the applicable Sector Standards are included in the organization's reporting.

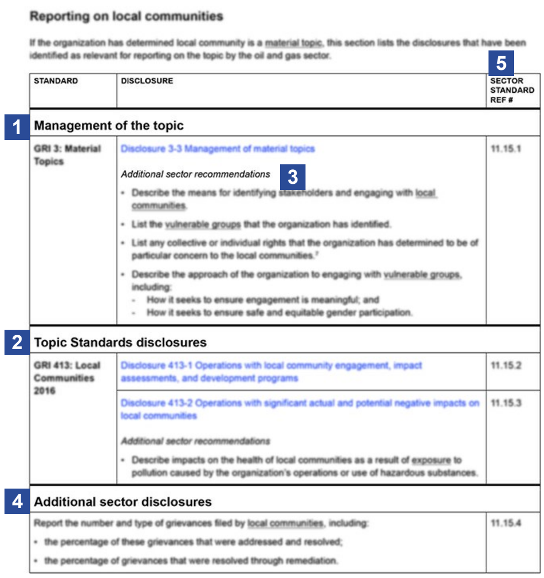
Defined terms

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

References and resources

The authoritative intergovernmental instruments and additional references used in developing this Standard, as well as further resources that may help report on likely material topics and can be consulted by the organization are listed in the Bibliography. These complement the references and resources listed in *GRI 3: Material Topics 2021* and in the GRI Topic Standards.

Figure 2. Structure of reporting included in each topic



Reporting on local communities

If the organization has determined local community is a material topic, this section lists the disclosures that have been identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	5 SECTOR STANDARD REF #
1 Management of the topic		
GRI 3: Material Topics	Disclosure 3-3 Management of material topics *Additional sector recommendations* 3 • Describe the means for identifying stakeholders and engaging with local communities. • List the vulnerable groups that the organization has identified. • List any collective or individual rights that the organization has determined to be of particular concern to the local communities.[7] • Describe the approach of the organization to engaging with vulnerable groups, including: - How it seeks to ensure engagement is meaningful; and - How it seeks to ensure safe and equitable gender participation.	11.15.1
2 Topic Standards disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities *Additional sector recommendations* • Describe impacts on the health of local communities as a result of exposure to pollution caused by the organization's operations or use of hazardous substances.	11.15.3
4 Additional sector disclosures		
Report the number and type of grievances filed by local communities, including: • the percentage of these grievances that were addressed and resolved; • the percentage of grievances that were resolved through remediation.		11.15.4

1 Management of the topic

The organization is required to report how it manages each material topic using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2 Topic Standards disclosures

Disclosures from the GRI Topic Standards that have been identified as relevant for organizations in the sector(s) are listed here. When the topic is determined by the organization as material, it is required to report those disclosures or explain why they are not applicable in the GRI context index. See the Topic Standard for the content of the disclosure, including requirements, recommendations, and guidance.

3 Additional sector recommendations

Additional sector recommendations may be listed. These complement Topic Standards disclosures and are recommended for an organization in the sector(s).

4 Additional sector disclosures

Additional sector disclosures may be listed. Reporting these, together with any Topic Standards disclosures, ensures the organization reports sufficient information about its impacts in relation to the topic.

5 Sector Standard reference numbers

GRI Sector Standard reference numbers are required to be included in the GRI Content Index. This helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.

1. Sector profile

Oil and gas are non-renewable natural resources, used by humans for thousands of years and with particular intensity during the last two centuries. The oil and gas sector is a large global industry producing fuel for transportation and for energy generation, and raw materials for chemical products and polymers. The sector's outputs are also used in construction, clothing, fertilizers and insecticides, medical and electronic equipment, and a range of everyday objects. The combustion of oil and gas generates air emissions, including greenhouse gases (GHGs), which are the main contributor to climate change.

The oil and gas sector comprises organizations of different sizes and ownership status. State-owned oil and gas enterprises are present in most oil and gas resource-rich countries, representing some of the largest organizations in the sector. Privately held oil and gas organizations are also important and are, in general, vertically integrated and operate internationally. Medium-sized organizations may operate in specific regions or countries, or deliver products, services and technology, such as surveying of resources, drilling, design, planning, and construction, to exploration and production organizations.

Sector activities and business relationships

Through their activities and business relationships, organizations can have an effect on the economy, environment, and people, and in turn make negative or positive contributions to sustainable development. When determining its material topics, the organization should consider the impacts of both its activities and its business relationships.

Activities

The impacts of an organization vary according to the types of activities it undertakes. The following list outlines some of the key activities of the oil and gas sector, as defined in this Standard. This list is not exhaustive.

Exploration: Surveying of resources, including aerial surveys, seismic testing, and exploratory drilling.

Development: Design, planning, and construction of oil and gas fields, including processing and worker facilities.

Production: Extraction of oil and gas from onshore or offshore reserves, and separation of oil, gas and water.

Oil sands mining: Extraction of bitumen from oil sands using surface mining or *in situ* techniques.

Closure and rehabilitation: Closure, decommissioning, dismantling, removal, disposal, or modification of assets, facilities and sites.

Refining: Refining of oil into petroleum products for use as fuels and as feedstocks for chemicals.

Processing: Processing gas into pipe-quality natural gas and natural gas liquids, including removing hydrocarbons and fluids.

Transportation: Marine and land transportation of oil and gas.

Storage and pipelines: Distribution and storage of oil and gas in tanks and marine vessels and distribution via marine and land-based pipelines.

Sales and marketing: Selling of oil and gas products for the purpose of, for example, fuels, gas for retail use, and inputs in the production of specialty chemicals, petrochemicals, and polymers.

Business relationships

An organization's business relationships include relationships that it has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services. The following types of business relationships are prevalent in the oil and gas sector and are relevant when identifying the impacts of organizations in the sector.

Joint ventures are arrangements in which organizations share the costs, benefits, and liabilities of oil and gas activities. An organization in the oil and gas sector can be involved with negative impacts as a result of a joint venture, even if it is a non-operating partner.

State-owned enterprises (SOEs) are often the largest oil and gas producers and hold ownership of the majority of global reserves. They may also serve as joint venture partners to publicly traded oil and gas organizations. SOEs have specific challenges relating to transparency and governance, which are addressed in some of the likely material topics in this Standard.

Suppliers and contractors are used in large numbers in the oil and gas sector to perform certain activities, such as drilling and construction, or to provide other services and products. Some of the significant impacts covered in this Standard concern the supply chain.

Customers use oil and gas to produce energy, heat, and materials. When combusting oil and gas, they generate greenhouse gases (GHGs) and other air emissions. While the primary responsibility for reducing and managing their emissions lies with customers, organizations extracting and producing oil and gas are also expected to take actions to reduce emissions from the combustion of their products and to disclose the related GHG emissions (Scope 3 GHG emissions). As such, this Standard includes not only direct (Scope 1) and indirect (Scope 2) GHG emissions, but also other indirect (Scope 3) GHG emissions**.**

The sector and sustainable development

Energy is a key driver of economic growth and sustainable development. Oil and gas have been fundamental sources of the world's energy, contributing to economic growth and poverty reduction.

Currently, oil and gas are the world's most actively traded commodities. Together, they represent the most important resources for electricity production, providing over 50% of the total supply [13]. In 2020, 90% of the transportation sector's energy needs were met by oil products [12]. The oil and gas sector today also meets much of society's needs for raw materials used in the production of specialty chemicals, petrochemicals, and polymers.

At present, oil and gas are considered strategic assets in regions or countries where they generate critical revenue streams or support energy independence. For example, the percentage of gross domestic product attributable to oil revenues has reached 45% in some resource-rich countries [20]. Revenues from this sector can contribute to local and national economic development, together with job creation, investments, and infrastructure, business, and skills development.

The majority of the world's countries have committed to combating climate change, as outlined in the Paris Agreement [7]. The International Panel on Climate Change (IPCC) warns that continuing to emit greenhouse gas (GHG) at the current rate could result in dangerous global temperature increases leading to magnified risks of extreme weather and climate events [15]. Other reports show that with current policy commitments the world is heading toward a dangerous 3.2°C rise in temperature by 2100 [18].

These projections underline the need to transition to a low-carbon economy based on affordable, reliable, and sustainable energy. Achieving net-zero GHG emissions by 2050 is required to limit global warming to 1.5°C above pre-industrial levels, a level predicted to pose significantly lower risks to natural and human systems than that of 2°C [15]. Combined, the GHGs released by extracting, refining, and burning oil and gas represent 55% of all energy-related GHG emissions and constitute the largest contribution to anthropogenic climate change [36]. Action taken by the oil and gas sector is essential to the transition to a low-carbon economy.

The number of oil and gas operations closing will increase in the context of transition to a low-carbon economy, and impacts of these closures on workers and communities will consequently rise. A just transition is a fair and equitable pathway through industrial transformation to a sustainable future, where governments and organizations work in collaboration. Such a transition integrates worker-centric public policies and programs with employer policies and programs to provide a secure and decent future for all workers, their families, and the communities that rely on them. The path for transitioning to a low-carbon economy will vary for different countries according to factors such as their economic conditions and capability to respond to and mitigate impacts of climate change [9].

Besides contributing to climate change, the activities of the oil and gas sector generate further negative impacts on the environment and people, including impacts on their human rights. These impacts include loss of biodiversity; soil, water and air pollution; conflict and social disruption, and threats to human health. Vulnerable groups such as indigenous peoples or women may be disproportionally affected, and oil and gas operations may continue to generate negative impacts after their closure.

Negative impacts can be intensified by inadequate governance of natural resources. The large revenues derived from the oil and gas sector can lead to corruption and mismanagement of resources. Economies dependent on oil and gas can also be vulnerable to commodity price and production fluctuations.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of action to achieving sustainable development [8].

Since the SDGs and targets associated with them are integrated and indivisible, oil and gas organizations have the potential to contribute to all SDGs by enhancing their positive impacts, or by preventing and mitigating their negative impacts, on the economy, environment, and people.

The oil and gas sector is particularly relevant to achieving Goal 13: Climate Action and, given the potential impact of climate change on the development agenda, this will influence the achievement of every goal, while contributing to the transition to a low-carbon economy.

The oil and gas sector also plays a fundamental role in achieving Goal 7: Affordable and Clean Energy. Ensuring access to energy for all while transitioning toward a low-carbon economy is one of the challenges faced by the sector. Millions of people still lack access to energy. This limitation hinders access to basic services such as those recognized in Goal 3: Good Health and Wellbeing and Goal 4: Quality Education as well as their income-generating opportunities, which are crucial to achieving Goal 1: No Poverty. More broadly, affordable and reliable energy is a fundamental input for the world economy and instrumental for achieving Goal 8: Decent Work and Economic Growth.

In countries that produce oil and gas, the sector generates high revenues and attracts significant investment. However, the large revenues derived from the sector carry a risk of corruption and conflict over resources, which have a bearing on Goal 16: Peace and Justice Strong Institutions.

Table 2 presents connections between the likely material topics for the oil and gas sector and the SDGs. These linkages were identified based on an assessment of the impacts described in each likely material topic, the targets associated with each SDG, and existing mapping undertaken for the sector (see references [14] and [16] in the Bibliography).

Table 2 is not a reporting tool but presents connections between the oil and gas sector's significant impacts and the goals of the 2030 Agenda for Sustainable Development. See references [21] and [22] in the Bibliography for information on reporting progress towards the SDGs using the GRI Standards.

Table 2. Links between the likely material topics for the oil and gas sector and the SDGs

	1 No Poverty	2 Zero Hunger	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the Goals
Topic 11.1 GHG Emissions													●	●			
Topic 11.2 Climate adaptation, resilience, and transition	●						●	●	●			●	●				
Topic 11.3 Air emissions			●								●				●		
Topic 11.4 Biodiversity						●						●		●	●		
Topic 11.5 Waste			●			●						●		●	●		
Topic 11.6 Water and effluents						●						●		●	●		
Topic 11.7 Closure and rehabilitation				●				●			●			●	●		
Topic 11.8 Asset integrity and critical incident management											●			●			
Topic 11.9 Occupational health and safety			●					●									
Topic 11.10 Employment practices	●			●	●			●		●							
Topic 11.11 Non-discrimination and equal opportunity				●	●			●		●						●	
Topic 11.12 Forced labor and modern slavery								●								●	
Topic 11.13 Freedom of association and collective bargaining								●								●	
Topic 11.14 Economic impacts	●				●			●	●	●							
Topic 11.15 Local communities	●		●		●	●										●	
Topic 11.16 Land and resource rights	●	●									●					●	
Topic 11.17 Rights of indigenous peoples	●		●		●						●					●	
Topic 11.18 Conflict and security																●	
Topic 11.19 Anti-competitive behavior																●	
Topic 11.20 Anti-corruption												●				●	
Topic 11.21 Payments to governments	●															●	●
Topic 11.22 Public policy																●	

2. Likely material topics

This section comprises the likely material topics for the oil and gas sector. Each topic describes the sector's most significant impacts related to the topic and lists disclosures that have been identified as relevant for reporting on the topic by oil and gas organizations. The organization is required to review each topic in this section and determine whether it is a material topic for the organization, and then to determine what information to report for its material topics.

Topic 11.1 GHG emissions

Greenhouse gas (GHG) emissions comprise air emissions that contribute to climate change, such as carbon dioxide (CO_2) and methane (CH_4). This topic covers direct (Scope 1) and energy indirect (Scope 2) GHG emissions related to an organization's activities, as well as other indirect (Scope 3) GHG emissions that occur upstream and downstream of the organization's activities.

GHG emissions are the single biggest contributor to climate change. The oil and gas sector's activities and the use of oil and gas products are responsible for a large portion of two major GHGs: carbon dioxide (CO_2) and methane (CH_4). Globally, it is estimated that the sector is responsible for a quarter of all anthropogenic emissions of CH_4, which has a notably higher global warming potential than CO_2. Recent measurements indicate that available figures on CH_4 emissions from the sector could be underestimates. Other GHGs from oil and gas activities include ethane (C_2H_6), nitrous oxide (N_2O), hydrofluorocarbons (HCFs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

GHG emissions from oil and gas activities are classified as direct (Scope 1) GHG emissions in the case of activities owned or controlled by the organization or energy indirect (Scope 2) GHG emissions in the case of purchased or acquired electricity, heating, cooling, and steam consumed by the organization. Currently, 15% of the world's energy-related GHG emissions come from the process of producing and distributing oil and gas [36].

Direct (Scope 1) GHG emissions comprise emissions from fuel combustion during production, process emissions such as those during loading and tankage, and fugitive emissions such as those from piping and equipment leaks. A substantial source of the sector's Scope 1 GHG emissions is flaring and venting, which aim to dispose of gas that cannot be contained or handled otherwise for safety, technical, or economic reasons. These practices occur during oil and gas production, storage, and refining.

Box 1. Flaring and venting

When gas needs to be disposed of, it may be flared (burned off), or vented (released without being burned). Flaring converts gas to CO_2, while venting releases CH_4 directly to the atmosphere. Given that CH_4 has a higher global warming potential than CO_2, routing associated gases to an efficient flare system instead of venting is considered best practice and there is wide agreement that routine venting should be eliminated.

Flaring also represents a major source of emissions. While large amounts of gases resulting from oil and gas activities are used or conserved, flaring still routinely occurs. According to the World Bank, routine flaring occurs 'during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market'. Increases in shale oil production has further contributed to volumes of flaring.

The amount of natural gas flared in 2018 resulted in emissions of approximately 275 megatons of CO_2, as well as other GHGs such as methane, black carbon and N_2O.

See references [34], [46] and [48] in the Bibliography.

Energy indirect (Scope 2) GHG emissions originate from stationary and mobile sources (e.g., transportation of materials, products, or waste); and the activities of extraction; oil refining; liquefaction and regasification of natural gas; and operation of facilities and equipment. The depletion of traditional oil and gas resources has led the sector to move production to more difficult settings, which may involve more complex extraction methods such as offshore deep-water drilling or oil sands mining. Despite the sector's ongoing improvements in production efficiency, these conditions are likely to increase the amount of energy used during production and transportation and, as such, GHG emissions associated with from these activities.

GHG emissions resulting from the end use of products are classified as other indirect (Scope 3) GHG emissions. For the oil and gas sector, these constitute the most significant GHG emissions and over half of global CO_2 emissions [33]. The majority of Scope 3 GHG emissions originate from combustion processes related to construction, electricity and heat generation, manufacturing, and transportation. Volumes of these emissions have increased together with higher energy demands.

Reporting on GHG emissions

If the organization has determined GHG emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe actions taken to manage flaring and venting and the effectiveness of actions taken.	11.1.1
Topic Standard disclosures		
GRI 302: Energy 2016	Disclosure 302-1 Energy consumption within the organization	11.1.2
	Disclosure 302-2 Energy consumption outside of the organization	11.1.3
	Disclosure 302-3 Energy intensity	11.1.4
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions *Additional sector recommendations* • Report the percentage of gross direct (Scope 1) GHG emissions from CH_4. • Report the breakdown of gross direct (Scope 1) GHG emissions by type of source (stationary combustion, process, fugitive).[2]	11.1.5
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	11.1.6
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	11.1.7
	Disclosure 305-4 GHG emissions intensity	11.1.8

References and resources

GRI 302: Energy 2016 and *GRI 305: Emissions 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on the GHG emissions by the oil and gas sector are listed in the Bibliography.

2 This additional sector recommendation is based on clause 2.2.5.3 in *GRI 305: Emissions 2016*.

Topic 11.2 Climate adaptation, resilience, and transition

Climate adaptation, resilience, and transition refer to how an organization adjusts to current and anticipated climate change-related risks, as well as how it contributes to the ability of societies and economies to withstand impacts from climate change. This topic covers an organization's strategy in relation to the transition to a low-carbon economy and the impacts of that transition on workers and local communities.

Signatories of the Paris Agreement have committed to keeping global warming 'well below 2°C' [58], yet fossil fuel reserves that are currently available globally far exceed the maximum amount that can be consumed while remaining within this limit [78]. This means organizations in the oil and gas sector need to establish targets for carbon emissions; modify their business models; and invest in renewable energy, technologies to remove CO_2 from the atmosphere [68], and nature-based solutions to mitigate climate change, such as reforestation, afforestation, coastal and wetland restoration.

Transitioning to a low-carbon economy requires organizations to set emissions targets that are consistent with the goal of limiting global warming to well below 2°C under the Paris Agreement. Actions to reduce emissions linked to the process of extracting and distributing oil and gas, which are direct (Scope 1) and energy indirect (Scope 2) GHG emissions, offer important and immediate opportunities for the sector to contribute to reducing global GHG emissions. The sector also faces expectations to address other indirect Scope 3 emissions related to the use of oil and gas products. Actions to reduce these emissions can include, for example, diversification into lower carbon businesses.

Transitioning to a low-carbon economy also creates uncertainty about the future demand for oil and gas. The International Energy Agency (IEA) estimates that based on current policies, demand for oil will level off around 2030 while, in some regions, demand for gas will begin decreasing by 2040 [68]. In a scenario that sees the energy transition accelerate to achieve net-zero GHG emissions by 2050, demand for oil could drop by almost 75% between 2020 and 2050 and demand for gas could peak before 2030[3] [67]. A decrease in the demand for oil and gas will translate into lower utilization of existing production facilities and decreased development of reserves. Depending on the speed of this process, some fields and facilities may need to be re-evaluated or even written-off prematurely, becoming stranded assets. This will affect oil and gas organizations financially and generate significant impacts for workers, governments and other stakeholders.

The transition may affect employment, government revenues, and economic development in regions where the sector operates. More frequent closures are less likely to be counterbalanced by openings, as has been the case in the past. Workers may face other potential impacts related to employability, reskilling, and desirable re-employment opportunities. Closure of operations without adequate provisions for decommissioning and rehabilitation may also result in an economic burden for governments and local communities (see also topic 11.7 Closure and rehabilitation), particularly in countries where oil and gas production provides a large percentage of revenues.

To achieve a just transition to a low-carbon economy, the different dependency levels of workers, local communities, and national economies on the oil and gas sector needs to be recognized, and quality jobs for those affected created [79]. Examples of actions that organizations may take to contribute to a just transition include providing adequate advance notice of closures; collaborating with governments and unions; advocating for climate consistent policy (see also topic 11.22 Public policy); retraining, reskilling, and redeploying workers; and making alternative investments in the affected communities. Meaningful, early consultations with stakeholders and local communities have also been identified as crucial to achieving a just transition (see also topic 11.7 Closure and rehabilitation).

3 IEA's *Net-zero by 2050* scenario is designed to show what is needed by various actors by when, for the world to achieve net-zero energy-related and industrial process CO_2 emissions by 2050, however it is just one possible pathway to achieve net-zero emissions by 2050 [67].

Box 2. Scenario analysis for climate transition

Scenario analysis is a process that considers alternative situations to assess future outcomes. Organizations can use it to gauge the potential outcomes of their strategies in uncertain circumstances or conditions. Scenario analysis can employ various methodologies, qualitative and quantitative. The Task Force on Climate-related Financial Disclosures (TCFD) recommendations suggest scenario analysis as a way to help organizations understand climate change-related risks and opportunities [82].

Scenario analysis is well suited to explore the risks that transitioning to a low-carbon economy poses to oil and gas organizations because it allows them to consider alternative forms of future states simultaneously. Organizations typically define scenarios according to the speed of transition, expressed in the resulting average global temperature changes. A scenario compatible with the commitments of countries in the Paris Agreement will require a temperature rise well below 2ºC. Other scenarios can be defined according to an organization’s national context. The organization can then translate the expected reductions in GHG emissions compatible with such a temperature rise into expected revenue.

Reporting on climate adaptation, resilience, and transition

If the organization has determined climate adaptation, resilience, and transition to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe policies, commitments, and actions of the organization to prevent or mitigate the impacts of the transition to a low-carbon economy on workers and local communities. • Report the level and function within the organization that has been assigned responsibility for managing risks and opportunities due to climate change. • Describe the board's oversight in managing risks and opportunities due to climate change. • Report whether responsibility to manage climate change-related impacts is linked to performance assessments or incentive mechanisms, including in the remuneration policies for highest governance body members and senior executives. • Describe the climate change-related scenarios used to assess the resilience of the organization's strategy, including a 2°C or lower scenario.	11.2.1
Topic Standard disclosures		

GRI 201: Economic Performance 2016	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change
	
	Additional sector recommendations
	• Report the emissions potential for proven and probable reserves.[4]
	• Report the internal carbon-pricing and oil and gas pricing assumptions that have informed the identification of risks and opportunities due to climate change.
	• Describe how climate change-related risks and opportunities affect or could affect the organization's operations or revenue, including:
	  - development of currently proven and probable reserves;
	  - potential write-offs and early closure of existing assets;
	  - oil and gas production volumes for the current reporting period and projected volumes for the next five years.
	• Report the percentage of capital expenditure (CapEx) that is allocated to investments in:
	  - prospection, exploration, and development of new reserves;
	  - energy from renewable sources (by type of source);
	  - technologies to remove CO_2 from the atmosphere and nature-based solutions to mitigate climate change;
	  - other research and development initiatives that can address the organization's risks related to climate change.
	• Report net mass of CO_2 in metric tons captured and removed from the atmosphere (CO_2 stored less the GHG emitted in the process).[5]
		11.2.2

GRI 305: Emissions 2016	Disclosure 305-5 Reduction of GHG emissions *Additional sector recommendations* • Report how the goals and targets for GHG emissions are set, specify whether they are informed by scientific consensus, and list any authoritative	11.2.3

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
	intergovernmental instruments or mandatory legislation the goals and targets are aligned with. • Report the Scopes (1, 2, 3) of GHG emissions, activities, and business relationships to which the goals and targets apply. • Report the baseline for the goals and targets and the timeline for achieving them.	
Additional sector disclosures		
Describe the organization's approach to public policy development and lobbying on climate change, including: • the organization's stance on significant issues related to climate change that are the focus of its participation in public policy development and lobbying, and any differences between these positions and its stated policies, goals, or other public positions; • whether it is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying on climate change, including: - the nature of this contribution; - any differences between the organization's stated policies, goals, or other public positions on significant issues related to climate change; and the positions of the representative associations or committees.[6]		11.2.4

References and resources

GRI 201: Economic Performance 2016 and *GRI 305: Emissions 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on climate adaptation, resilience, and transition by the oil and gas sector are listed in the Bibliography.

4 The definition of reserves used by the organization for this additional sector recommendation should be the same as the definition used in its consolidated financial statements or equivalent documents.

5 The mass of the CO_2 captured using carbon capture and storage less the mass of CO_2 emitted as a result of or during the process, is sometimes known as 'net reduction of emissions' [69].

6 These additional sector disclosures are based on reporting recommendations 1.2.1 and 1.2.2 in *GRI 415: Public Policy 2016*.

Topic 11.3 Air emissions

Air emissions include pollutants that have negative impacts on air quality and ecosystems, including human and animal health. This topic covers impacts from emissions of sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM), volatile organic compounds (VOC), carbon monoxide (CO), and heavy metals, such as lead, mercury, and cadmium.

The activities of the oil and gas sector and the combustion of oil and gas are anthropogenic sources of other air emissions besides greenhouse gases (GHGs). These include SO_x, NO_x, PM, VOCs, hazardous air pollutants (HAP), such as benzene (C_6H_6) and hydrogen sulfide (H_2S), and ozone (O_3).[7]

These air emissions can be released during production and processing; refining, distribution, and storage. They can result from activities such as flaring and venting; fuel combustion for powering machinery; and transportation of supplies and products. Air emissions can also result from evaporation losses, fugitive emissions from equipment leaks and failures, and process-safety incidents and events. A significant number of air emissions also result from fuel combustion by end-users.

Globally, air pollution causes acute health problems and millions of deaths annually by contributing to heart and lung diseases, strokes, respiratory infections, and neurological damage [93]. Children, the elderly, and the poor are disproportionately affected by these emissions, as are local communities adjacent to operational sites.

Air emissions may lead to widespread and diverse impacts on ecosystems, while affecting other economic activities that depend on these ecosystems. For example, NO_x emissions that enter oceans, lakes, or other waterbodies can alter their chemistry, negatively impacting land and aquatic life. NO_x and SO_x emissions can lead to acid rain and increase ocean acidification. These emissions can also cause damage to plant life by, for example, impairing photosynthesis and reducing growth.

7 The scope of this topic does not include carbon dioxide CO_2 and methane CH_4, which are reported under GHG emissions.

Reporting on air emissions

If the organization has determined air emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.3.1
Topic Standard disclosures		
GRI 305: Emissions 2016	Disclosure 305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	11.3.2
GRI 416: Customer Health and Safety 2016	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories *Additional sector recommendations* • Describe actions taken to improve product quality to reduce air emissions	11.3.3

References and resources

GRI 305: Emissions 2016 and *GRI 416: Customer Health and Safety 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on air emissions by the oil and gas sector are listed in the Bibliography.

Topic 11.4 Biodiversity

Biodiversity is the variability among living organisms. It includes diversity within species, between species and of ecosystems. Biodiversity not only has intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. This topic covers impacts on biodiversity, including on plant and animal species, genetic diversity and natural ecosystems.

Oil and gas activities can be the source of pressures on the environments in which they occur, and have direct, indirect, and cumulative impacts on biodiversity in the short and long term. Biodiversity impacts from oil and gas activities include contamination of air, soil and water, soil erosion, and sedimentation of waterways. Other impacts can include animal mortality or increased vulnerability to predators, habitat fragmentation and conversion, and the introduction of invasive species and pathogens. Impacts on biodiversity can result in limitations in the availability, accessibility, or quality of natural resources, which in turn may impact the well-being and livelihoods of local communities (topic 11.15) and indigenous peoples (topic 11.17). Impacts can be exacerbated when activities occur in protected areas or areas of high biodiversity value and may extend well beyond the closure and rehabilitation (topic 11.7) of operational sites or geographic boundaries of activities.

Impacts can result from both onshore and offshore activities, such as land clearance; seismic testing and drilling of exploration wells; construction of assets and facilities, infrastructure, and pipelines; road development and transportation; water discharge; disposal of drilling waste; spills and leaks. Threats to biodiversity will increase as easily accessible oil and gas resources are depleted and oil and gas activities move into more remote areas.

The oil and gas sector can also contribute to cumulative impacts on biodiversity. For example, as onshore oil and gas activities expand into an area, new access routes are installed, which typically require clearing land. This leads to habitat fragmentation and conversion but can also result in increased use of the area, or even encourage other sectors to establish operations in the same areas, intensifying impacts. Changes to land use to accommodate the sector's activities can exacerbate the effects of climate change if they result in removal of carbon sinks. In turn, climate change is likely to affect all aspects of biodiversity, including individual organisms, populations, species distribution, and the composition and function of ecosystems, and the impacts are anticipated to worsen with increasing temperatures.

To limit and manage its impacts on biodiversity, the oil and gas sector has been developing and, in some cases already using, a mitigation hierarchy tool that helps inform its actions. The mitigation hierarchy consists of four sequential steps to reduce the negative impacts of activities on the environment. Priority is given to preventive measures starting with avoidance of negative impacts and, where avoidance is not possible, to minimization of those impacts. When negative impacts cannot be avoided or minimized, remediation measures may be used, such as rehabilitation or restoration of biodiversity. Offsetting measures may also be applied to residual impacts after all other measures have been applied (see reference [118] in the Bibliography).

Reporting on biodiversity

If the organization has determined biodiversity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe policies and commitments to achieving no net loss or a net gain to biodiversity on operational sites; and whether these commitments apply to existing and future operations and to operations beyond areas of high biodiversity value. • Report whether application of the mitigation hierarchy has informed actions to manage biodiversity-related impacts.	11.4.1
Topic Standard disclosures		
GRI 304: Biodiversity 2016	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	11.4.2
	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity *Additional sector recommendations* • Report significant impacts on biodiversity with reference to affected habitats and ecosystems.	11.4.3
	Disclosure 304-3 Habitats protected or restored *Additional sector recommendations* • Describe how the application of the mitigation hierarchy, if applicable, has resulted in: - areas protected through avoidance measures or offset measures; - areas restored through on-site restoration measures or offset measures.	11.4.4
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5

References and resources

GRI 304: Biodiversity 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on biodiversity by the oil and gas sector are listed in the Bibliography.

Topic 11.5 Waste

Waste refers to anything that a holder discards, intends to discard, or is required to discard. When inadequately managed, waste can have negative impacts on the environment and human health, which can extend beyond the locations where waste is generated and discarded. This topic covers impacts from waste, including as a result of construction and rehabilitation activities.

Oil and gas activities typically generate high volumes of waste, including hazardous waste. The largest waste streams derive from the extraction or processing of oil and gas and can consist of drilling muds and cuttings, scale, and sludges, which in turn, can contain chemical additives, hydrocarbons, metals, naturally occurring radioactive material (NORM) and salts. These waste streams may contaminate surface water, groundwater, seawater with chemicals or heavy metals, and negatively impact plant and animal species as well as human health. Impacts can depend on an organization's approach to waste management, regulation, and on availability of recovery and disposal facilities in the proximity of activities.

Waste streams that cannot be reduced, or diverted from disposal, are typically stored, treated or disposed through various methods. When disposed of in underground injection wells, drilling waste can trigger seismicity or lead to groundwater contamination. In some offshore operations, drilling fluids might also be discharged into waterways or the ocean, depending on regulation and the availability of alternative outlets. If waste is disposed of on land or if hazardous substances from waste storage facilities leach into the ground, other impacts can include contamination of land, loss of land productivity, and erosion. In remote areas with limited recovery and disposal methods, waste impacts can be more severe or harder to monitor.

In oil sands mining, the largest waste stream is tailings, a hazardous waste stream produced during the process of separating oil from sand (see topic 11.8 Asset integrity and critical incident management). Some tailings ponds have been found to leach chemicals, causing health risks for local communities and wildlife.

When operations end, closure and rehabilitation activities usually involve the final disposal of hazardous chemicals and managing substantial quantities of materials from disused structures or equipment (see topic 11.7 Closure and rehabilitation). Other typical wastes from oil and gas activities include waste oils, construction waste, and domestic and office waste.

Box 3. Use of materials

The type and quantity of materials used by an organization in the oil and gas sector can signify its dependence on natural resources and its impacts on their availability. Related environmental impacts depend on the organization's approach to sourcing, use, and disposal of these materials.

Oil and gas extraction, development, production, and processing activities represent a large proportion of the sector's use of materials. Concrete, cement, steel and other metals are necessary to construct offshore platforms and onshore facilities, as well as for the equipment and infrastructure needed to extract, process and transport oil and gas (e.g., valves, tubing and pipelines). Large volumes of chemicals are used during drilling and well completion.

The oil and gas sector has opportunities for efficient use of materials. These include using its significant purchasing power to create demand for more responsibly produced materials or implementing circularity measures that aim at reusing or recycling materials from disused structures, such as steel and concrete.

The use of materials is addressed in *GRI 301: Materials 2016*.

Reporting on waste

If the organization has determined waste to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.5.1
Topic Standard disclosures		
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	11.5.2
	Disclosure 306-2 Management of significant waste-related impacts	11.5.3
	Disclosure 306-3 Waste generated *Additional sector recommendations* • When reporting the composition of the waste generated, include a breakdown of the following waste streams, if applicable: - Drilling waste (muds and cuttings) - Scale and sludges - Tailings	11.5.4
	Disclosure 306-4 Waste diverted from disposal *Additional sector recommendations* • When reporting the composition of the waste diverted from disposal, include a breakdown of the following waste streams, if applicable: - Drilling waste (muds and cuttings) - Scale and sludges - Tailings	11.5.5
	Disclosure 306-5 Waste directed to disposal *Additional sector recommendations* • When reporting the composition of the waste directed to disposal, include a breakdown of the following waste streams, if applicable: - Drilling waste (muds and cuttings) - Scale and sludges - Tailings	11.5.6

References and resources

GRI 306: Waste 2020 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on waste by the oil and gas sector are listed in the Bibliography.

Topic 11.6 Water and effluents

Recognized as a human right, access to fresh water is essential for human life and well-being. The amount of water withdrawn and consumed by an organization and the quality of its discharges can have impacts on ecosystems and people. This topic covers impacts related to the withdrawal and consumption of water and the quality of water discharged.

Oil and gas activities can reduce water availability for local communities and other sectors that also rely on the resource. They can have impacts on the quality of surface water, groundwater and seawater, which can translate into long-term impacts on ecosystems and biodiversity (topic 11.4), cause health and development problems for humans, and impair food security.

Extraction and processing are the oil and gas sector activities that use the largest volumes of water. The quantity of water required for these activities vary according to the oil and gas extraction method, local geology, and the degree of processing required. Some extraction or processing methods, including hydraulic fracturing and oil sands mining are particularly water intensive. The amount of water withdrawn for certain activities also varies according to an organization’s ability to substitute the use of freshwater, the quality of water required, recycling infrastructure and the characteristics of local water resources.

Oil and gas organizations may also need to manage large quantities of produced water or process wastewater, which typically contain hydrocarbons, chemicals, or other hazardous substances. To minimize water impacts, produced water and process wastewater may be reinjected for well stimulation or reused in other processes. If not, they may be discharged to surface water, groundwater, seawater, or a third party; dispersed over land; or stored in evaporation ponds. When discharged, the impacts to water vary according to the sensitivity of the receiving waterbody and the quality of the water discharged.

Contamination can also result from the injection of drilling fluids into wells and flowback from hydraulic fracturing. This can cause underground contaminants to seep and pollute groundwater resources. Inefficient treatment of water discharges, oil spills from transportation accidents, ruptured pipelines or seepage, or failure of an oil sands tailings dam can also have similar impacts on water quality (see topic 11.8 Asset integrity and critical incident management).

The oil and gas sector’s impacts on water additionally depend on the quantity of local water resources; where water is scarce, the sector has a greater impact. A large proportion of the world’s oil and gas resources are found in areas that are arid or experience water stress. In such areas, the sector’s activities are likely to increase competition for water in demand for other uses – such as for household use and fishing, aquaculture, or agricultural activities. This may exacerbate tensions between, as well as within, sectors or local communities. Droughts, floods, and other extreme weather events related to climate change will likely pose more frequent challenges related to water availability and quality in the future.

Reporting on water and effluents

If the organization has determined water and effluents to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.6.1
Topic Standard disclosures		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	11.6.2
	Disclosure 303-2 Management of water discharge-related impacts	11.6.3
	Disclosure 303-3 Water withdrawal	11.6.4
	Disclosure 303-4 Water discharge *Additional sector recommendations* • Report volume in megaliters of produced water and process wastewater discharged. • Report the concentration (mg/L) of hydrocarbons discharged in produced water and process wastewater.	11.6.5
	Disclosure 303-5 Water consumption	11.6.6

References and resources

GRI 303: Water and Effluents 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on water and effluents by the oil and gas sector are listed in the Bibliography.

Topic 11.7 Closure and rehabilitation

At the end of commercial use, organizations are expected to close assets and facilities and rehabilitate operational sites. Impacts can occur during and after closure. This topic covers an organization's approach to closure and rehabilitation, including how the organization considers the impacts on the environment, local communities, and workers.

Oil and gas facilities can continue to generate environmental impacts after closure, including soil and water contamination, changes to landforms, and disturbance of biodiversity and wildlife. Closure can also lead to lasting impacts on local communities. Failure to close facilities and rehabilitate sites effectively can render land unusable for other productive purposes and can result in health and safety hazards due to contamination or to the presence of hazardous materials.

Closure and rehabilitation of oil and gas fields can include removal and final disposal of hazardous substances and chemicals; capping or plugging abandoned wells; dismantling structures and reusing, recycling or disposing materials. It can also include the management of waste; surface water and groundwater quality issues resulting from spills and leaks; and restoration of lands to a condition or economic value equivalent to the pre-development state. Closing oil sands mining sites also involves managing tailings ponds (see also topic 11.8 Asset integrity and critical incident management).

Several international conventions (see references [168], [169] and [170] in the Bibliography) require decommissioning and removing all offshore structures at the end of field life. However, these requirements may be subject to different interpretations across countries, where national regulations or regional conventions can take precedence over international conventions. As a result, organizations in the oil and gas sector may lack clear rules for filing decommissioning plans with local governments and taking action on them once offshore structures become disused.

Decommissioning and dismantling offshore structures can be costly and complex due to their size, weight, and location. There may be additional complexities and environmental considerations when, for example, structures that should be removed become part of benthic[8] communities and habitats. In some cases, decommissioning can occur *in situ* and structures may be left in place. When this happens, impacts can include marine pollution from corrosion, ecosystem changes, damage to fishing equipment, and navigational hazards to shipping.

The closure and rehabilitation phase may offer additional employment opportunities to local communities. However, once this phase is completed, workers may be retrenched and local communities may face economic downturn and social disruption if they have come to depend on the oil and gas sector's activities for employment as well as for income, taxes and other payments to governments, community development, and other benefits.

To anticipate potential impacts, planning for closure often requires planning in the early phases of a project. Impacts from closure can be exacerbated if there is insufficient notice or lack of adequate planning for economic revitalization, social protection, and labor transition. Without clearly assigned responsible parties or allocated funds, closed oil and gas facilities can leave a legacy of environmental issues and financial burdens for communities and governments. The need to reduce GHG emissions and to transition to a low-carbon economy (see topic 11.2 Climate adaptation, resilience and transition) is expected to lead to more frequent closures. These are less likely to be counterbalanced by openings, as has been the case in the past. Collaboration between local and national governments and organizations, as well as with workers and unions, is necessary to mitigate significant impacts and ensure a just transition.

Technological solutions that would allow repurposing or extending the life of assets after production ceases (e.g., using pipelines for CO_2 storage or transport of low-carbon fuels) are being tested, but have yet to be proven effective and economically viable.

8 Benthic is defined by the Merriam-Webster as "of, relating to, or occurring at the bottom of a body of water, or, of, relating to, or occurring in the depths of the ocean" [171].

Reporting on closure and rehabilitation

If the organization has determined closure and rehabilitation to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.7.1
Topic Standard disclosures		
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes *Additional sector recommendations* • Describe the approach to engaging workers in advance of significant operational changes.	11.7.2
GRI 404: Training and Education 2016	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	11.7.3
Additional sector disclosures		
List the operational sites that: • have closure and rehabilitation plans in place; • have been closed; • are in the process of being closed.		11.7.4
List the decommissioned structures left in place and describe the rationale for leaving them in place.		11.7.5
Report the total monetary value of financial provisions for closure and rehabilitation made by the organization, including post-closure monitoring and aftercare for operational sites.		11.7.6

References and resources

GRI 402: Labor/Management Relations 2016 and *GRI 404: Training and Education 2016* list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on closure and rehabilitation by the oil and gas sector are listed in the Bibliography.

Topic 11.8 Asset integrity and critical incident management

Asset integrity and critical incident management deal with the prevention and control of incidents that can lead to fatalities, injuries or ill health, environmental impacts, and damage to local communities and infrastructure. This topic covers impacts from such incidents and an organization's approach to managing them.

Critical incidents in the oil and gas sector can have catastrophic consequences for workers, local communities (see topic 11.9 Occupational health and safety and topic 11.15 Local communities), the environment and cause damage to organizations' assets. In addition to fatalities and injuries, these incidents can cause air, soil, and water contamination. These impacts have the potential to disrupt other economic activities that depend on these natural resources, such as fishing and agriculture, affecting livelihoods, and compromising food safety and security. They can also lead to ecosystem and habitat degradation and animal mortality.

Critical incidents related to the oil and gas sector include loss of control or containment of hydrocarbons, well blowout, explosions, fires, unplanned plant disruption and shutdown, and tailings dam failures from operations related to oil sands. Oil and gas spills and leaks, for example due to undetected failures in equipment or which occur during distribution of oil and gas by marine, road, or rail transport or pipelines may pollute the soil and water as well as harm species (see also topic 11.6 Water and effluents and topic 11.4 Biodiversity). Events or incidents involving methane and other GHG emissions also contribute to climate change (see topic 11.1 GHG emissions).

Organizations in the oil and gas sector can prevent critical incidents with an effective process safety management system. Process safety refers to the systematic application of good design, construction, and operating principles to ensure the safe containment of hazardous materials; it also addresses the sources or factors that lead to potential incidents. A process safety management system can also limit impacts associated with critical incidents related to extreme weather events, which are likely to increase in frequency and intensity due to the effects of climate change.

Box 4. Oil sands tailings

Oil sands mining typically uses large amounts of water to separate bitumen from sand. This generates tailings, which contain large quantities of hazardous waste, including hydrocarbons and heavy metals. On average, 1.5 barrels of tailings get stored for each barrel of bitumen produced.

Tailings facilities for oil sands mining present considerable asset integrity risks. Available technology to treat oil sand tailings currently fails to manage this waste effectively. As a result, tailings continue to accumulate in ponds, which cover increasingly vast areas of land. Poor design or management of tailing ponds can cause leaks or dam failures, polluting the surrounding surface water, groundwater, or cause critical incidents that may have severe impacts on the local environment and communities.

Reporting on asset integrity and critical incident management

If the organization has determined asset integrity and critical incident management to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.8.1
Topic Standard disclosures		
GRI 306: Effluents and Waste 2016	Disclosure 306-3 Significant spills[9] *Additional sector recommendations* • For each significant spill, report the cause of the spill and the volume of spill recovered.	11.8.2
Additional sector disclosures		
Report the total number of Tier 1 and Tier 2 process safety events, and a breakdown of this total by business activity (e.g., exploration, development, production, closure and rehabilitation, refining, processing, transportation, storage).[10]		11.8.3
The following additional sector disclosures are for organizations with oil sands mining operations. • List the organization's tailings facilities. • For each tailings facility: - describe the tailings facility; - report whether the facility is active, inactive, or closed; - report the date and main findings of the most recent risk assessment. • Describe actions taken to: - manage impacts from tailings facilities, including during closure and post-closure; - prevent catastrophic failures of tailings facilities.[11]		11.8.4

References and resources

GRI 306: Effluents and Waste 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on asset integrity and critical incident management by the oil and gas sector are listed in the Bibliography.

9 The effluents-related content of the GRI Standard *GRI 306: Effluents and Waste 2016* has been superseded by GRI Standard *GRI 303: Water and Effluents 2018*, and the waste-related content has been superseded by *GRI 306: Waste 2020*. The spills-related content in *GRI 306: Effluents and Waste 2016* remains in effect.

10 Definitions for Tier 1 and Tier 2 process safety events can be found in the API *Recommended Practice 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries* [179]. API RP 754 focuses on refining and petrochemical operations but can be applied more widely.

11 Definitions for tailings facility and catastrophic failure can be found in the *Global Industry Standard on Tailings Management* (GISTM) [186].

Topic 11.9 Occupational health and safety

Healthy and safe work conditions are recognized as a human right. Occupational health and safety involves the prevention of physical and mental harm to workers and promotion of workers' health. This topic covers impacts related to workers' health and safety.

Many work-related hazards are associated with activities undertaken in the oil and gas sector, such as working with heavy machinery and exposure to or handling of explosive, flammable, poisonous, or harmful substances. Despite efforts to eliminate work-related hazards and improve workers' health and well-being, work-related injuries and ill health, including fatalities, are still prevalent in the sector.

Hazards associated with the activities of the oil and gas sector have the potential to result in high-consequence work-related injuries. Transportation incidents, which can occur when workers and equipment are transported to and from wells, offshore rigs and other facilities, are the most common source of fatalities and injuries in the sector. Other major hazards include fire and explosions, which can originate from flammable gases or liquids during oil and gas production and transportation, and electrical hazards associated with high-voltage systems used in exploration and production facilities or equipment. Falling structures, faulty handling of heavy machinery, or malfunctioning electrical, hydraulic, or mechanical installations can result in incidents categorized as 'struck-by', 'caught-in', or 'caught-between'. Workers may also be at risk of injuries from slips, trips, and falls when accessing high platforms and equipment.

Hazards associated with the oil and gas sector that have the potential to result in ill health can be biological, chemical, ergonomic, or physical in origin. Commonly reported chemical hazards include respirable crystalline silica, which is released during hydraulic fracturing, for example, and can cause silicosis and lung cancer. Hydrogen sulfide released from oil and gas wells and harmful hydrocarbon gases and vapors are other commonly reported hazards. The sector's activities also involve working in confined spaces, which may contain a high concentration of gases, such as carbon monoxide, methane, and nitrogen, that can lead to poisoning or asphyxiation. Physical and ergonomic hazards in the sector include extreme temperatures, harmful levels of radiation, and harmful levels of machinery noise or vibration, which can cause hearing impairment or loss and musculoskeletal disorders. Biological hazards prevalent in the sector include communicable diseases present in the local community or diseases due to poor hygiene and poor quality of food or water.

Hazards related to common employment practices (topic 11.10) in the oil and gas sector can increase the risk of fatigue, strain, or stress and impact physical, psychological, and social health. These practices include fly-in fly-out (FIFO) work arrangements, working and living in different locations, rotational work, long shifts, long travel times, living in the workplace, interrupted rest, irregular working hours, and solitary work. Workers may also experience psychological reactions, such as post-traumatic stress disorder following a major incident. In addition, workplaces characterized by gender imbalance can contribute to increased stress, discrimination, or sexual harassment (see also topic 11.11 Non-discrimination and equal opportunity).

The oil and gas sector makes extensive use of suppliers, some of which may undertake activities considered among the most dangerous. Occupational health and safety management systems may not cover suppliers' workers in the same way employees are covered. Suppliers' workers operating on the premises of organizations in the sector may be less familiar with the workplace and the organization's health and safety practices or less committed to those practices. Other workers in the organization's supply chain may be subject to lower occupational health and safety standards.

Reporting on occupational health and safety

If the organization has determined occupational health and safety to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.9.1
Topic Standard disclosures		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	11.9.2
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	11.9.3
	Disclosure 403-3 Occupational health services	11.9.4
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	11.9.5
	Disclosure 403-5 Worker training on occupational health and safety	11.9.6
	Disclosure 403-6 Promotion of worker health	11.9.7
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11.9.8
	Disclosure 403-8 Workers covered by an occupational health and safety management system	11.9.9
	Disclosure 403-9 Work-related injuries	11.9.10
	Disclosure 403-10 Work-related ill health	11.9.11

References and resources

GRI 403: Occupational Health and Safety 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on occupational health and safety by the oil and gas sector are listed in the Bibliography.

Topic 11.10 Employment practices

Employment practices refer to an organization's approach to job creation, terms of employment and working conditions for its workers. This topic also covers the employment and working conditions in an organization's supply chain.

The oil and gas sector generates employment opportunities across the value chain. This can have positive socioeconomic impacts on communities, countries, and regions. While the sector usually offers well-paid opportunities for skilled workers, employment practices in the sector are also associated with negative impacts. Examples include impacts related to disparities in working conditions for contract workers, ineffective labor-management consultations, and job insecurity.

Many jobs in the oil and gas sector have complex shift patterns, involving long shifts and night shifts, to ensure continuity of operations around the clock. This can cause high levels of fatigue and augment risks related to health and safety (see topic 11.9 Occupational health and safety) if organizations do not provide for sufficient rest time. Organizations in the oil and gas sector may also use fly-in fly-out (FIFO) work arrangements, in which workers are flown to operational sites for several weeks at a time and often required to work extended shifts. Workers on marine vessels can also be at risk of remaining at sea for extended periods of time. Irregular work shifts and schedules, time spent away from families, and potentially limited communication facilities can further impact workers' physical, psychological, and/or social health.

Various activities in the oil and gas sector are outsourced to suppliers. This is common during peak periods, such as during construction or maintenance works, or for specific activities, such as catering, drilling, security, and transportation. Outsourcing activities and using workers employed by suppliers could allow organizations in the oil and gas sector to reduce their labor costs or to bypass collective agreements that are in place for employees (see also topic 11.13 Freedom of association and collective bargaining).

Compared to employees, workers employed by suppliers commonly have less favorable employment conditions, lower remuneration, less training, higher accident rates, and less job security. They often lack social protection and access to grievance mechanisms. Workers beyond the first tiers of business relationships in organizations' supply chains may also be subject to low standards for working conditions, exposing organizations in the oil and gas sector to human rights violations through their business relationships (see also topic 11.12 Forced labor and modern slavery).

Employment terms can vary between local workers, migrant workers, and contract workers. Remuneration for these groups of workers may be unequal, while benefits, such as bonuses, housing allowances, and private insurance plans, may only be offered to some migrant workers. Lack of relevant skills, knowledge, or accessible training programs can also restrict local communities from accessing employment opportunities created by the oil and gas sector (see also topic 11.14 Economic impacts).

Job security is also a concern in the oil and gas sector. Closure (topic 11.7) or oil price drops can occur suddenly, leading to job losses and increasing pressure on remaining workers. Low job security is further compounded by automation and changing business models, such as changes triggered by the transition to a low-carbon economy. Organizations in the sector can support workers by planning for a just transition, including implementing timely measures that aim to develop their skills and improve their employability in other sectors.

Reporting on employment practices

If the organization has determined employment practices to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.10.1
Topic Standard disclosures		
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	11.10.2
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3
	Disclosure 401-3 Parental leave	11.10.4
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes	11.10.5
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	11.10.6
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	11.10.7
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	11.10.8
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	11.10.9

References and resources

GRI 401: Employment 2016, *GRI 402: Labor/Management Relations 2016*, *GRI 404: Training and Education 2016*, and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on employment practices by the oil and gas sector are listed in the Bibliography.

Topic 11.11 Non-discrimination and equal opportunity

Freedom from discrimination is a human right and a fundamental right at work. Discrimination can impose unequal burdens on individuals or deny fair opportunities on the basis of individual merit. This topic covers impacts from discrimination and practices related to diversity, inclusion, and equal opportunity.

The conditions, locations, necessary skills, and types of work associated with the oil and gas sector can be a barrier for entry, hinder employee diversity, and result in discrimination. Discriminatory practices can impede access to jobs and career development, as well as lead to inequalities in treatment, remuneration, and benefits.

Documented cases of discrimination in the oil and gas sector concern race, color, sex, gender, disability, religion, national extraction, and worker status. For example, jobseekers from local communities may be excluded from the hiring process because of a recruitment system bias that favors a dominant ethnic group or utilizes migrant workers. Compared to some migrant workers, local workers may receive significantly lower pay for equal work. The sector's widespread use of contract workers, often with differing terms of employment, can also be conducive to discrimination.

The oil and gas sector is characterized by a significant gender imbalance. In many countries, the percentage of women working in this sector is significantly lower than the percentage of women working overall nationwide. Women are also significantly underrepresented in senior management positions. One cause of this imbalance may be that fewer women graduate with degrees pertinent to the sector, such as in science, technology, engineering, and mathematics. Other barriers for women and primary caregivers include fly-in fly-out (FIFO) work arrangements, long hours, and limited parental leave. Social or cultural customs, beliefs, and biases can also limit women’s access to jobs in this sector or prevent them from taking on specific roles. In addition, some resource-rich countries have laws that prevent women from working in hazardous or arduous occupations.

Understanding how specific groups may be subject to discrimination across different locations where organizations in the oil and gas sector operate can help organizations effectively address discriminatory practices. Other measures, such as providing specific training to workers on preventing discrimination can help address impacts related to discrimination and create a respectful workplace.

Reporting on non-discrimination and equal opportunity

If the organization has determined non-discrimination and equal opportunity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.11.1
Topic Standard disclosures		
GRI 202: Market Presence 2016	Disclosure 202-2 Proportion of senior management hired from the local community	11.11.2
GRI 401: Employment 2016	Disclosure 401-3 Parental leave	11.11.3
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	11.11.4
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	11.11.5
	Disclosure 405-2 Ratio of basic salary and remuneration	11.11.6
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	11.11.7

References and resources

GRI 202: Market Presence 2016, *GRI 401: Employment 2016*, *GRI 404: Training and Education 2016*, *GRI 405: Diversity and Equal Opportunity 2016*, and *GRI 406: Non-discrimination 2016* list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on non-discrimination and equal opportunity by the oil and gas sector are listed in the Bibliography.

Topic 11.12 Forced labor and modern slavery

Forced labor is defined as all work or service which is exacted from any person under the menace of penalty and for which a person has not offered themselves voluntarily. Freedom from forced labor is a human right and a fundamental right at work. This topic covers an organization's approach to identifying and addressing forced labor and modern slavery.

As part of a global effort, several governments have issued legislation requiring public reporting on addressing traditional and emerging practices of forced labor, including modern slavery. Such legislation applies to many organizations in the oil and gas sector.

The large number of suppliers that organizations in the oil and gas sector interact with may include those operating in countries with low rates of enforcement of human rights and those lacking the capacity to prevent and mitigate negative human rights impacts within their own supply chains. Through their supply chains, oil and gas organizations may therefore be involved with violations of human rights and other instances of exploitation. Oil and gas organizations may also be involved with incidences of forced labor and modern slavery as a result of their joint ventures and other business relationships, including those with state-owned enterprises in countries where international human rights violations are documented. Conducting due diligence within the large and complex supply chains that commonly exist in the sector may also pose difficulties for detecting and addressing incidents of forced labor and modern slavery.

Documented cases have shown forced labor and modern slavery in the supply of services to oil fields and offshore platforms, such as in catering, cleaning, construction, maintenance, and waste management, as well as in marine and land transportation activities. For example, a higher risk of human rights violations may be found aboard ships registered in countries other than the country of the ship's beneficial owner. In such cases, layers of management and the use of external crewing companies can obscure accountability for ensuring respect of human rights. In other situations, inadequate arrangements by the employer to cover flight costs or facilitate border-crossing requirements at the end of a contract period have left ship workers stranded onboard and vulnerable to exploitation. Offshore oil and gas workers can also be at higher risk of forced labor due to the isolation of extraction sites, making it challenging for organizations in the sector to reinforce measures countering exploitation. Migrant workers can also face higher risks of modern slavery when dealing with third-party employment agencies, such as those who have been found to overcharge workers for visas and flights or to demand recruitment costs be paid by employees rather than employers.

Box 5. Impacts on children's rights

The risk of child labor in the oil and gas sector arises mainly through an organization's business relationships and complex supply chains. Child labor may occur in activities that service the oil and gas sector or its workers (e.g., child labor in hospitality services or in specific sector activities, such as the manufacturing). Suppliers may operate in countries with minimum working ages that are below the minimum age set by the International Labour Organization.

Other impacts on children's rights and well-being can result from the proximity of an oil or gas project to local communities (topic 11.15). These impacts can include sexual violence, environmental impacts, or impacts resulting from land use and resettlement. Parents' working conditions, including irregular working hours, long shifts, and fly-in fly-out (FIFO) arrangements, can also have impacts on children (see also topic 11.10 Employment practices).

Child labor is addressed in *GRI 408: Child Labor 2016*.

Reporting on forced labor and modern slavery

If the organization has determined forced labor and modern slavery to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.12.1
Topic Standard disclosures		
GRI 409: Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	11.12.2
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	11.12.3

References and resources

GRI 409: Forced or Compulsory Labor 2016 and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on forced labor and modern slavery by the oil and gas sector are listed in the Bibliography.

Topic 11.13 Freedom of association and collective bargaining

Freedom of association and collective bargaining are human rights and fundamental rights at work. They include the rights of employers and workers to form, join, and run their own organizations without prior authorization or interference, and to collectively negotiate working conditions and terms of employment. This topic covers an organization's approach and impacts related to freedom of association and collective bargaining.

Workers' rights to organize and to take collective action are critical for supporting and improving working conditions in the oil and gas sector, including conditions relating to occupational health and safety (topic 11.9), wages, and job security. These rights can also enable public debate about the sector's governance and practices as well as aid in reducing social inequality.

Many jobs associated with the oil and gas sector have traditionally been represented by trade unions and covered by collective bargaining agreements. However, some oil and gas resources are located in countries where these rights are restricted. Workers in such locations face risks when seeking to join trade unions and engage in collective bargaining. Even in countries where unions are legal, existing restrictions might prevent effective worker representation, and workers who join unions may face intimidation or unfair treatment. In cases where freedom of association and collective bargaining are restricted, organizations in the oil and gas sector may employ alternative means of worker representation and engagement.

Documented cases of interference with freedom of association and collective bargaining in the sector include detention of managers and other employees, invasion of privacy, not adhering to collective agreements, and preventing trade union access to workplaces to assist workers. Other documented cases include refusal to bargain in good faith with workers' chosen trade unions, unfair dismissal of trade union members and leaders, and unilateral cancellation of collective bargaining agreements.

Widely used in the oil and gas sector, contract workers are often excluded from the scope of collective bargaining agreements. As a result, contract workers commonly have less favorable employment conditions and lower remuneration compared to employees (see also topic 11.10 Employment practices).

Box 6. Freedom of association and civic space

Freedom of association and peaceful assembly are human rights. These rights give workers, through their trade unions, and citizens, through independent civil society, the freedom to speak about the oil and gas sector's policies and organizations' practices without interference.

Restrictions imposed on civic space, which is the environment that enables civil society to contribute to decisions that affect individual lives, can limit citizens' ability to engage in public debate about the sector's policies and organizations' practices.

Reporting on freedom of association and collective bargaining

If the organization has determined freedom of association and collective bargaining to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.13.1
Topic Standard disclosures		
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11.13.2

References and resources

GRI 407: Freedom of Association and Collective Bargaining 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on freedom of association and collective bargaining by the oil and gas sector are listed in the Bibliography.

Topic 11.14 Economic impacts

An organization's impacts on the economy refers to how the value it generates affects economic systems. For example, as a result of its procurement practices and employment of workers. Infrastructure investments and services supported by an organization can also have impacts on a community's well-being and long-term development. This topic covers economic impacts at local, national, and global levels.

Oil and gas activities can be an important source of investment and income for local communities, countries, and regions. Impacts can vary according to the scale of operations and the importance of the activity in the economic context. In some resource-rich countries, revenues from the oil and gas sector are a significant source of income. However, mismanagement of these revenues can also be harmful to economic performance and lead to macroeconomic instability and distortions (see topic 11.21 Payments to governments and topic 11.20 Anti-corruption). Economies dependent on oil and gas can also be vulnerable to commodity price and production fluctuations.

The oil and gas sector can have positive impacts by providing revenues, derived from paying taxes and royalties, and by investing in infrastructure, such as power utilities that improve access to energy or public services. The sector can also have positive impacts through local employment and local procurement. Skills development of local communities through education and training can help increase access to jobs in the sector. Local employment, in turn, can lead to increased purchasing power and positive impacts on local businesses. Local procurement of products and services can also help supplier development.

The extent to which local communities stand to benefit from the presence of oil and gas activities depends on the existing development and industrialization levels of the communities, the communities' capacity to offer qualified workers for the new employment opportunities, and the commitment of organizations in the oil and gas sector to train local workers. The net employment impacts also depend on how employment by the oil and gas sector affects existing employment in other sectors and organizations' employment practices (topic 11.10). For example, a fly-in fly-out (FIFO) work arrangement can offset pressures associated with influxes of people to small communities while still supplying the necessary workers (see also topic 11.15 Local communities). However, this arrangement reduces the employment opportunities available to local communities, detracting from the potential economic benefits.

The introduction of new oil and gas activities can generate negative impacts on local communities, such as economic disparity, with vulnerable groups often being disproportionately affected (see also topic 11.17 Rights of indigenous peoples). Small local suppliers that depend on larger oil and gas organizations for their income generation may face challenges in cases of extended payment delays or pressures to deliver services and products at decreased rates. An influx of external workers can increase pressure on housing, infrastructure, and public services. Local communities may also have to deal with environmental legacy costs or ineffective rehabilitation after closure (see also topic 11.8 Asset integrity and critical incident management and topic 11.7 Closure and rehabilitation).

The transition to a low-carbon economy is expected to lead to decreased activity in the oil and gas sector (see also topic 11.2 Climate adaptation, resilience, and transition), making communities and countries that depend on the sector for revenues or employment more vulnerable to the resulting economic downturn. In these cases, collaboration between local and national governments and organizations in the sector is essential to ensure a just transition.

Reporting on economic impacts

If the organization has determined economic impacts to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the community development programs in place that are intended to enhance positive impacts for local communities, including the approach to providing employment, procurement, and training opportunities.	11.14.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed *Additional sector recommendations* • Report direct economic value generated and distributed (EVG&D) by project.	11.14.2
GRI 202: Market Presence 2016	Disclosure 202-2 Proportion of senior management hired from the local community	11.14.3
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	11.14.4
	Disclosure 203-2 Significant indirect economic impacts	11.14.5
GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	11.14.6

References and resources

GRI 201: Economic Performance 2016 and *GRI 202: Market Presence 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on economic impacts by the oil and gas sector are listed in the Bibliography.

Topic 11.15 Local communities

Local communities comprise individuals living or working in areas that are affected or that could be affected by an organization's activities. An organization is expected to conduct community engagement to understand the vulnerabilities of local communities and how they may be affected by the organization's activities. This topic covers socioeconomic, cultural, health, and human rights impacts on local communities.

Organizations in the oil and gas sector can have positive economic impacts on local communities through employment and local procurement, taxes, or other payments to local governments, as well as through community development programs and investments in infrastructure or public services (see also topic 11.14 Economic impacts, topic 11.10 Employment practices, and topic 11.21 Payments to governments).

Activities of the oil and gas sector can also lead to negative impacts on local communities. Negative impacts can result from, for example, land use requirements for the sector's activities, an influx of people seeking employment and economic opportunities, environmental degradation, exposure to hazardous substances, and use of natural resources. When operating in areas of pre-existing conflict or where negative impacts from oil and gas activities are not addressed, conflicts can arise or become exacerbated (see also topic 11.18 Conflict and security). Vulnerable groups, including women and indigenous peoples, may be disproportionally affected by these impacts.

The oil and gas sector's land use can compete with other land use demands, such as for farming, fishing, or recreation. In addition, it can disrupt traditional livelihoods and increase the risk of impoverishment. It can eventually lead to displacement, which results in additional impacts such as restrictions on access to essential services, and impacts on human rights (see topic 11.16 Land and resource rights). The activities of the sector can also result in damage to cultural heritage sites, potentially leading to loss of tradition, culture, or cultural identity, especially among indigenous peoples (see also topic 11.17 Rights of indigenous peoples).

The influx of workers from the surrounding areas or as a result of use of fly-in fly-out (FIFO) arrangements, particularly during the construction, maintenance, and closure and rehabilitation phases of oil and gas projects might lead to greater economic inequality within the local community. A large-scale influx of workers can place local services and resources under pressure, induce inflation, and introduce new communicable diseases. Higher housing costs may lead to an increase in homelessness, especially among vulnerable groups. There may be an increase in activities that compromise social order, such as substance abuse, gambling, and prostitution, especially affecting vulnerable groups. The influx of predominantly male workers can change the gender balance of local communities. This can impact women in particular, as it can lead to a rise in sexual violence and trafficking. Documented cases have also shown domestic and gender-based violence, both on operational sites and in local communities.

Oil and gas activities can generate air, soil, and water pollution; increased levels of traffic, noise, light, and odors; waste streams and leaks; and dust. Activities may also cause incidents such as explosions, fires, spills, and tailings dam or pipeline failures (see also topic 11.8 Asset integrity and critical incident management). Documented cases have also shown that seismic activity induced by hydraulic fracturing can affect local communities.

Effective local community engagement, grievance mechanisms, and other remediation processes can help organizations in the oil and gas sector prevent and mitigate the impacts of their activities. In their absence, the concerns of the community might not be understood or addressed, which can create negative impacts or exacerbate existing problems, such as gender inequality. Establishing or participating in grievance mechanisms and other remediation processes that are tailored to the specific needs of local communities can also help organizations address actual or potential negative impacts.

Reporting on local communities

If the organization has determined local communities to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to identifying stakeholders within local communities and to engaging with them. • List the vulnerable groups that the organization has identified within local communities. • List any collective or individual rights that the organization has identified that are of particular concern for local communities.[12] • Describe the approach to engaging with vulnerable groups, including: - how it seeks to ensure meaningful engagement; and - how it seeks to ensure safe and equitable gender participation.	11.15.1
Topic Standard disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities *Additional sector recommendations* • Describe impacts on the health of local communities as a result of exposure to pollution caused by operations or use of hazardous substances.	11.15.3
Additional sector disclosures		
Report the number and type of grievances from local communities identified, including: • percentage of the grievances that were addressed and resolved; • percentage of the grievances that were resolved through remediation.		11.15.4

References and resources

GRI 413: Local Communities 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on local communities by the oil and gas sector are listed in the Bibliography.

12 These additional sector recommendations are based on the guidance to clause 1.1 in *GRI 413: Local Communities 2016*.

Topic 11.16 Land and resource rights

Land and resource rights encompass the rights to use, manage and control land, fisheries, forests, and other natural resources. An organization's impacts on the availability and accessibility of these can affect local communities and other users. This topic covers impacts from an organization's use of land and natural resources on human rights and tenure rights, including from resettlement of local communities.

Oil and gas activities require access to land for prospecting, exploration, extraction, construction, waste storage and disposal, processing, transportation, and distribution of products. This can sometimes lead to displacement of other land users, restricted access to resources, and involuntary resettlement of local communities. Impacts from land use vary according to methods of extraction, resource location, the processing required, and transportation methods. For example, onshore oil and gas pipelines can have a large footprint due to their length and safety buffer zones.

Unclear rules regarding tenure rights to access, use, and control land, often lead to disputes, economic and social tensions, and conflict. Insufficient consultation with, and inadequate compensation to affected communities can also exacerbate tensions and conflict. For example, the relationship between mineral rights and land rights might be unclear; formal statutory tenure rules might overlap or conflict with traditional customary rules; legitimate rights may not be recognized or enforced; or people may lack formal documentation of their rights to land.

Involuntary resettlement of local communities can involve physical displacement (e.g., relocation or shelter loss) and economic displacement (e.g., loss or access to assets), having impacts on people's livelihoods and human rights. In such cases, organizations in the oil and gas sector may provide local communities with monetary compensation or land that is equivalent to the lost assets. However, determining the value of local communities' access to the natural environment is complex. It includes consideration of income-generating activities, human health, and non-material aspects of quality of life, such as the loss of cultural or recreational opportunities. The amount of compensation provided may therefore not be equivalent to the loss borne. In some cases, customary titleholders to the land may not be compensated at all or only for crops that they were cultivating on the land but not for the land itself.

Community members resisting resettlement may also face threats and intimidation, violent, repressive, or life-threatening removal from lands (see also topic 11.18 Conflict and security).

Addressing impacts on land and resource rights typically requires extensive and meaningful engagement between organizations in the oil and gas sector and local communities, including vulnerable groups. In cases of ineffective community consultation or in the absence of free, prior, and informed consent (FPIC), impacts on resettling communities or existing problems within a community can be exacerbated by an inadequate resettlement process or lack of transparency (see also topic 11.15 Local communities and topic 11.17 Rights of indigenous peoples). Community consultations may also fail to include all affected members. Women, for example, are often excluded from decision-making processes related to the development a new project.

Reporting on land and resource rights

If the organization has determined land and resource rights to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to engaging with affected vulnerable groups, including: - how the organization seeks to ensure engagement is meaningful; - how the organization seeks to ensure safe and equitable gender participation. • Describe the approach to providing remediation to local communities or individuals subject to involuntary resettlement, such as the process for establishing compensation for loss of assets or other assistance to improve or restore standards of living or livelihoods.	11.16.1
Additional sector disclosures		
List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how peoples' livelihoods and human rights were affected and restored.		11.16.2

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on land and resource rights by the oil and gas sector are listed in the Bibliography.

Topic 11.17 Rights of indigenous peoples

Indigenous peoples are at higher risk of experiencing negative impacts more severely as a result of an organization's activities. Indigenous peoples have both collective and individual rights, as set out in the United Nations Declaration on the Rights of Indigenous Peoples and other authoritative international human rights instruments. This topic covers impacts on the rights of indigenous peoples.

The presence of the oil and gas sector in proximity to indigenous communities can present economic opportunities and benefits for indigenous peoples through employment, training, and community development programs (see also topic 11.14 Economic impacts). However, it can also disrupt indigenous peoples' cultural, spiritual, and economic ties to their lands or natural environments, compromise their rights and well-being, and cause displacement (see also topic 11.16 Land and resource rights). It can also have an impact on the availability of and access to water, which is a key concern for many indigenous communities.

The collective and individual rights of indigenous peoples are recognized in authoritative international instruments. Indigenous peoples also often have a special legal status in national legislation and can be customary or legal owners of lands to which organizations in the oil and gas sector are granted use rights by governments. Before initiating development or other activities that could have potential impacts on lands or resources that indigenous peoples use or own, organizations are expected to seek free, prior, and informed consent (FPIC) from indigenous peoples. This right is recognized in the United Nations Declaration on the Rights of Indigenous Peoples and allows indigenous peoples to give or withhold consent to a project that may affect them or their territories and to negotiate project conditions [314]. However, some national governments may not recognize or enforce indigenous land rights or indigenous peoples' rights to consent. Documented cases show an absence of good faith consultations and undue pressure on indigenous peoples to accept projects, with opposition to such projects sometimes leading to violence or death (see also topic 11.18 Conflict and security). Organizations in the sector and indigenous peoples regularly have disputes and conflicts over land ownership and rights.

An influx of workers from other areas can result in discrimination toward indigenous peoples regarding access to jobs and opportunities. It can further undermine their social cohesion, well-being, and safety. Impacts that may affect indigenous women more severely than men include risks of prostitution, forced labor, violence, and increased exposure to communicable diseases (see also topic 11.15 Local communities).

The contribution of the oil and gas sector to climate change can also exacerbate negative impacts on indigenous peoples, given their unique relationship with and, at times, dependence on the natural environment.

Reporting on rights of indigenous peoples

If the organization has determined rights of indigenous peoples to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the community development programs that are intended to enhance positive impacts for indigenous peoples, including the approach to providing employment, procurement, and training opportunities. • Describe the approach of engaging with indigenous peoples, including: - how the organization seeks to ensure engagement is meaningful; - how the organization seeks to ensure indigenous women can participate safely and equitably.	11.17.1
Topic Standard disclosures		
GRI 411: Rights of Indigenous Peoples 2016	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples *Additional sector recommendations* • Describe the identified incidents of violations involving the rights of indigenous peoples.	11.17.2
Additional sector disclosures		
List the locations of operations where indigenous peoples are present or affected by activities of the organization.		11.17.3
Report if the organization has been involved in a process of seeking free, prior and informed consent (FPIC) from indigenous peoples for any of the organization's activities, including, in each case: • whether the process has been mutually accepted by the organization and the affected indigenous peoples; • whether an agreement has been reached, and if so, if the agreement is publicly available.		11.17.4

References and resources

GRI 411: Rights of Indigenous Peoples 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on rights of indigenous peoples by the oil and gas sector are listed in the Bibliography.

Topic 11.18 Conflict and security

An organization’s activities may trigger conflict or, in cases of existing conflict, intensify it. The use of security personnel to manage conflict can play an essential role in allowing an organization to operate safely and productively but also has the potential to impact on people’s human rights. This topic covers the organization's security practices and its approach to operating in areas of conflict.

Many organizations in the oil and gas sector operate in locations and situations of conflict including, for example, countries characterized by political and social instability.

Conflict can also be caused by the presence of oil and gas activities. It can be triggered by negative environmental impacts; inadequate engagement of stakeholders and indigenous peoples in decision-making processes; uneven distribution of economic benefits or provision of benefits deemed disproportionate to impacts created; and disputes over the use of land and natural resources (see also topic 11.16 Land and resource rights). The perceived mismanagement of funds at the expense of local interests can also trigger conflict (see also topic 11.20 Anti-corruption). Such conflict can heighten the need to use security personnel, thereby increasing the potential for violations of human rights.

Security personnel engaged by organizations in the oil and gas sector or public security directed by the host government may be present to protect organizations’ assets or ensure workers’ safety and security. Actions taken by security personnel against local community members, including during protest activities against development of oil and gas resources or to protect land and resources, can violate human rights, such as the rights to freedom of association and freedom of speech, as well as lead to violence, injuries, or deaths.

When oil and gas activities are endorsed by the government but remain disagreeable to local communities, the presence of public security forces can increase tensions between communities, government, and organizations in the sector. This can in turn exacerbate local power imbalances and, potentially, use of force.

In cases where public or other third-party security forces, such as paramilitary groups, are active, organizations in the oil and gas sector still have a responsibility to take steps to ensure security practices are consistent with the protection of human rights. This involves assessing security-related risks, identifying situations in which impacts on human rights are likely to occur, and working with security providers to ensure human rights are respected.

Organizations in the oil and gas sector may also contribute more broadly to the safety and security of local communities, for example, by facilitating communication between communities and public security forces or supporting efforts to address other sources of conflict.

Reporting on conflict and security

If the organization has determined conflict and security to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • List the locations of operations in areas of conflict. • Describe the approach to ensuring respect for human rights by public and private security providers.	11.18.1
Topic Standard disclosures		
GRI 410: Security Practices 2016	Disclosure 410-1 Security personnel trained in human rights policies or procedures	11.18.2

References and resources

GRI 410: Security Practices 2016 lists references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on conflict and security by the oil and gas sector are listed in the Bibliography.

Topic 11.19 Anti-competitive behavior

Anti-competitive behavior refers to actions by an organization that can result in collusion with potential competitors, abuse of dominant market position or exclusion of potential competitors, thereby limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographic quotas, and allocating customers, suppliers, geographic areas, or product lines. This topic covers impacts as a result of anti-competitive behavior.

The oil and gas sector faces high barriers to entry due to the sizable investments needed. Consequently, established organizations in the sector are often large and can dominate national or local markets. Mergers and acquisitions can intensify this concentration. Some segments of the sector depend on extensive infrastructure investments, such as investments in pipelines and liquefied natural gas (LNG) terminals, usually operated by a single organization or a small number of them.

The global market for oil and gas is large and well-integrated, making it secure against collusion or market dominance from individual producers. However, specific segments of the oil and gas sector can be subject to anti-competitive behavior. Instances of cartels, monopolistic practices, and related abuse of such positions have been documented in some jurisdictions in which oil and gas organizations are active. Agreements between producers and energy distributors, as well as mergers between organizations in the sector, can diminish competition by affecting output volume, and can create monopolies over transportation, distribution and supply to consumers. Collusion can also take place when submitting bids for the rights to extract oil and gas. Organizations may coordinate their bids in connivance with competitors so as to obtain lower prices, depriving resource owners of fair compensation.

Anti-competitive behavior can result in higher prices for oil, gas and raw materials derived from oil and gas extraction. Given the key role of oil and gas in the world economy, even a small increase in price can have sizeable negative impacts.

Reporting on anti-competitive behavior

If the organization has determined anti-competitive behavior to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.19.1
Topic Standard disclosures		
GRI 206: Anti-competitive Behavior 2016	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	11.19.2

References and resources

GRI 206: Anti-competitive Behavior 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on anti-competitive behavior by the oil and gas sector are listed in the Bibliography.

Topic 11.20 Anti-corruption

Anti-corruption refers to how an organization manages the potential of being involved with corruption. Corruption is practices such as bribery, facilitation payments, fraud, extortion, collusion, money laundering, or the offer or receipt of an inducement to do something dishonest or illegal. This topic covers impacts related to corruption and an organization's approach related to contract and ownership transparency.

Corruption in the oil and gas sector can occur throughout the value chain and has been linked to various negative impacts, such as misallocation of resources revenues, damage to the environment, abuse of democracy and human rights, and political instability. Corruption can lead to diversion of public revenues to private beneficiaries, at the expense of, for example, investments in infrastructure or services. This can be particularly critical in countries with high poverty levels, leading to increased inequalities and conflicts over oil and gas resources (see topic 11.18 Conflict and security).

The oil and gas sector faces higher risks of corruption in comparison with other sectors. Characteristics of the sector that contribute to the potential for corruption include frequent interaction between oil and gas organizations and politically exposed persons[13], such as government officials for licenses and other regulatory approvals. Other relevant sector characteristics include the complex financial transactions and the international reach of the sector.

State-owned enterprises (SOEs) face specific challenges in relation to corruption because they may have less effective internal controls and be subject to partial independent oversight. In addition to driving profit, SOEs may also pursue broader objectives such as community development. However, without adequate oversight, measures for community development may be abused for corrupt purposes. Organizations in the oil and gas sector partnering with SOEs in joint ventures may face additional risks related to corruption as a result of this business relationship.

Cases of corruption during bidding processes for exploration and production licenses have been documented in the oil and gas sector. Organizations in the sector have used corrupt practices to obtain confidential information, influence decision-making, and avoid environmental or other requirements. Such cases may result in licenses being awarded to less qualified organizations, jeopardize public investments, or negatively impact the environment and local communities. Opaque licensing procedures may also obstruct public scrutiny of oil and gas investments and transactions that could result in reduced public revenue.

In other cases, corrupt practices have aimed to block or shape policies and regulations or to influence their enforcement. This might include regulations concerning land and resource rights, taxes and other government levies, or environmental protection.

Across the value chain, a lack of transparency in procurement procedures in the oil and gas sector can also create a risk of corruption or fraud. Examples of this can include paying bribes to get regulations or quality requirements waived, receiving kickbacks for securing contracts at inflated prices, or profiting from inflated prices charged by an entity established as a front organization.

To combat corruption and prevent the negative impacts that stem from it, organizations in the oil and gas sector are expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and responsible business practices.

13 Politically exposed person is defined by the Financial Action Taskforce as “an individual who is or has been entrusted with a prominent public function” [367].

Box 7. Transparency about contracts and ownership structures

Publication of government contracts is a growing practice. It is endorsed by organizations such as the United Nations, the International Monetary Fund (IMF), the International Finance Corporation (IFC), the International Bar Association, and the Organisation for Economic Co-operation and Development (OECD).

Contracts governing the extraction of oil and gas resources are commonly devised by organizations in the sector and governments on behalf of citizens or local communities without public oversight. Fair terms for sharing risks and rewarding benefits, including those related to a just transition, are particularly relevant because of the long-term time horizons and widespread impacts of projects. Contract transparency helps local communities hold governments and organizations accountable for their negotiated terms and obligations. It also reduces information asymmetries between governments and oil and gas organizations and helps level the playing field in negotiations.

Lack of transparency about ownership structures can make it difficult to determine who benefits from financial transactions in the oil and gas sector. Beneficial ownership transparency has been identified as a significant opportunity to deter conflicts of interest, corruption, and tax avoidance and evasion.

See references [365] and [369] in the Bibliography.

Reporting on anti-corruption

If the organization has determined anti-corruption to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe how potential impacts of corruption or risks of corruption are managed in the organization's supply chain. • Describe the whistleblowing and other mechanisms in place for individuals to raise concerns about corruption.	11.20.1
Topic Standard disclosures		
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	11.20.2
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	11.20.3
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	11.20.4
Additional sector disclosures		
Describe the approach to contract transparency, including: • whether contracts and licenses are made publicly and, if so, where they are published; • if contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future.[14]		11.20.5
List the organization's beneficial owners and explain how the organization identifies the beneficial owners of business partners, including joint ventures and suppliers.[15]		11.20.6

References and resources

GRI 205: Anti-corruption 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on anti-corruption by the oil and gas sector are listed in the Bibliography.

14 This additional sector disclosure is based on Requirement 2.4. Contracts in the *EITI Standard 2019*. Definitions for contracts and licenses can be found in the *EITI Standard 2019* [366].

15 This additional sector disclosure is based on Requirement 2.5. Beneficial ownership c., d., and f. in the *EITI Standard 2019* [366].

Topic 11.21 Payments to governments

Lack of transparency about payments to governments can contribute to inefficient management of public funds, illicit financial flows, and corruption. This topic covers impacts from an organization's practices related to payments to governments and the organization's approach to transparency of such payments.

Organizations in the oil and gas sector deal with a large number of complex financial transactions and make a variety of payments to governments. These include commodity trading revenues, exploration and production licensing fees, taxes and royalties, signature, discovery and production bonuses.

Transparency of payments to governments can help distinguish the economic importance of the oil and gas sector to countries, enable public debate, and inform government decision-making. It can also provide insights into the terms of contracts, increase government accountability, and strengthen revenue collection and management. Insufficient transparency of these payments, on the other hand, can impede detection of misallocation of revenues and corruption.

Taxes, royalties, and other payments from organizations in the oil and gas sector are an important source of investment and revenue for local communities, countries, and regions (see topic 11.14 Economic impacts). However, aggressive tax practices or tax non-compliance can lead to diminished tax revenues in countries where the organizations operate. This can be particularly damaging for developing countries that may lack or have high needs for public revenue. The sector also receives substantial subsidies from governments in many countries, which are of great interest to stakeholders, such as investors or civil society.

When disclosing information on payments to governments, organizations in the oil and gas sector often report aggregate payments at an organizational level. However, this can provide limited insight into payments made in each country or related to a project. Reporting country-level and project-level payments enables comparison of the payments made to those stipulated in fiscal, legal, and contractual terms, as well as to assess the financial contribution of oil and gas activities to host countries and communities. It can also enable governments to address tax avoidance and evasion, correct information asymmetry and level the playing field for governments when negotiating contracts.

Box 8. State-owned enterprises

A state-owned enterprise (SOE) is, according to the Extractives Industries Transparency Initiative (EITI), 'a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government' (see reference [386] in the Bibliography). SOEs often have special status, which can involve financial advantages and preferential treatment.

SOEs often sell shares of the produced resource to buyers, including commodity trading companies. This first trade[16] is an important revenue stream for countries and can involve a high volume of financial transactions. However, data on these transactions is often scarce or inaccessible. The first trade can be subject to trade mispricing in the form of under-invoicing of exports or over-invoicing of imports to obtain financial gain. Other risks may result from selecting buyers and allocation of sales contracts (which can involve bribery and conflicts of interest) and moving income to a state treasury, potentially causing misallocation of revenues or generating public mistrust of revenue management (see also topic 11.20 Anti-corruption).

Transparency in the operations and objectives of SOEs is crucial for monitoring their performance and maximizing their economic and social contributions.

16 First trade is defined by the Extractive Industries Transparency Initiative as "the sale of the state's share of production by government and state-owned enterprises" [384].

Reporting on payments to governments

If the organization has determined payments to governments to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.21.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	11.21.2
	Disclosure 201-4 Financial assistance received from government *Additional sector recommendations* For state-owned organizations (SOE): • Report the financial relationship between the government and the SOE.[17]	11.21.3
GRI 207: Tax 2019	Disclosure 207-1 Approach to tax	11.21.4
	Disclosure 207-2 Tax governance, control, and risk management	11.21.5
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	11.21.6
	Disclosure 207-4 Country-by-country reporting *Additional sector recommendations* • Report a breakdown of the payments to governments levied at the project-level, by project and the following revenue streams, if applicable: - The host government's production entitlement; - National state-owned company production; - Royalties; - Dividends; - Bonuses (e.g., signature, discovery, and production bonuses); - License fees, rental fees, entry fees; and other considerations for licenses or concessions; - Any other significant payments and material benefits to government.[18] • Report the value of any thresholds[19] that have been applied and any other contextual information necessary to understand how the project-level payments to governments reported have been compiled.	11.21.7
Additional sector disclosures		
For oil and gas purchased from the state, or from third parties appointed by the state to sell on their behalf, report: • volumes and types of oil and gas purchased; • full names of the buying entity and the recipient of the payment; • payments made for the purchase.[20]		11.21.8

17 This additional sector recommendation is based on Requirement 2.6 State participation in the *EITI Standard 2019* [387].

18 This additional sector recommendation is based on Requirement 4.1 Comprehensive disclosure of taxes and revenues and Requirement 4.7. Level of disaggregation in the *EITI Standard 2019.* A definition for project can be found in the *EITI Standard 2019* [387].

19 The *EITI Standard 2019* specifies that in countries implementing the EITI, the multi-stakeholder group for the country agree which payments and revenues are material, including appropriate thresholds [387]. The organization can use the relevant threshold set by the EITI multi-stakeholder group. If there is no relevant threshold set, the organization can use a threshold equivalent to that established for the European Union, which specifies that 'Payments, whether a single payment or a series of related payments, below EUR 100,000 within the reporting period can be excluded' [380].

20 This additional sector disclosure is based on Requirement 4.2 Sale of the state's share of production or other revenues collected in kind in the *EITI Standard 2019* [387] and *EITI Reporting Guidelines for companies buying oil, gas and minerals from governments* [385].

References and resources

GRI 201: Economic Performance 2016 and *GRI 207: Tax 2019* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on payments to governments by the oil and gas sector are listed in the Bibliography.

Topic 11.22 Public policy

An organization can participate in public policy development, directly or through an intermediary organization, by means of lobbying or making financial or in-kind contributions to political parties, politicians, or causes. While an organization can encourage the development of public policy that benefits society, participation can also be associated with corruption, bribery, undue influence or an imbalanced representation of the organization's interests. This topic covers an organization's approach to public policy advocacy, and the impacts that can result from the influence an organization exerts.

The oil and gas sector can exert significant influence on government policies and is among the sectors with the largest lobbying expenditure. Documented cases have shown that lobbying by the oil and gas sector can obstruct progress toward the Sustainable Development Goals, or lead to policy and regulation inconsistent with the transition to a low-carbon economy. In regions where oil and gas generate significant revenue for governments, organizations in the sector may get better access to, and representation in meetings with, government representatives, which may lead to increased influence over public policy decisions. Organizations in the sector have made donations to political parties whose policies favor corporate agendas or gain special access to politicians.

Advocacy and lobbying by the oil and gas sector have contributed to hindering environmental policies; blocking or amending legislation on environmental and social assessments of projects or fair participation of all stakeholders; overturning restrictions on resource development; acquiring permits for pipelines; and lowering labor standards, corporate taxes, and resource royalties. These activities have also been used to gain or retain government subsidies, which can result in commodity prices that do not reflect the full environmental costs of oil and gas products.

The oil and gas sector has actively advocated against ambitious climate policies as well as for ensuring continued subsidies to the sector, through individual organizations in the sector and industry bodies. These activities have often been targeted against enforcing meaningful carbon pricing, carbon budgets, or other measures to reduce GHG emissions that could leave oil and gas assets and resources stranded. Sometimes, efforts have contradicted publicly stated corporate strategies and positions that support policies addressing climate change. Excessive subsidies for the sector can impede the transition to a low-carbon economy, and consequently hinder sustainable development, in numerous ways, including by reducing or inefficiently allocating available national resources, increasing dependence on fossil fuels, and discouraging investment in renewable energy and energy efficiency (see topic 11.2 Climate adaptation, resilience, and transition).

Reporting on public policy

If the organization has determined public policy to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the organization's stance on significant issues that are the focus of its participation in public policy development and lobbying; and any differences between these positions and its stated policies, goals, or other public positions. • Report whether the organization is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying, including: - the nature of this contribution; - any differences between the organization's stated policies, goals, or other public positions on significant issues related to climate change, and the positions of the representative associations or committees.[21]	11.22.1
Topic Standard disclosures		
GRI 415: Public Policy 2016	Disclosure 415-1 Political contributions	11.22.2

References and resources

GRI 415: Public Policy 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on public policy by the oil and gas sector are listed in the Bibliography.

21 These additional sector recommendations are based on reporting recommendations 1.2.1 and 1.2.2 in *GRI 415: Public Policy 2016*.

Glossary

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

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

anti-competitive behavior
action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

Examples: allocating customers, suppliers, geographic areas, and product lines; coordinating bids; creating market or output restrictions; fixing prices; imposing geographic quotas

area of high biodiversity value
area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

area protected
area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

area restored
area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

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

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

benefit
direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

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

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

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

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

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

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

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

carbon dioxide (CO2) equivalent
measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

Note: The CO_2 equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

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

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

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

circularity measures
measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

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

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

community development program
plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

conflict of interest
situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities

corruption
'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

Source: Transparency International, *Business Principles for Countering Bribery*, 2011

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

direct (Scope 1) GHG emissions
greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

Examples: CO_2 emissions from fuel consumption

Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

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

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

disposal
any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC)

Note: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

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

employee turnover
employees who leave the organization voluntarily or due to dismissal, retirement, or death in service

energy indirect (Scope 2) GHG emissions
greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization

entry level wage
full-time wage in the lowest employment category

Note: Intern or apprentice wages are not considered entry level wages.

exposure
quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

financial assistance
direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred

Note: The provider of financial assistance does not expect a direct financial return from the assistance offered.

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

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

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

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

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

freshwater
water with concentration of total dissolved solids equal to or below 1,000 mg/L

Source: Environmental management — Water footprint — Principles, requirements and guidelines. Geneva: ISO, 2014; modified
United States Geological Survey (USGS), Water Science Glossary of Terms, *water.usgs.gov/edu/dictionary.html,* accessed on 1 June 2018; modified
World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017; modified

global warming potential (GWP)
value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO_2 over a given period of time

Note: GWP values convert GHG emissions data for non-CO_2 gases into units of CO2 equivalent.

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

hazardous waste
waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

high-consequence work-related injury
work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

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

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

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

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

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

local supplier
organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no transnational payments are made to a local supplier)

Note: The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

occupational health and safety management system
set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001

occupational health services
services entrusted with essentially preventive functions, and responsible for advising the employer, the workers, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, which will facilitate optimal physical and mental health in relation to work and the adaptation of work to the capabilities of workers in the light of their state of physical and mental health

Source: International Labour Organization (ILO), *Occupational Health Services Convention*, 1985 (No. 161)

Examples: advice on ergonomics, and on individual and collective protective equipment; advice on occupational health, safety, and hygiene; organization of first aid and emergency treatment; promotion of the adaptation of work to the worker; surveillance of factors in the work environment, including any sanitary installations, canteens, and housing provided to workers, or in work practices, which might affect workers' health; surveillance of workers' health in relation to work

other indirect (Scope 3) GHG emissions
indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

parental leave
leave granted to men and women employees on the grounds of the birth of a child

political contribution
financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office

Note 1: Financial contributions can include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events.

Note 2: In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.

preparation for reuse
checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC); modified

produced water
water that enters the organization's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organization

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

protected area

geographic area that is designated, regulated, or managed to achieve specific conservation objectives

recovery
operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

Examples: preparation for reuse, recycling

Note: In the context of waste reporting, recovery operations do not include energy recovery.

recycling
reprocessing of products or components of products that have become waste, to make new materials

Sources: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

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

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

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

remuneration
basic salary plus additional amounts paid to a worker

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

renewable energy source
energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

Examples: biomass, geothermal, hydro, solar, wind

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

scope of GHG emissions
classification of the operational boundaries where greenhouse gas (GHG) emissions occur

Note 1: Scope classifies whether GHG emissions are created by the organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.

Note 2: There are three classifications of Scope: Scope 1, Scope 2 and Scope 3.

Note 3: The classification of Scope derives from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), *GHG Protocol Corporate Accounting and Reporting Standard,* Revised Edition, 2004.

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

security personnel
individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

senior executive
high-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body

services supported
services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organization's own employees

Note: Public benefit can also include public services.

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

significant air emission
air emission regulated under international conventions and/or national laws or regulations

Note: Significant air emissions include those listed on environmental permits for the organization's operations.

significant operational change
alteration to the organization's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organization's activities

Examples: closures, expansions, mergers, new openings, outsourcing of operations, restructuring, sale of all or part of the organization, takeovers

significant spill
spill that is included in the organization's financial statements, for example due to resulting liabilities, or is recorded as a spill by the organization

spill
accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste

anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

water consumption
sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water discharge
sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stress
ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal
sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

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

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

work-related hazard
source or situation with the potential to cause injury or ill health

Source: International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems,* 2001; modified
International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: Hazards can be:

- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

work-related injury or ill health
negative impacts on health arising from exposure to hazards at work

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001; modified

Note 1: ‘Ill health’ indicates damage to health and includes diseases, illnesses, and disorders. The terms ‘disease’, ‘illness’, and ‘disorder’ are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 2: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 3: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities ‘in the interest of the employer’. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining ‘work-relatedness’, see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/ oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 4: The terms ‘occupational’ and ‘work-related’ are often used interchangeably.

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GRI 12: Coal Sector 2022

Sector Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2024

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 12: Coal Sector 2022 provides information for organizations in the coal sector about their likely material topics. These topics are likely to be material for organizations in the coal sector on the basis of the sector's most significant impacts on the economy, environment, and people, including on their human rights.

GRI 12 also contains a list of disclosures for organizations in the coal sector to report in relation to each likely material topic. This includes disclosures from the GRI Topic Standards and other sources.

The Standard is structured as follows:

- Section 1 provides a high-level overview of the coal sector, including its activities, business relationships, context, and the connections between the United Nations Sustainable Development Goals (SDGs) and the likely material topics for the sector.
- Section 2 outlines the topics that are likely to be material for organizations in the coal sector and therefore potentially merit reporting. For each likely material topic, the sector's most significant impacts are described and disclosures to report information about the organization's impacts in relation to the topic are listed.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text and linked to the definitions.
- The Bibliography contains authoritative intergovernmental instruments and additional references used in developing this Standard, listed by topic. It also lists further resources that the organization can consult.

The rest of the Introduction section provides an overview of the sector this Standard applies to, an overview of the system of GRI Standards, and further information on using this Standard.

Sector this Standard applies to

GRI 12 applies to organizations undertaking any of the following:

- Exploration, mining, and processing of thermal and metallurgical coal (i.e., lignite, subbituminous coal, bituminous coal, and anthracite) from underground or open-pit mines.
- Supply of equipment and services to coal mines, such as drilling, exploration, seismic information services, and mine construction.
- Transportation and storage of coal, such as slurry pipelines.

This Standard can be used by any organization in the coal sector, regardless of size, type, geographic location, or reporting experience.

The organization must use all applicable Sector Standards for the sectors in which it has substantial activities.

Sector classifications

Table 1 lists industry groupings relevant to the coal sector covered in this Standard in the Global Industry Classification Standard (GICS®) [4], the Industry Classification Benchmark (ICB) [3], the International Standard Industrial Classification of All Economic Activities (ISIC) [6], and the Sustainable Industry Classification System (SICS®) [5][1]. The table is intended to assist an organization in identifying whether *GRI 12* applies to it and is for reference only.

Table 1. Industry groupings relevant to the coal sector in other classification systems

CLASSIFICATION SYSTEM	CLASSIFICATION NUMBER	CLASSIFICATION NAME
GICS®	10102050	Coal & Consumable Fuels
ICB	60101040	Coal
ISIC	B05	Mining of coal and lignite
SICS®	EM-CO	Coal Operations

1 The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [1] and the North American Industry Classification System (NAICS) [2] can also be established through available concordances with the International Standard Industrial Classification (ISIC).

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

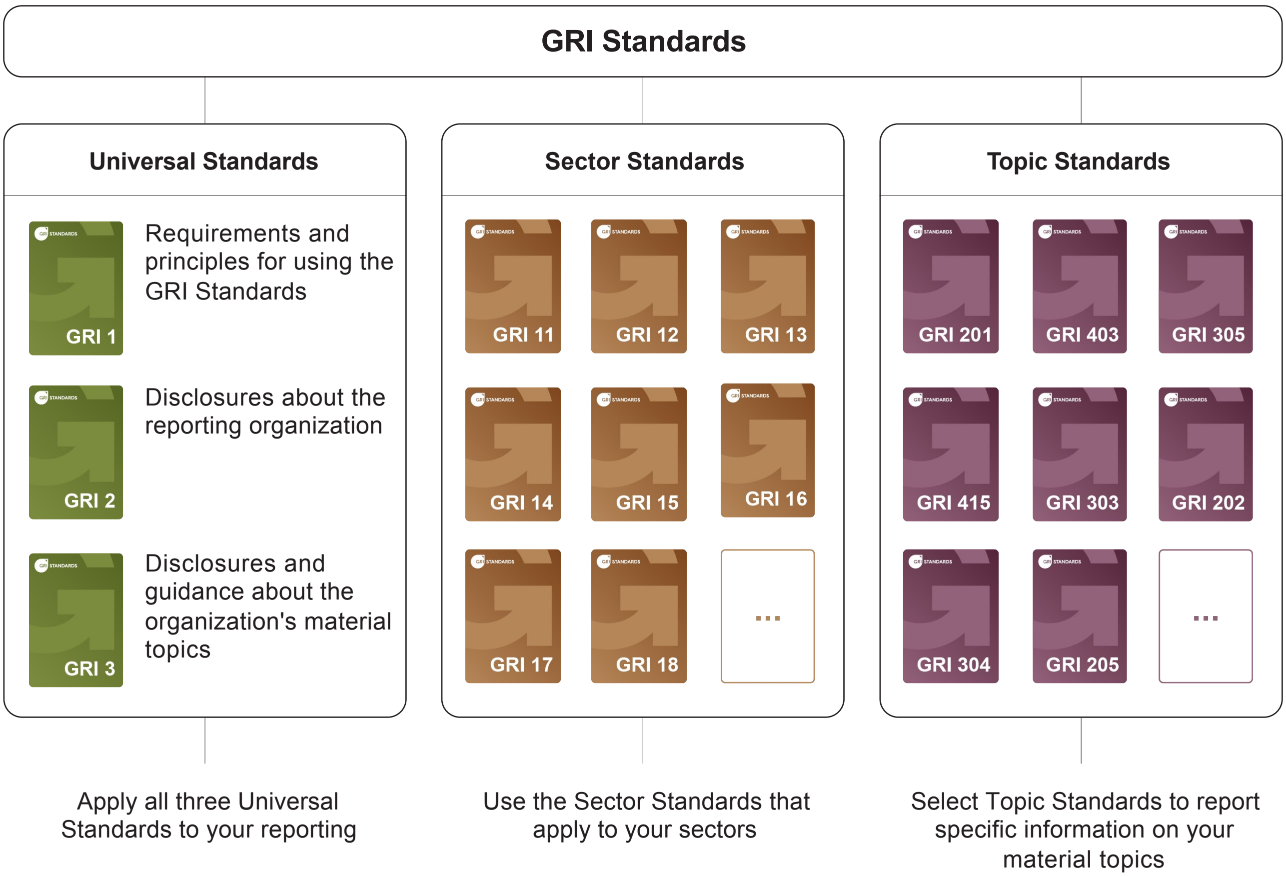
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

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

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

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

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



Using this Standard

An organization in the coal sector reporting in accordance with the GRI Standards is required to use this Standard when determining its material topics and then when determining what information to report for the material topics.

Determining material topics

Material topics represent an organization's most significant impacts on the economy, environment, and people, including their human rights.

Section 1 of this Standard provides contextual information that can help the organization in identifying and assessing its impacts.

Section 2 outlines the topics that are likely to be material for organizations in the coal sector. The organization is required to review each topic described and determine whether it is a material topic for it.

The organization needs to use this Standard when determining its material topics. However, circumstances for each organization vary, and the organization needs to determine its material topics according to its specific circumstances, such as its business model; geographic, cultural, and legal operating context; ownership structure; and the nature of its impacts. Because of this, not all topics listed in this Standard may be material for all organizations in the coal sector. See *GRI 3: Material Topics 2021* for step-by-step guidance on how to determine material topics.

If the organization has determined any of the topics included in this Standard as not material, then the organization is required to list them in the GRI content index and explain why they are not material.

See Requirement 3 in *GRI 1: Foundation 2021* and Box 5 in *GRI 3* for more information on using Sector Standards to determine material topics.

Determining what to report

For each material topic, an organization reports information about its impacts and how it manages these impacts.

Once an organization has determined a topic included in this Standard to be material, the Standard also helps the organization identify disclosures to report information about its impacts relating to that topic.

For each topic in section 2 of this Standard, a reporting sub-section is included. These sub-sections list disclosures from the GRI Topic Standards that are relevant to the topic. They may also list additional sector disclosures and recommendations for the organization to report. This is done in cases where the Topic Standards do not provide disclosures, or where the disclosures from the Topic Standards do not provide sufficient information about the organization's impacts in relation to a topic. These additional sector disclosures and recommendations may be based on other sources. Figure 2 illustrates how the reporting included in each topic is structured.

The organization is required to report the disclosures from the Topic Standards listed for those topics it has determined to be material. If any of the Topic Standards disclosures listed are not relevant to the organization's impacts, the organization is not required to report them. However, the organization is required to list these disclosures in the GRI content index and provide 'not applicable' as the reason for omission for not reporting the disclosures. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

The additional sector disclosures and recommendations outline further information which has been identified as relevant for organizations in the coal sector to report in relation to a topic. The organization should provide sufficient information about its impacts in relation to each material topic, so that information users can make informed assessments and decisions about the organization. For this reason, reporting these additional sector disclosures and recommendations is encouraged, however it is not a requirement.

When the organization reports additional sector disclosures, it is required to list them in the GRI content index (see Requirement 7 in *GRI 1*).

If the organization reports information that applies to more than one material topic, it does not need to repeat it for each topic. The organization can report this information once, with a clear explanation of all the topics it covers.

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

See Requirement 5 in *GRI 1* for more information on using Sector Standards to report disclosures.

GRI Sector Standard reference numbers

GRI Sector Standard reference numbers are included for all disclosures listed in this Standard, both those from GRI Standards and additional sector disclosures. When listing the disclosures from this Standard in the GRI content index, the organization is required to include the associated GRI Sector Standard reference numbers (see Requirement 7 in *GRI 1: Foundation 2021*). This identifier helps information users assess which of the disclosures listed in the applicable Sector Standards are included in the organization's reporting.

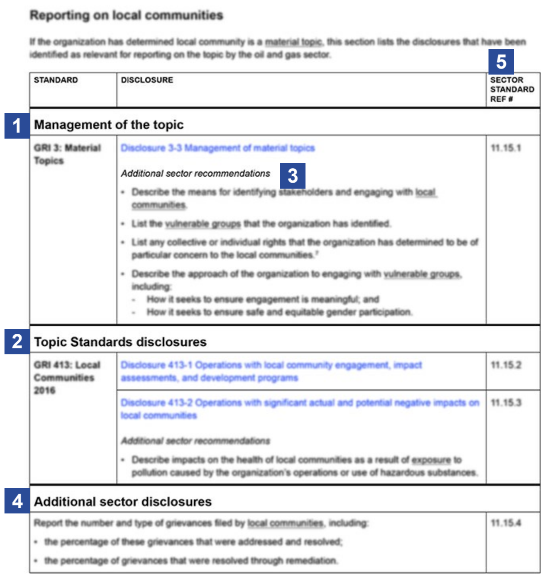
Defined terms

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

References and resources

The authoritative intergovernmental instruments and additional references used in developing this Standard, as well as further resources that may help report on likely material topics and can be consulted by the organization are listed in the Bibliography. These complement the references and resources listed in *GRI 3: Material Topics 2021* and in the GRI Topic Standards.

Figure 2. Structure of reporting included in each topic



Reporting on local communities

If the organization has determined local community is a material topic, this section lists the disclosures that have been identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF # (5)
1 Management of the topic		
GRI 3: Material Topics	Disclosure 3-3 Management of material topics *Additional sector recommendations* (3) • Describe the means for identifying stakeholders and engaging with local communities. • List the vulnerable groups that the organization has identified. • List any collective or individual rights that the organization has determined to be of particular concern to the local communities. • Describe the approach of the organization to engaging with vulnerable groups, including: - How it seeks to ensure engagement is meaningful; and - How it seeks to ensure safe and equitable gender participation.	11.15.1
2 Topic Standards disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities *Additional sector recommendations* • Describe impacts on the health of local communities as a result of exposure to pollution caused by the organization's operations or use of hazardous substances.	11.15.3
4 Additional sector disclosures		
Report the number and type of grievances filed by local communities, including: • the percentage of these grievances that were addressed and resolved; • the percentage of grievances that were resolved through remediation.		11.15.4

1 Management of the topic

The organization is required to report how it manages each material topic using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2 Topic Standards disclosures

Disclosures from the GRI Topic Standards that have been identified as relevant for organizations in the sector(s) are listed here. When the topic is determined by the organization as material, it is required to report those disclosures or explain why they are not applicable in the GRI context index. See the Topic Standard for the content of the disclosure, including requirements, recommendations, and guidance.

3 Additional sector recommendations

Additional sector recommendations may be listed. These complement Topic Standards disclosures and are recommended for an organization in the sector(s).

4 Additional sector disclosures

Additional sector disclosures may be listed. Reporting these, together with any Topic Standards disclosures, ensures the organization reports sufficient information about its impacts in relation to the topic.

5 Sector Standard reference numbers

GRI Sector Standard reference numbers are required to be included in the GRI Content Index. This helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.

1. Sector profile

Coal is a natural resource with its use dating back to ancient history. Coal extraction now represents a sizeable global sector supplying raw materials for energy generation and metallurgical processes. Thermal coal currently provides over a third of the global electricity output [22], while metallurgical coal is used primarily for steelmaking, accounting for 15% of world coal production [18]. Coal is also used to produce synthetic compounds, such as cement, dye, oil, waxes, pharmaceuticals, and pesticides.

Coal organizations are diverse in nature. While some focus on this sole commodity – combining extraction, distribution, and consumption channels under single ownership – others are large, diversified organizations, extracting different commodities or operating across different sectors. Some of the largest organizations in the sector are state-owned enterprises.

The burning of coal generates significant amounts of greenhouse gas (GHG) and other air emissions and is globally the largest single source of carbon dioxide (CO_2) emissions [20]. The consumption of coal for electricity generation has widely been in decline [17] due to decarbonization efforts and the falling cost of renewables, shifting the focus towards less GHG intensive energy sources.

Sector activities and business relationships

Through their activities and business relationships, organizations can have an effect on the economy, environment, and people, and in turn make negative or positive contributions to sustainable development. When determining its material topics, the organization should consider the impacts of both its activities and its business relationships.

Activities

The impacts of an organization vary according to the types of activities it undertakes. The following list outlines some of the key activities of the coal sector, as defined in this Standard. This list is not exhaustive.

Prospecting and exploration: Surveying of resources, including feasibility assessments, geologic mapping, aerial photography, geophysical measuring, and drilling.

Development: Design, planning, and construction of mines, including processing and worker facilities.

Mining: Extraction of coal using surface mining, underground mining, or *in situ* techniques.

Processing: Crushing, cleaning, and processing coal from unwanted materials; processing it into briquettes, liquids, and gas or coke for steelmaking.

Closure and rehabilitation: Decommissioning processing facilities, land reclamation and rehabilitation, and closing and sealing waste facilities.

Transportation: Moving coal to the point of consumption by barge, conveyor belt, train, truck, or ship; or when mixed with oil or water, transported as coal slurry by pipeline.

Storage: Storage of coal at mining sites or import and export terminals.

Sales and marketing: Selling of coal products for the purpose of, for example, iron and steel production, cement production, electricity production, and manufacturing.

Business relationships

An organization's business relationships include relationships that it has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to the organization's operations, products, or services. The following types of business relationships are prevalent in the coal sector and are relevant when identifying the impacts of organizations in the sector.

Joint ventures are common arrangements in coal mining, in which organizations share the costs, benefits, and liabilities of assets or a project. An organization in the coal sector can be involved with negative impacts as a result of a joint venture, even if it is a non-operating partner.

Suppliers and contractors are often used in the coal sector during certain project phases, such as construction, or to provide other services or products. Some of the significant impacts covered in this Standard concern the supply chain.

Customers purchase coal and use it to produce energy, heat, and materials. When combusting coal, they generate greenhouse gases (GHG) and other air emissions. While the primary responsibility for reducing and managing their emissions lies with customers, organizations extracting coal are also expected to take actions to reduce emissions from the combustion of their products and to disclose the related GHG emissions (Scope 3 GHG emissions). As such, this Standard includes not only direct (Scope 1) and indirect (Scope 2) GHG emissions, but also other indirect (Scope 3) GHG emissions.

The sector and sustainable development

Coal has been a fundamental source of the world's energy, contributing to economic growth and poverty reduction. However, coal is a major source of emissions that cause air pollution and anthropogenic climate change, which is affecting every region across the globe and causing negative impacts on the health, lives, livelihoods, and human rights of millions of people [36].

The majority of the world's countries have committed to combating climate change by limiting the increase in global average temperatures to well below 2°C and pursue efforts to keep the increase at 1.5°C above pre-industrial levels, as outlined in the Paris Agreement [10]. However, based on the current ambitions to reduce GHG emissions communicated in the Nationally Determined Contributions (NDCs), the average temperature rise is projected to reach 2.7°C by 2100 [9]. This would lead to extreme climate and weather events occurring with increased frequency and intensity, and other long-term, irreversible impacts such as rising sea levels, melting of ice sheets, and warming and acidification of oceans.

The Intergovernmental Panel on Climate Change (IPCC) affirms global warming should be limited to 1.5°C [16], requiring a 45% reduction in CO_2 emissions by 2030 as compared to 2010 levels, and reaching net-zero by 2050. Consequently, the world needs to transition to a low-carbon economy based on affordable, reliable, and sustainable energy. This transition would simultaneously address the issue of global air pollution. To achieve net-zero GHG emissions by 2050, the International Energy Agency (IEA) emphasizes the need to refrain from investments in new coal production or extensions of current mines [19]. The number of financial institutions divesting from thermal coal is steadily increasing, as climate policies, such as carbon pricing and air pollution regulations, and restrictions on public financing and subsidies, undermine the competitiveness of coal as a low-cost fuel [20].

The transition poses extraordinary challenges for organizations in the coal sector. As part of the Glasgow Climate Pact, nearly 200 countries have committed to 'accelerating efforts towards the phasedown of unabated coal power' [8], of which 40 countries have national commitments in place to phase out existing unabated coal fired power generation [29]. As a result, the number of coal operations facing early closure will increase, as will the impacts on workers and communities. Workers' employment opportunities in the sector and its supply chains will diminish, and mining communities dependent on coal may experience high local unemployment rates.

A just transition for workers and communities can be achieved if coal organizations and governments work together. A just transition is a fair and equitable process to sustainable economies that contributes to decent work, social inclusion, and poverty eradication. It integrates worker-centric public policies and programs to provide a secure and decent future for all workers, their families, and the communities that rely on them [35]. It is an integral element of the Paris Agreement and the Glasgow Pact, and included in the implementation plans of many countries' NDCs submitted to date [9].

The time frame for a low-carbon transition will differ between countries according to their context – taking into account aspects such as level of access to and security of electricity – and differing capabilities to adapt to and mitigate the impacts of climate change. Consequently, developing economies are expected to reach net-zero later than developed economies.

Even as the world implements decarbonization policies, coal could remain a significant source of energy in a number of developing countries for the foreseeable future. Coal activities can provide an important source of revenue and energy independence, often bringing about local economic development, employment, infrastructure, and services. Despite bringing income on a country level, resource wealth does not always result in equal distribution of financial returns. Countries whose economies rely on non-renewable resources are sometimes economically unstable and prone to conflict. This can be due to, for example, fluctuating commodity prices, opacity over government spending, conflict over control of resources, and lower levels of economic diversification [26] [37].

Coal mining activities also generate numerous other impacts on the environment and people, including on their human rights. Coal projects are often large-scale, have long timeframes, and involve major investments and financial flows. Extracting coal involves removing vast amounts of land and rock from the ground and generating large waste streams. When mined in remote, protected, or pristine areas, environmental impacts can be particularly severe, outliving the commercial life of a mine. The influx of a large number of workers to the mining site, together with increased financial resources and questions regarding land rights, can trigger socioeconomic problems for local communities and indigenous peoples. Furthermore, inadequate governance of natural resources, including corruption and mismanagement of revenues, can exacerbate negative impacts and hinder the distribution of wealth to communities.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of action to achieving sustainable development [11].

Since the SDGs and targets associated with them are integrated and indivisible, organizations have the potential to contribute to all SDGs by enhancing their positive impacts, or by preventing and mitigating negative impacts on the economy, environment, and people.

While the coal sector contributes to meeting the world's energy demand and has played a role in achieving Goal 7: Affordable and Clean Energy, extracting and burning coal is the primary contributor to climate change. Climate change can also exacerbate other challenges, such as achieving access to clean water, food security, and poverty reduction. Ensuring access to affordable, reliable, and sustainable energy, while mitigating GHG emissions as per Goal 13: Climate Action and transitioning to a low-carbon economy, is one of the sector's greatest challenges.

Because the coal sector still provides an essential source of employment and income in many regions, it can make positive contributions to Goal 8: Decent Work and Economic Growth and Goal 1: No Poverty, if labor conditions and workplace hazards are adequately managed. However, the accelerated coal mine closures triggered by the transition to a low-carbon economy will diminish these contributions in the long term and instead pose potential impacts for affected workers and local communities.

With proper management of environmental impacts, the coal sector can contribute to Goal 11: Sustainable cities and communities and Goal 12: Responsible Consumption and Production. The sector's presence can also stimulate other economic activities that expand infrastructure and services to local communities around mining sites.

Table 2 presents connections between the likely material topics for the coal sector and the SDGs. These linkages were identified based on an assessment of the impacts described in each likely material topic, the targets associated with each SDG, and existing mapping undertaken for the sector (see reference [34] in the Bibliography).

Table 2 is not a reporting tool but presents connections between the coal sector's significant impacts and the goals of the 2030 Agenda for Sustainable Development. See references [40] and [41] in the Bibliography for information on reporting progress towards the SDGs using the GRI Standards.

Table 2. Linkages between the likely material topics for the coal sector and the SDGs

	1 No poverty	2 Zero hunger	3 Good health and well-being	4 Quality education	5 Gender equality	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	10 Reduced inequalities	11 Sustainable cities and communities	12 Responsible consumption and production	13 Climate action	14 Life below water	15 Life on land	16 Peace, justice and strong institutions	17 Partnerships for the goals
Topic 12.1 GHG emissions												●	●	●			
Topic 12.2 Climate adaptation, resilience, and transition	●						●	●					●				
Topic 12.3 Closure and rehabilitation								●			●				●		
Topic 12.4 Air emissions			●								●	●			●		
Topic 12.5 Biodiversity						●						●		●	●		
Topic 12.6 Waste			●			●						●			●		
Topic 12.7 Water and effluents						●						●		●	●		
Topic 12.8 Economic impacts	●				●			●	●	●							
Topic 12.9 Local communities	●		●		●	●										●	
Topic 12.10 Land and resource rights	●										●					●	
Topic 12.11 Rights of indigenous peoples	●		●		●						●					●	
Topic 12.12 Conflict and security																●	
Topic 12.13 Asset integrity and critical incident management			●								●						
Topic 12.14 Occupational health and safety			●					●									
Topic 12.15 Employment practices	●				●			●		●							
Topic 12.16 Child labor	●							●								●	
Topic 12.17 Forced labor and modern slavery								●								●	
Topic 12.18 Freedom of association and collective bargaining								●								●	
Topic 12.19 Non-discrimination and equal opportunity					●			●		●						●	
Topic 12.20 Anti-corruption												●				●	
Topic 12.21 Payments to governments	●															●	●
Topic 12.22 Public policy													●			●	

2. Likely material topics

This section comprises the likely material topics for the coal sector. Each topic describes the sector's most significant impacts related to the topic and lists disclosures that have been identified as relevant for reporting on the topic by coal organizations. The organization is required to review each topic in this section and determine whether it is a material topic for the organization, and then to determine what information to report for its material topics.

Topic 12.1 GHG emissions

Greenhouse gas (GHG) emissions comprise air emissions that contribute to climate change, such as carbon dioxide (CO_2) and methane (CH_4). This topic covers direct (Scope 1) and energy indirect (Scope 2) GHG emissions related to an organization's activities, as well as other indirect (Scope 3) GHG emissions that occur upstream and downstream of the organization's activities.

GHG emissions are the single biggest contributor to climate change, the impacts of which are occurring at an accelerating rate. Studies show that approximately half of the total anthropogenic carbon dioxide (CO_2) emissions since 1750 have occurred in the last 40 years, mostly due to the increased use of fossil fuels, including coal [42].

For coal, end-use activities are responsible for the most significant GHG emissions, classified as other indirect (Scope 3) GHG emissions. These emissions mostly originate from electricity and heat generation, steel production, and cement manufacturing. Of all energy sources, coal has the highest emissions intensity when combusted, and is the single largest source of global CO_2 emissions. Thermal coal, which is mainly used for electricity generation, typically releases more than twice the amount of GHGs than natural gas per unit of electricity produced [57]. Steel production uses metallurgical coal, with three-quarters of the energy demand being met by coal [59]. Emissions from the iron and steel industry represent around 7% of the global total CO_2 emissions from energy.[2]

Coal mining activities also consume significant amounts of energy. Unless renewable energy sources provide the necessary power, mining operations generate CO_2 emissions. These are classified as direct (Scope 1) GHG emissions in the case of activities owned or controlled by the organization; and energy indirect (Scope 2) GHG emissions in the case of purchased or acquired electricity, heating, cooling, and steam consumed by the organization.

The amount of energy used in coal mining and the resulting CO_2 emissions depend on several factors, such as the method of mining, mine depth, geology, mine productivity, and degree of refining required. The most energy-consuming activities include transportation, exploration, drilling, excavation, extraction, grinding, crushing, milling, pumping, and ventilation. Extraction and transportation in underground mines might require more energy than surface mining due to, for example, greater requirements for hauling, ventilation, and water pumping. Use of explosives for blasting, mine fires and other incidents, and closure and rehabilitation activities are also sources of GHG emissions.

Besides CO_2, coal operations also cause the emission of methane (CH_4). This GHG has a significantly higher global warming potential than CO_2; when considering its impact over 100 years, one ton of CH_4 is equivalent to 28 to 36 tons of CO_2 [49] [61]. Coal mining is estimated to be responsible for 11% of global anthropogenic CH_4 emissions [54], although recent measurements indicate that CH_4 emissions from energy production could be underestimated [53].

CH_4 emissions from coal mines are released into the atmosphere during and after the mining process. Coal mine methane (CMM) can be released via degasification systems and ventilation air from underground coal mines. CMM can also be released through seepage from abandoned or closed mines through vent holes or cracks in the ground, coal seams of surface mines, and fugitive emissions from storage and transportation. Underground mines are responsible for most of direct (Scope 1) GHG emissions from CH_4 due to the higher gas content of deeper seams.

Other GHG emissions related to coal extraction and use include nitrous oxide (N_2O) and ozone (O_3).

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2 As per the International Energy Agency (IEA), CO_2 emissions from energy include those from combustion of fossil fuels and industrial process emissions [48].

Reporting on GHG emissions

If the organization has determined GHG emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.1.1
Topic Standard disclosures		
GRI 302: Energy 2016	Disclosure 302-1 Energy consumption within the organization	12.1.2
	Disclosure 302-2 Energy consumption outside of the organization	12.1.3
	Disclosure 302-3 Energy intensity	12.1.4
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions *Additional sector recommendations* • Report the percentage of gross direct (Scope 1) GHG emissions from CH_4. • Report the breakdown of gross direct (Scope 1) GHG emissions by type of source (stationary combustion, process, fugitive).[3]	12.1.5
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	12.1.6
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	12.1.7
	Disclosure 305-4 GHG emissions intensity	12.1.8

References and resources

GRI 302: Energy 2016 and *GRI 305: Emissions 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on GHG emissions by the coal sector are listed in the Bibliography.

3 This additional sector recommendation is based on clause 2.2.5.3 in *GRI 305: Emissions 2016*.

Topic 12.2 Climate adaptation, resilience, and transition

Climate adaptation, resilience, and transition refer to how an organization adjusts to current and anticipated climate change-related risks, as well as how it contributes to the ability of societies and economies to withstand impacts from climate change. This topic covers an organization's strategy in relation to the transition to a low-carbon economy and the impacts of that transition on workers and local communities.

Signatories of the Paris Agreement have committed to keeping global warming well below 2°C above pre-industrial levels, while further pursuing efforts to limit the temperature increase to 1.5°C. However, global fossil fuel reserves currently available far exceed the maximum amount that can be consumed while remaining within this limit [83]. This puts pressure on coal organizations to set targets to reduce greenhouse gas (GHG) emissions, close operations or modify their business models to reduce the reliance on thermal coal, invest in new technologies to remove carbon from the atmosphere, and create carbon sinks.

Since coal emits the largest amount of CO_2 and has the highest intensity of emissions per unit of energy among fossil fuels (see also topic 12.1 GHG emissions), burning coal is commonly the first activity governments seek to suppress in fulfilling their commitments under the Paris Agreement. The low-carbon transition has commenced, resulting in a declining trend in coal consumption. Coal use is expected to eventually be reduced by 25-90% by 2050, depending on the scenario used.[4]

While alternatives for electricity generation exist, steelmakers currently still lack an economically feasible alternative for coal, leading to a longer transition timeline. Technological solutions for burning coal without emitting CO_2 are being tested, such as carbon capture and storage. However, the technology has not progressed at the rate necessary to meet the emissions reductions needed, its environmental impacts are still to be assessed, and new investment remains scarce.

The energy transition presents high risks for organizations, workers, and local communities reliant on coal activities. As the market for coal shrinks, some organizations will be forced to close operations, which may have an impact on their financial viability. Organizations are at risk of owning stranded assets or pieces of physical capital that become drastically reduced in value by the transition, leading to write-offs.

Organizations may mitigate these risks by diversifying away from coal, investing in technological solutions, and driving innovation through collaborative sectoral partnerships, and focusing on market segments expected to remain operational for longer. However, selling existing coal assets to other entities to reduce the organization's GHG emissions, instead of closing operations, can be detrimental to climate change mitigation efforts. Offloading coal assets to organizations that continue to extract coal does not reduce overall emissions but can instead result in increased emissions. If the organization shifts closure and rehabilitation responsibilities to less accountable and inexperienced operators, this may also weaken the management of environmental and socioeconomic impacts resulting from eventual closure (see also topic 12.3 Closure and rehabilitation).

The transition to a low-carbon economy may affect employment, government revenues, and economic development in regions where the sector operates. More frequent closures are less likely to be counterbalanced by openings, as has been the case in the past. Workers may face issues related to employability, reskilling, and desirable re-employment opportunities. The lack of adequate provisions for closure and rehabilitation may also result in an economic burden for governments and local communities, particularly in countries where coal production provides a large percentage of revenues.

To achieve a just transition to a low-carbon economy, the different dependency levels of workers, local communities, and national economies on the coal sector needs to be recognized. It also calls for the creation of quality jobs for those affected. Examples of actions that organizations may take to contribute to a just transition include providing adequate advance notice of closures; collaborating with governments and unions; advocating for climate consistent policy (see also topic 12.22 Public policy); retraining, reskilling, and redeploying workers; and making alternative investments in the affected communities. Meaningful, early consultations with stakeholders and local communities have also been identified as crucial to achieving a just transition (see also topic 12.3 Closure and rehabilitation). The transition can also bring opportunities to reinvigorate economic activity and provide new employment opportunities and skills development.

4 As per the three main scenarios laid out by the International Energy Agency (IEA): Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net-Zero Emissions by 2050 scenario (NZE) [76].

Box 1. Transition plans and scenario analysis

Organizations in high-emitting sectors are increasingly expected to disclose a transition plan, which is 'an aspect of an organization's business strategy that lays out a set of targets and actions supporting its transition toward a low-carbon economy' [91]. According to the Task Force on Climate-related Financial Disclosures (TCFD), information users are looking for information on organizations' plans to adjust their strategies or business models, and the types of actions needed to reduce the risks and increase opportunities set by the low-carbon transition. Transition planning can, for example, focus on achieving net-zero emissions.

Scenario analysis allows consideration of alternative forms of future states simultaneously, and can be used to explore the risks that transitioning to a low-carbon economy poses to coal organizations. Organizations typically define scenarios according to the transition speed, expressed in the resulting average global temperature changes. A scenario compatible with the Paris Agreement will require a temperature rise well below 2ºC. Other scenarios can be defined according to an organization's national context. The organization can then translate the expected reductions in GHG emissions compatible with such a temperature rise into expected revenue. For more guidance, see TCFD, *The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities*, 2017 [92].

Reporting on climate adaptation, resilience, and transition

If the organization has determined climate adaptation, resilience, and transition to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Report whether the organization has a transition plan in place. If so, report whether it is a scheduled resolution item at annual general meetings of shareholders (AGM), if applicable. • Describe policies, commitments, and actions of the organization to prevent or mitigate the impacts of the transition to a low-carbon economy on workers and local communities. • Report the level and function within the organization that has been assigned responsibility for managing risks and opportunities due to climate change. • Describe the highest governance body's oversight in managing risks and opportunities due to climate change. • Report whether responsibility to manage climate change-related impacts is linked to performance assessments or incentive mechanisms, including in the remuneration policies for highest governance body members and senior executives. • Describe the climate change-related scenarios used to assess the resilience of the organization's strategy, including a 2°C or lower scenario.	12.2.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change *Additional sector recommendations* • Report the emissions potential for proven and probable reserves.[5] • Report the internal carbon-pricing and coal pricing assumptions that have informed the identification of risks and opportunities due to climate change. • Describe how climate-change related risks and opportunities affect or could affect the organization's operations or revenue, including: - development of currently proven and probable reserves; - potential write-offs and early closure of existing assets; - coal production volumes for the current reporting period and projected volumes for the next five years. • Report the percentage of capital expenditure (CapEx) that is allocated to investments in: - prospection, exploration, acquisition, and development of new reserves; - expansion of current coal mines; - energy from renewable sources (by type of source); - technologies to remove CO_2 from the atmosphere and nature-based solutions to mitigate climate change; - research and development initiatives that can address the organization's risks related to climate change. • Report net mass of CO_2 in metric tons captured and stored,[6] broken down by: - Carbon captured at the point source;[7] - Carbon captured directly from the atmosphere.	12.2.2

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
	• Report planned, ongoing, or completed divestments of coal assets. For each divestment: - describe how the organization considered its policy commitments for responsible business conduct;[8] - report whether there are provisions in place to ensure that negative impacts from closure are addressed, and that existing closure and rehabilitation plans are followed by the entity acquiring the asset(s).	
GRI 305: Emissions 2016	Disclosure 305-5 Reduction of GHG emissions *Additional sector recommendations* • Report how the goals and targets for GHG emissions are set, specify whether they are informed by scientific consensus, and list any authoritative intergovernmental instruments or mandatory legislation the goals and targets are aligned with. • Report the Scopes (1, 2, 3) of GHG emissions, activities, and business relationships to which the goals and targets apply. • Report the baseline for the goals and targets and the timeline for achieving them.	12.2.3
Additional sector disclosures		
Describe the organization's approach to public policy development and lobbying on climate change, including: • the organization's stance on significant issues related to climate change that are the focus of its participation in public policy development and lobbying, and any differences between these positions and its stated policies, goals, or other public positions; • whether it is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying on climate change, including: - the nature of this contribution; - any differences between the organization's stated policies, goals, or other public positions on significant issues related to climate change; and the positions of the representative associations or committees.[9]		12.2.4

References and resources

GRI 201: Economic Performance 2016 and *GRI 305: Emissions 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on climate adaptation, resilience, and transition by the coal sector are listed in the Bibliography.

5 The definition of reserves used by the organization for this additional sector recommendation should be the same as the definition used in its consolidated financial statements or equivalent documents.
6 Organizations should report the mass of the CO_2 captured using carbon capture and storage less the mass of CO_2 emitted as a result of or during the process, sometimes also known as 'net reduction of emissions' [71].
7 Point sources include industrial and energy related sources.
8 Policy commitments for responsible business conduct and commitment to respect human rights are reported in Disclosure 2-23 Policy commitments in *GRI 2: General Disclosures 2021*.
9 These additional sector disclosures are based on clauses 1.2.1 and 1.2.2 in *GRI 415: Public Policy 2016*.

Topic 12.3 Closure and rehabilitation

At the end of commercial use, organizations are expected to close assets and facilities and rehabilitate operational sites. Impacts can occur during and after closure. This topic covers an organization's approach to closure and rehabilitation, including how the organization considers the impacts on the environment, local communities, and workers.

Following the closure of coal mines, potential environmental impacts include soil and water contamination, changes to landforms, and disturbance of biodiversity and wildlife. Closure can also lead to lasting socioeconomic consequences for local communities (see also topic 12.9). Preparation for and implementation of responsible closure is becoming increasingly important for the coal sector due to the need to reduce greenhouse gas (GHG) emissions and the transition to a low-carbon economy (see topic 12.2 Climate adaptation, resilience, and transition). This urgency will lead to more frequent and earlier closures of coal activities.

Impacts from closure can differ between surface and underground mining. For example, surface mining requires more land use and substantial rehabilitation, whereas abandoned underground mines may emit coal mine methane even after active mining has ceased, making an ongoing contribution to GHG emissions (see also topic 12.1).

Closure often requires planning already in the early phases of a project's life cycle to anticipate potential impacts, including impacts on local communities and their livelihoods. Closure and rehabilitation activities can include:

- stabilization of open-pit or underground workings, such as landfilling to prevent subsidence;
- removal or conversion of infrastructure to ensure the safety of people;
- rehabilitation of waste rock stockpiles and tailings facilities to control erosion and land degradation;
- management of waste, surface water, and groundwater quality issues resulting from abandoned mine drainage, waste rock, and leaching from tailings (see also topics 12.6 Waste and 12.7 Water and effluents); and
- post-closure environmental and socio-economic monitoring.

Once complete, closure and rehabilitation of operational sites should result in a stable and sustainable ecosystem compatible with planned post-closure land use that considers the needs of local stakeholders. Failure to close assets and rehabilitate sites effectively can render land unusable for other productive uses and can result in health and safety hazards due to contamination or the presence of hazardous materials.

Impacts from closure can be exacerbated if there is insufficient notice or lack of adequate planning for economic revitalization, social protection, and labor transition. Without clearly assigned responsible parties or allocated funds, closed coal facilities can leave a legacy of environmental issues and financial burden for communities and governments.

However, the closure and rehabilitation phase may also offer additional employment opportunities. This can involve an influx of additional workers for an extended period, potentially exacerbating other environmental pressures. Once this phase is completed, workers may be retrenched and local communities face economic downturns and social disruption. This is especially relevant for those communities that depend on the coal sector for employment, income, taxes and other payments, community development, and other benefits.

A collaboration between local and national governments, coal organizations, workers, and unions is essential to mitigate negative impacts and ensure a just transition that enables decent jobs, social inclusion and economic opportunities while transitioning to a low-carbon economy [101]. Examples of actions organizations may take include offering early retirement, reskilling, retraining, worker transfer programs, and relocation assistance programs.

Reporting on closure and rehabilitation

If the organization has determined closure and rehabilitation to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to engaging with local communities and other relevant stakeholders on closure and post-closure planning and implementation, including post-mining land use.	12.3.1
Topic Standard disclosures		
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes *Additional sector recommendations* • Describe the approach to engaging with workers in advance of significant operational changes.	12.3.2
GRI 404: Training and Education 2016	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs *Additional sector recommendations* • Describe the labor transition plans in place to help workers manage the transition to a post-closure phase of operations (e.g., redeployment, assistance with re-employment, resettlement, and redundancy payments).	12.3.3
Additional sector disclosures		
List the operational sites that: • have closure and rehabilitation plans in place; • have been closed; • are undergoing closure activities.		12.3.4
Report the total monetary value of financial provisions made by the organization for closure and rehabilitation, including environmental and socioeconomic post-closure monitoring and aftercare for operational sites, and provide a breakdown of this total by project.		12.3.5
Describe non-financial provisions made by the organization to manage the local community's socioeconomic transition to a sustainable post-mining economy, including collaborative efforts, projects, and programs.		12.3.6

References and resources

GRI 402: Labor/Management Relations 2016 and *GRI 404: Training and Education 2016* list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on closure and rehabilitation by the coal sector are listed in the Bibliography.

Topic 12.4 Air emissions

Air emissions include pollutants that have negative impacts on air quality and ecosystems, including human and animal health. This topic covers impacts from emissions of sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM), volatile organic compounds (VOC), carbon monoxide (CO), and heavy metals, such as lead, mercury, and cadmium.

In addition to greenhouse gas (GHG) emissions, coal is a significant source of anthropogenic air emissions classified as pollutants. Globally, air pollution causes acute health problems and millions of deaths annually by contributing to heart and lung diseases, strokes, respiratory infections, and neurological damage [114]. Air emissions disproportionately affect children, the elderly, and the poor, including local communities adjacent to operational sites. Air pollution also causes an economic burden on communities and governments resulting from, for example, premature mortality, increased healthcare costs, loss of productivity, and reduced crop yields [109].

Air emissions from coal activities include CO, NO_x, PM, and SO_2. These emissions can occur in the form of evaporation from tailings ponds or waste areas; fugitive dust emissions from drilling, blasting, storage, transportation, loading, and unloading; refining and processing activities; transportation of supplies and products; and incidents, such as mine fires.

In addition to health effects, the emission of pollutants also has impacts on ecosystems. For example, nitrogen emissions and mercury that enter the oceans or waterways can have negative impacts on marine life. NO_x is also a major cause of ground-level ozone, commonly known as smog. Sulfur oxides can lead to acid rain and increase ocean acidification. Negative impacts from acid rain and ground-level ozone include the degradation of water and soil, impairing flora and fauna of their ability to function and grow. Some air pollutants, including methane, black carbon, and ozone are also short-lived climate pollutants that contribute to climate change (see also topic 12.1 GHG emissions).

Arsenic, cadmium, lead, mercury, selenium, and other heavy metals are other pollutants associated with coal use. The impurities and chemical components found in coal are largely responsible for the PM, SO_2, and mercury emissions formed when combusted, some of which can be mitigated by coal washing [107]. The emissions from coal combustion are caused by organizations in other sectors, such as utilities and steel, but their negative impacts are directly linked to coal mining organizations.

Reporting on air emissions

If the organization has determined air emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe actions taken by the organization to prevent or mitigate potential negative impacts on local communities and workers from particulate matter (PM) emissions from coal dust. • Describe actions taken to improve coal quality to reduce harmful air emissions in the use phase.	12.4.1
Topic Standard disclosures		
GRI 305: Emissions 2016	Disclosure 305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	12.4.2

References and resources

GRI 305: Emissions 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on air emissions by the coal sector are listed in the Bibliography.

Topic 12.5 Biodiversity

Biodiversity is the variability among living organisms. It includes diversity within species, between species and of ecosystems. Biodiversity not only has intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. This topic covers impacts on biodiversity, including on plant and animal species, genetic diversity, and natural ecosystems.

Coal activities typically require large-scale infrastructure development that has direct, indirect, and cumulative impacts on biodiversity in the short and long term. Biodiversity impacts from coal activities include contamination of air, soil, and water; deforestation; soil erosion; and sedimentation of waterways. Other impacts can include animal mortality or increased vulnerability to predators, habitat fragmentation and conversion, and the introduction of invasive species and pathogens.

Impacts on biodiversity can limit the availability, accessibility, or quality of natural resources, which may affect the well-being and livelihoods of local communities and indigenous peoples (see also topics 12.9 Local communities and 12.11 Rights of indigenous peoples). Impacts can be exacerbated when activities occur in protected areas or areas of high biodiversity value, and may extend well beyond the geographic boundaries of activities and the lifetime of operational sites (see also topic 12.3 Closure and rehabilitation).

Different mining methods present distinct risks for biodiversity. Open-pit mines generate more severe impacts than underground mines due to the progressive deepening and widening of the mining site, increasing affected areas over time. Impacts on biodiversity can result from:

- land clearance for pits, access routes, and expansion into new areas;
- habitat fragmentation from access roads and other linear infrastructure;
- ground subsidence from underground mines;
- disruption of surface water, wetland, and groundwater ecosystems; and
- effluent discharges, groundwater, or surface water contamination from acid mine drainage, tailings ponds, or overburden piles (see also topics 12.6 Waste and 12.7 Water and effluents).

The sector's activities can also contribute to cumulative impacts on biodiversity. For example, when coal activities expand and new access routes are installed, the resulting land clearance not only causes habitat fragmentation and conversion, but can also increase the area's use or encourage other sectors to establish operations in the same areas, leading to intensified impacts. Changes to land use to accommodate open-pit mining can exacerbate the effects of climate change if they result in the removal of carbon sinks. In turn, climate change is likely to affect all aspects of biodiversity, including individual organisms, populations, species distribution, and the composition and function of ecosystems, and the impacts are anticipated to worsen with increasing temperatures (see also topics 12.1 GHG emissions and 12.2 Climate adaptation, resilience, and transition).

To limit and manage impacts on biodiversity, many coal organizations use the mitigation hierarchy tool to help inform their actions. The tool presents a prioritized sequence of measures for the sustainable management of natural resources, with preventive actions taking precedence over remediation. Priority is given to avoidance and, where avoidance is not possible, to minimization of impacts. Remediation measures are only feasible after the adoption of all preventative steps. Remediation includes the rehabilitation or restoration of degradation or damage, and offsetting residual impacts after all other measures have been applied [121].

Reporting on biodiversity

If the organization has determined biodiversity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe policies and commitments to achieving no net loss or a net gain to biodiversity on operational sites; and report whether these commitments apply to existing and future operations and to operations beyond areas of high biodiversity value. • Report whether application of the mitigation hierarchy has informed actions to manage biodiversity-related impacts.	12.5.1
Topic Standard disclosures		
GRI 304: Biodiversity 2016	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	12.5.2
	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity *Additional sector recommendations* • Report significant impacts on biodiversity with reference to affected habitats and ecosystems.	12.5.3
	Disclosure 304-3 Habitats protected or restored	12.5.4
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	12.5.5

References and resources

GRI 304: Biodiversity 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on biodiversity by the coal sector are listed in the Bibliography.

Topic 12.6 Waste

Waste refers to anything that a holder discards, intends to discard, or is required to discard. When inadequately managed, waste can have negative impacts on the environment and human health, which can extend beyond the locations where waste is generated and discarded. This topic covers impacts from waste, including as a result of construction and rehabilitation activities.

Coal activities typically generate high volumes of waste, including hazardous waste. The largest waste streams derive from the extraction or processing of coal and comprise overburden, rock waste, and tailings. These waste streams can also contain toxic or noxious substances, including heavy metals. They may contaminate surface water, groundwater, seawater, and food sources, and have negative impacts on plant and animal species as well as human health. Further effects can be loss of land productivity and erosion. The severity of impacts can depend on an organization's approach to waste management, regulation, and the availability of recovery and disposal facilities near coal activities.

Overburden from surface mining is usually stored on adjacent land until it can backfill the pit once mining is complete. Disposal options are limited for some surface mining techniques, such as mountain-top removal since the overburden cannot be returned to the pit. In these cases, the disposal method consists of adjacent valley filling, leading to impacts such as the burial of waterways and concentration of noxious substances harmful to ecosystems and humans (see also topics 12.5 Biodiversity and 12.7 Water and effluents).

Coal tailings slurry, a residual waste generated by coal processing, is often discarded into ponds, filtered, stored in heaps, or disposed of in underground voids. Surface tailings storage facilities contained by tailings dams can cover vast areas. Tailings without harmful substances can be drained from the facility and then reshaped, covered with soil, and vegetated. However, tailings pose a health risk for local communities when they contain heavy metals, cyanide, chemical-processing agents, sulfides, or suspended solids that pollute the environment, including groundwater and surface water (see also topics 12.9 Local communities and 12.13 Asset integrity and critical incident management).

Rock waste and coarse tailings are usually managed on heaps or disposed of in constructed waste rock dumps or former open-pit operations. Further environmental impacts from rock dumps include dust that can be carried by wind or rainwater, affecting air quality, watercourses, or lands.

The nature and quantity of waste generated often requires management beyond the productive phase of a mining operation. At the end of a coal exploration or extraction project, closure can yield significant waste with lasting environmental and socioeconomic impacts (see also topic 12.3 Closure and rehabilitation). Other typical wastes from coal operations include waste oils and chemicals, spent catalysts, solvents, other industrial wastes, and packaging and construction wastes.

Reporting on waste

If the organization has determined waste to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.6.1
Topic Standard disclosures		
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	12.6.2
	Disclosure 306-2 Management of significant waste-related impacts	12.6.3
	Disclosure 306-3 Waste generated *Additional sector recommendations* When reporting the composition of the waste generated, include a breakdown of the following waste streams, if applicable: • overburden; • rock waste; • tailings.	12.6.4
	Disclosure 306-4 Waste diverted from disposal *Additional sector recommendations* When reporting the composition of the waste diverted from disposal, include a breakdown of the following waste streams, if applicable: • overburden; • rock waste; • tailings.	12.6.5
	Disclosure 306-5 Waste directed to disposal *Additional sector recommendations* When reporting the composition of the waste directed to disposal, include a breakdown of the following waste streams, if applicable: • overburden; • rock waste; • tailings.	12.6.6

References and resources

GRI 306: Waste 2020 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on waste by the coal sector are listed in the Bibliography.

Topic 12.7 Water and effluents

Recognized as a human right, access to fresh water is essential for human life and well-being. The amount of water withdrawn and consumed by an organization and the quality of its discharges can have impacts on ecosystems and people. This topic covers impacts related to the withdrawal and consumption of water and the quality of water discharged.

Coal activities can reduce water availability for local communities and other sectors that rely on water. They can have impacts on the quality of surface water, groundwater, and seawater, which can translate into long-term impacts on ecosystems and biodiversity, cause health and development problems for humans, and impair food security.

Water is used in coal activities for cooling and cutting; dust suppression during mining and hauling; washing to improve coal quality; re-vegetation of surface mines; and long-distance coal slurry transportation. The amount of water needed for activities depends on whether mining occurs on the surface or underground and on operational efficiency. The amount of water withdrawn also varies according to an organization’s ability to substitute the use of freshwater, the quality of water required, reservoir characteristics, and recycling infrastructure.

A coal organization’s impacts on water also depend on the quantity of local water resources. A large proportion of the world’s coal resources are found in areas that are arid or experience water stress. In such areas, the sector’s activities are likely to increase competition for water. This may exacerbate tensions between, as well as within, sectors or local communities. Droughts, floods, and other extreme weather events due to climate change will likely pose more frequent challenges to water availability and quality in the future.

Coal activities’ impacts on water quality can be due to leaching from tailings, failure of tailings facilities, and acid mine drainage containing acidic water and heavy metals. Certain mining methods can involve substantive vegetation clearance and land-use changes, leading to erosion and sediment flows (see also topic 12.5 Biodiversity), which together with alterations in water flows can affect water quality and aquatic and terrestrial habitats. Underground operations might also disrupt or contaminate aquifers.

Transportation accidents and related coal spills can contaminate waterways and wetlands with harmful materials, such as arsenic, lead, mercury, and sulfur compounds (see also topic 12.13 Asset integrity and critical incident management).

Reporting on water and effluents

If the organization has determined water and effluents to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.7.1
Topic Standard disclosures		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource *Additional sector recommendations* • Describe actions taken to prevent or mitigate negative impacts from acid mine drainage.	12.7.2
	Disclosure 303-2 Management of water discharge-related impacts	12.7.3
	Disclosure 303-3 Water withdrawal	12.7.4
	Disclosure 303-4 Water discharge	12.7.5
	Disclosure 303-5 Water consumption	12.7.6

References and resources

GRI 303: Water and Effluents 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on water and effluents by the coal sector are listed in the Bibliography.

Topic 12.8 Economic impacts

An organization's impacts on the economy refers to how the value it generates affects economic systems, for example, as a result of its procurement practices and employment of workers. Infrastructure investments and services supported by an organization can also have impacts on a community's well-being and long-term development. This topic covers economic impacts at local, national, and global levels.

Coal activities can be an important source of investment and income for local communities, countries, and regions. Impacts can vary according to the scale of operations, stimulation of other economic activity, and effectiveness of management of coal-related revenues by local governments. In some resource-rich countries, investments in the development of coal resources and revenues from mining contribute significantly to the gross domestic product. However, mismanagement of these revenues can harm economic performance and lead to macroeconomic instability and distortions (see also topic 12.21 Payments to governments). Economies dependent on coal can also be vulnerable to commodity price and production fluctuations.

The coal sector can make positive contributions by providing revenues derived from paying taxes and royalties, through local procurement, and providing local employment. Local procurement of goods and services can support supplier development and have a significant economic impact. Local employment, in turn, can lead to increased purchasing power in the community and therefore stimulate local businesses. Coal organizations can further generate benefits by investing in infrastructure, such as power utilities that improve access to energy, or public services.

The extent to which local communities stand to benefit from coal activities depends on the communities' existing development and industrialization levels, their capacity to offer qualified workers for the new employment opportunities, and the commitment of organizations in the coal sector to train local workers. The net employment impact also depends on how the coal sector employment affects existing jobs in other sectors, as well as coal organizations' employment practices (see also topic 12.15). For example, a fly-in fly-out work arrangement can offset pressures associated with influxes of people in small communities while still supplying the necessary workers. However, this arrangement reduces the employment opportunities available to local communities, detracting from the potential economic benefits.

The introduction of coal activities can generate negative impacts on local communities, such as economic disparity, with vulnerable groups often being disproportionately affected (see also topics 12.9 Local communities and 12.11 Rights of indigenous peoples). An influx of external workers can increase pressure on housing, infrastructure, and public services. Local communities may also have to deal with environmental legacy costs related to contamination or lack of proper rehabilitation after closure (see also topic 12.3 Closure and rehabilitation).

The transition to a low-carbon economy continues to decrease activity in the coal sector, making communities and countries that depend on the sector for revenues or employment vulnerable to the resulting economic downturn (see also topic 12.2 Climate adaptation, resilience, and transition). To ensure a just transition, collaboration between local and national governments and coal organizations is essential to enable decent jobs, social inclusion, and economic opportunities.

Reporting on economic impacts

If the organization has determined economic impacts to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the community development programs in place that are intended to enhance positive economic impacts for local communities, including the approach to providing employment, procurement, and training opportunities.	12.8.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed *Additional sector recommendations* • Report direct economic value generated and distributed (EVG&D) by project.	12.8.2
GRI 202: Market Presence 2016	Disclosure 202-2 Proportion of senior management hired from the local community	12.8.3
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	12.8.4
	Disclosure 203-2 Significant indirect economic impacts	12.8.5
GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	12.8.6

References and resources

GRI 201: Economic Performance 2016 and *GRI 202: Market Presence 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on economic impacts by the coal sector are listed in the Bibliography.

Topic 12.9 Local communities

Local communities comprise individuals living or working in areas that are affected or that could be affected by an organization's activities. An organization is expected to conduct community engagement to understand the vulnerabilities of local communities and how they may be affected by the organization's activities. This topic covers socioeconomic, cultural, health, and human rights impacts on local communities.

Coal organizations can have positive impacts on local communities through employment and local procurement, taxes or other payments to local governments, community development programs, and investments in infrastructure or public services (see also topic 12.8 Economic impacts, topic 12.15 Employment practices, and topic 12.21 Payments to governments).

Activities of the coal sector can also lead to negative impacts on local communities. Negative impacts can result from, for example, land use requirements for the sector's activities, an influx of people seeking employment and economic opportunities, environmental degradation, exposure to hazardous substances, and use of natural resources. Coal activities can also trigger conflict when negative impacts from coal activities are not addressed, or intensify pre-existing conflicts (see also topic 12.12 Conflict and security). Vulnerable groups, including women and indigenous peoples, may be disproportionally affected by these impacts.

The sector's land use can compete with other land use demands, such as for agriculture, fishing, or recreation. In addition, it can disrupt traditional livelihoods and increase the risk of impoverishment. It can eventually lead to displacement, resulting in additional impacts such as restrictions on access to essential services and human rights (see also topic 12.10 Land and resource rights). The sector's activities can also result in damage to cultural heritage sites, potentially leading to loss of tradition, culture, or cultural identity, especially among indigenous peoples (see also topic 12.11 Rights of indigenous peoples).

The influx of workers from the surrounding areas or as a result of fly-in fly-out work arrangements during the construction, maintenance, expansion, and closure and rehabilitation phases of coal activities might lead to greater economic inequality within the local community. A large-scale influx of workers can place local services and resources under pressure, induce inflation, and introduce new communicable diseases. Higher housing costs may lead to an increase in homelessness, especially among vulnerable groups. There may also be an increase in activities that compromise social order, such as substance abuse, gambling, and prostitution. The influx of predominantly male workers can change the gender balance of local communities. This can have impacts on women in particular, as it can lead to a rise in sexual violence and trafficking. Documented cases have also shown the presence of domestic and gender-based violence on operational sites and in local communities.

Other negative impacts from coal activities on local communities can result from air, soil, and water pollution; dust; increased levels of traffic, noise, and light; and waste streams. Activities may also cause catastrophic incidents such as explosions, fires, mine collapses, spills, and tailings facility failures (see also topic 12.13 Asset integrity and critical incident management).

Meaningful local community engagement with access to inclusive decision making, effective grievance mechanisms, and other remediation processes can help organizations in the coal sector prevent and mitigate the impacts of their activities and increase a community's ownership. In their absence, the community's concerns might not be understood or addressed, which can create negative impacts or exacerbate existing problems, such as gender inequality. Establishing or participating in grievance mechanisms and other remediation processes that are tailored to the specific needs of local communities can also help organizations address actual or potential negative impacts.

Reporting on local communities

If the organization has determined local communities to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to identifying stakeholders within local communities and to engaging with them. • List the vulnerable groups that the organization has identified within local communities. • List any collective or individual rights that the organization has identified that are of particular concern for local communities.[10] • Describe the approach to engaging with vulnerable groups, including: - how the organization seeks to ensure meaningful engagement; and - how the organization seeks to ensure safe and equitable gender participation.	12.9.1
Topic Standard disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	12.9.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	12.9.3
Additional sector disclosures		
Report the number and type of grievances from local communities identified, including: • percentage of the grievances that were addressed and resolved; • percentage of the grievances that were resolved through remediation.		12.9.4

References and resources

GRI 413: Local Communities 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on local communities by the coal sector are listed in the Bibliography.

10 These additional sector recommendations are based on the guidance to clause 1.1 in *GRI 413: Local Communities 2016*.

Topic 12.10 Land and resource rights

Land and resource rights encompass the rights to use, manage and control land, fisheries, forests, and other natural resources. An organization's impacts on the availability and accessibility of these can affect local communities and other users. This topic covers impacts from an organization's use of land and natural resources on human rights and tenure rights, including from resettlement of local communities.

Coal activities require access to land for prospecting, exploration, mining, coal and waste storage, processing, transportation, and distribution. This can sometimes lead to displacement of other land users, restricted access to resources and services, and involuntary resettlement of local communities. Impacts from land use vary according to the extraction method, resource location, processing required, and transportation methods. For example, displacement is more often associated with surface mining than when activities take place underground.

Unclear rules regarding tenure rights to access, use, and control land often lead to disputes, economic and social tensions, and conflict. Insufficient consultation with and inadequate compensation to affected communities can also exacerbate tensions and conflict. For example, the relationship between mineral rights and land rights might be unclear; formal statutory tenure rules might overlap or conflict with traditional customary rules; legitimate rights may not be recognized or enforced; or people may lack formal documentation of their rights to land.

Involuntary resettlement of local communities can involve physical displacement (e.g., relocation or shelter loss) and economic displacement (e.g., loss of or access to assets), having impacts on people's livelihoods and human rights. In such cases, organizations in the coal sector may provide local communities with monetary compensation or land that is equivalent to the lost assets. However, determining the value of local communities' access to the natural environment is complex. It includes consideration of income-generating activities, human health, and non-material aspects of quality of life, such as the loss of cultural or recreational opportunities. The amount of compensation provided may therefore not be equivalent to the loss borne. In some cases, customary titleholders to the land may not be compensated at all or only for crops they were cultivating on the land rather than for the land itself.

Community members resisting resettlement may also face threats and intimidation, as well as violent, repressive, or life-threatening removal from lands (see also topic 12.12 Conflict and security).

Addressing impacts on land and resource rights typically requires extensive and meaningful engagement between organizations in the coal sector and local communities, including with vulnerable groups who often experience impacts more severely. In cases of ineffective community consultation or in the absence of free, prior, and informed consent, impacts on resettling communities or existing problems within a community can be exacerbated by an inadequate resettlement process or lack of transparency (see also topics 12.9 Local communities and 12.11 Rights of indigenous peoples). Community consultations may also fail to include all affected members. Women, for example, are often excluded from decision-making processes related to the development of a new project.

Reporting on land and resource rights

If the organization has determined land and resource rights to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to engaging with affected vulnerable groups, including: - how the organization seeks to ensure meaningful engagement; - how the organization seeks to ensure safe and equitable gender participation. • Describe the policies or commitments to providing remediation to local communities or individuals subject to involuntary resettlement, such as the process for establishing compensation for loss of assets or other assistance to improve or restore standards of living or livelihoods.	12.10.1
Additional sector disclosures		
List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how peoples' livelihoods and human rights were affected and restored.		12.10.2

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on land and resource rights by the coal sector are listed in the Bibliography.

Topic 12.11 Rights of indigenous peoples

Indigenous peoples are at higher risk of experiencing negative impacts more severely as a result of an organization's activities. Indigenous peoples have both collective and individual rights, as set out in the United Nations Declaration on the Rights of Indigenous Peoples and other authoritative international human rights instruments. This topic covers impacts on the rights of indigenous peoples.

The presence of the coal sector in proximity to indigenous communities can present economic opportunities and benefits for indigenous peoples through employment, training, and community development programs (see also topic 12.8 Economic impacts). However, it can also disrupt indigenous peoples' cultural, spiritual, and economic ties to their lands or natural environments, compromise their rights and well-being, and cause displacement (see also topic 12.10 Land and resource rights). It can have further impacts on the availability of and access to water, which is a key concern for many indigenous communities.

The collective and individual rights of indigenous peoples are recognized in authoritative international instruments. Indigenous peoples also often have a special legal status in national legislation, and can be customary or legal owners of lands to which organizations in the coal sector are granted use rights by governments. Before initiating development or other activities that could have impacts on lands or resources that indigenous peoples use or own, organizations are expected to seek free, prior, and informed consent (FPIC) from indigenous peoples. This right is recognized in the United Nations Declaration on the Rights of Indigenous Peoples and allows indigenous peoples to give or withhold consent to a project that may affect them or their territories and to negotiate project conditions [184]. However, some national governments may not recognize or enforce indigenous land rights or indigenous peoples' right to consent.

Organizations in the sector and indigenous peoples regularly have disputes and conflicts over land ownership and rights. Documented cases show an absence of good faith consultations and undue pressure on indigenous peoples to accept projects, with opposition to such projects sometimes leading to violence or death (see also topic 12.12 Conflict and security).

An influx of workers from other areas can result in discrimination toward indigenous peoples regarding access to jobs and opportunities. It can further undermine social cohesion, well-being, and safety. Indigenous women can be more exposed to risks of prostitution, forced labor, violence, and communicable diseases than indigenous men (see also topic 12.9 Local communities).

The contribution of the coal sector to climate change can also exacerbate negative impacts on indigenous peoples, given their unique relationship with and, at times, their dependence on the natural environment (see also topic 12.1 GHG emissions).

Reporting on rights of indigenous peoples

If the organization has determined rights of indigenous peoples to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the community development programs that are intended to enhance positive impacts for indigenous peoples, including the approach to providing employment, procurement, and training opportunities. • Describe the approach to engaging with indigenous peoples, including: - how the organization seeks to ensure meaningful engagement; - how the organization seeks to ensure safe and equitable gender participation.	12.11.1
Topic Standard disclosures		
GRI 411: Rights of Indigenous Peoples 2016	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples *Additional sector recommendations* • Describe the identified incidents of violations involving the rights of indigenous peoples.	12.11.2
Additional sector disclosures		
List the locations of operations where indigenous peoples are present or affected by activities of the organization.		12.11.3
Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization's activities, including, in each case: • whether the process has been mutually accepted by the organization and the affected indigenous peoples; • whether an agreement has been reached, and if so, if the agreement is publicly available.		12.11.4

References and resources

GRI 411: Rights of Indigenous Peoples 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on rights of indigenous peoples by the coal sector are listed in the Bibliography.

Topic 12.12 Conflict and security

An organization’s activities may trigger conflict or, in cases of existing conflict, intensify it. The use of security personnel to manage conflict can play an essential role in allowing an organization to operate safely and productively but also has the potential to impact on people’s human rights. This topic covers the organization's security practices and its approach to operating in areas of conflict.

Many organizations in the coal sector operate in locations and situations of conflict, including, for example, countries characterized by political and social instability. The risk of human rights abuses is heightened in areas of conflict.[11]

Conflict can also be caused by the presence of coal activities. It can be triggered by negative environmental impacts; inadequate engagement with stakeholders and indigenous peoples in decision-making processes; uneven distribution of economic benefits or provision of benefits deemed disproportionate to impacts created; and disputes over the use of land and natural resources (see also topic 12.10 Land and resource rights). The perceived mismanagement of funds at the expense of local interests can also trigger conflict (see also topic 12.20 Anti-corruption). Such conflicts can heighten the need to use security personnel, thereby increasing the potential for violations of human rights.

Security personnel engaged by organizations in the coal sector or public security directed by the host government may be present to protect organizations’ assets or ensure workers’ safety and security. Actions taken by security personnel against local community members, including during protest activities against the development of coal resources or to protect their land and resources, can violate human rights, such as rights to freedom of association and freedom of speech, as well as lead to violence, injuries, or deaths. Security contractors may also be connected to military or paramilitary groups.

When coal activities are endorsed by the government but remain disagreeable to local communities, the presence of public security forces can increase tensions between communities, government, and organizations in the sector. This can, in turn, exacerbate local power imbalances and, potentially, the use of force.

In cases where public or other third-party security forces, such as paramilitary groups, are active, organizations in the coal sector still have a responsibility to take steps to ensure security practices are consistent with the protection of human rights. This involves assessing security-related risks, identifying situations in which impacts on human rights are likely to occur, and working with security providers to ensure human rights are respected.

Organizations in the coal sector may also contribute more broadly to the safety and security of local communities, for example, by facilitating communication between communities and public security forces or supporting efforts to address other sources of conflict.

11 Organisation for Economic Co-operation and Development (OECD) defines areas of conflict by the presence of armed conflict or widespread violence, or areas with high risk of conflict or widespread serious abuses and human rights violations [206].

Reporting on conflict and security

If the organization has determined conflict and security to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • List the locations of operations in areas of conflict. • Describe the approach to ensuring respect for human rights by public and private security providers.	12.12.1
Topic Standard disclosures		
GRI 410: Security Practices 2016	Disclosure 410-1 Security personnel trained in human rights policies or procedures	12.12.2

References and resources

GRI 410: Security Practices 2016 lists additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on conflict and security by the coal sector are listed in the Bibliography.

Topic 12.13 Asset integrity and critical incident management

Asset integrity and critical incident management deal with the prevention and control of incidents that can lead to fatalities, injuries or ill health, environmental impacts, and damage to local communities and infrastructure. This topic covers impacts from such incidents and an organization's approach to managing them.

Critical incidents in the coal sector can have catastrophic consequences for workers, local communities, the environment, and cause damage to the organization's assets. In addition to fatalities and injuries, these incidents can cause air, soil, and water contamination. These impacts have the potential to disrupt other economic activities that depend on these natural resources, such as agriculture and fishing, affecting livelihoods and compromising food safety and security. Other impacts include ecosystem and habitat degradation and animal mortality.

Critical incidents related to the coal sector include mine collapses, poisonous gas leaks, dust explosions, stope collapses, ground subsidence, fires, mining-induced seismicity, floods, vehicle collisions, and mechanical errors due to improperly operated or malfunctioning equipment (see also topic 12.14 Occupational health and safety). Coal fires can release fly ash and smoke containing toxic chemicals that enter food chains. Fires and other events involving greenhouse gas (GHG) emissions, such as coal dust explosions, also contribute to climate change (see also topic 12.1 GHG emissions).

Other critical incidents involve failures related to tailings management. Tailings are a residual waste generated by coal processing, usually in slurry form. Poor management or design of tailings facilities can lead to leaks or collapses, with serious impacts on local communities, livelihoods, infrastructure, and the environment. Failures can result from inadequate water management, overtopping, foundation or drainage failure, erosion, and earthquakes. Impacts become more severe when tailings contain high levels of bioavailable metals or hazardous chemicals. Incidents related to spills and leaks of coal slurry ponds and tailings pipelines can also cause significant damage.

Critical incident risks can be identified and anticipated by implementing a critical control management approach, which addresses the sources or factors likeliest to lead to potential incidents. Organizations can mitigate their negative impacts through measures that ensure emergency preparedness and response. This includes effective communication with local communities to limit exposure to pollution and other hazards during emergencies (see also topic 12.9 Local communities). Effective critical control management can also limit impacts associated with extreme weather events, which will increase in frequency and intensity due to the effects of climate change.

Reporting on asset integrity and critical incident management

If the organization has determined asset integrity and critical incident management to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Report whether the organization complies with the Global Industry Standard on Tailings Management (GISTM) and, if so, provide a link to the most recent information disclosed in line with GISTM Principle 15.	12.13.1
Topic Standard disclosures		
GRI 306: Effluents and Waste 2016	Disclosure 306-3 Significant spills [12]	12.13.2
Additional sector disclosures		
Report the number of critical incidents in the reporting period and describe their impacts.		12.13.3
• List the organization's tailings facilities, and report the name, location, and ownership status. • For each tailings facility: - describe the tailings facility; - report whether the facility is active, inactive, or closed; - report the Consequence Classification; - report the date and main findings of the most recent risk assessment; - report the dates of the most recent and next independent technical reviews.[13] • Describe actions taken to: - manage impacts from tailings facilities, including during closure and post-closure; - prevent catastrophic failures of tailings facilities.[14]		12.13.4

References and resources

GRI 306: Effluents and Waste 2016 lists authoritative intergovernmental instruments and additional resources relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on asset integrity and critical incident management by the coal sector are listed in the Bibliography.

12 The effluents-related content of the GRI Standard *GRI 306: Effluents and Waste 2016* has been superseded by GRI Standard *GRI 303: Water and Effluents 2018*, and the waste-related content has been superseded by *GRI 306: Waste 2020*. The spills-related content in *GRI 306: Effluents and Waste 2016* remains in effect.

13 For more guidance, see Principle 15, Requirement 15.1 in the *Global Industry Standard on Tailings Management* (GISTM) [222].

14 Definitions for terms used in the tailings disclosures can be found in the GISTM [222].

Topic 12.14 Occupational health and safety

Healthy and safe work conditions are recognized as a human right. Occupational health and safety involves the prevention of physical and mental harm to workers and promotion of workers' health. This topic covers impacts related to workers' health and safety.

Despite efforts to eliminate work-related hazards and improve workers' health and well-being, work-related injuries or ill health, including fatalities, are still prevalent in the coal sector. Activities with potential hazards include working with heavy machinery and exposure to or handling of explosive, flammable, poisonous, or harmful substances. Hazards can also be associated with working in confined spaces or isolated locations, long working hours, and the physical and often repetitive labor involved. Hazards vary according to the extraction method, and workers in underground mines often experience additional risks.

Hazards associated with the activities of the coal sector have the potential to result in high-consequence work-related injuries. Transportation incidents, which can occur when workers and equipment are transported to and from mining sites, are a common source of fatalities and injuries in the sector. Other major hazards include fires and explosions, originating from coal dust and flammable gases during coal extraction, transportation, and processing, and electrical hazards associated with high-voltage systems used in exploration and production facilities or equipment (see also topic 12.13 Asset integrity and critical incident management). Falling structures, faulty handling of heavy machinery, or malfunctioning electrical, hydraulic, or mechanical installations can result in incidents categorized as 'struck-by', 'caught-in', or 'caught-between'. Workers may also be at risk of injuries from slips, trips, and falls when accessing working areas and equipment high above the ground or via underground walkways.

Hazards associated with the coal sector that have the potential to result in ill health can be biological, chemical, ergonomic, or physical in origin. Commonly reported chemical hazards include respirable dust, released during processes that use or produce sand, for example, and can cause lung illnesses such as asthma, cancer, and pneumoconiosis. The sector's activities also involve working in confined spaces, which may contain a high concentration of gases, such as carbon monoxide, methane, and nitrogen, that can lead to poisoning or asphyxiation. In addition, exposure to hydrogen sulfide released by coal seams can lead to incapacitation or death. Physical and ergonomic hazards in the sector include extreme temperatures, harmful levels of radiation, and harmful levels of machinery noise or vibration, which can cause hearing impairment or loss and musculoskeletal disorders. Biological hazards prevalent in the sector include communicable diseases present in the local community or diseases due to poor hygiene and poor quality of food or water.

Hazards related to common employment practices (see also topic 12.15) in the coal sector can increase the risk of fatigue, strain, or stress and have negative impacts on physical, psychological, and social health. These practices include fly-in fly-out work arrangements, working and living in different locations, rotational work, long shifts, long travel times, living in the workplace, interrupted rest, irregular working hours, and solitary work. Workers may also experience psychological reactions, such as post-traumatic stress disorder following a major incident. In addition, workplaces characterized by gender imbalance can contribute to increased stress, discrimination, or sexual harassment (see also topic 12.19 Non-discrimination and equal opportunity).

The coal sector makes extensive use of suppliers, some of which may undertake activities considered among the most dangerous. Occupational health and safety management systems may not cover suppliers' workers in the same way employees are covered. Suppliers' workers operating on the premises of organizations in the sector may be less familiar with the workplace and the organization's health and safety practices or less committed to those practices. Other workers in the organization's supply chain may be subject to lower occupational health and safety standards.

Reporting on occupational health and safety

If the organization has determined occupational health and safety to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.14.1
Topic Standard disclosures		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	12.14.2
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	12.14.3
	Disclosure 403-3 Occupational health services	12.14.4
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	12.14.5
	Disclosure 403-5 Worker training on occupational health and safety	12.14.6
	Disclosure 403-6 Promotion of worker health	12.14.7
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	12.14.8
	Disclosure 403-8 Workers covered by an occupational health and safety management system	12.14.9
	Disclosure 403-9 Work-related injuries	12.14.10
	Disclosure 403-10 Work-related ill health	12.14.11

References and resources

GRI 403: Occupational Health and Safety 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on occupational health and safety by the coal sector are listed in the Bibliography.

Topic 12.15 Employment practices

Employment practices refer to an organization's approach to job creation, terms of employment and working conditions for its workers. This topic also covers the employment and working conditions in an organization's supply chain.

The coal sector generates employment opportunities across the value chain. This can have positive socioeconomic impacts on communities, countries, and regions. The sector can offer well-paid opportunities for skilled workers, however, the employment practices are also associated with negative impacts. Examples include working conditions and disparities in working conditions for contract workers, ineffective labor-management consultations, and job insecurity.

Many jobs in the coal sector have complex shift patterns, involving long shifts and night shifts, to ensure continuity of operations around the clock. This can cause high levels of fatigue and augment risks related to health and safety (see also topic 12.14 Occupational health and safety). Organizations in the coal sector can also use fly-in fly-out work arrangements, in which workers are flown to operational sites for several weeks at a time and often required to work extended shifts. Irregular work shifts and schedules and time spent away from families can have further impacts on workers' physical, psychological, and/or social health.

Various activities in the coal sector are outsourced to suppliers. This is common during peak periods, such as during construction or maintenance works, or for specific activities, such as catering, drilling, security, and transportation. Outsourcing activities and using workers employed by suppliers, could allow organizations in the coal sector to reduce their labor costs or to bypass collective agreements that are in place for employees (see also topic 12.18 Freedom of association and collective bargaining).

Compared to employees, workers employed by suppliers commonly have less favorable employment conditions, lower remuneration, less training, higher accident rates, and less job security. They often lack social protection and access to grievance mechanisms. Workers beyond the first tiers of business relationships in organization's supply chain may also be subject to low standards for working conditions, exposing organizations in the coal sector to human rights violations through their business relationships.

Employment terms can vary between local workers, migrant workers, and contractors. Remuneration for these groups of workers may be unequal, and benefits, such as bonuses, housing allowances, and private insurance plans, may only be offered to expatriate employees. Lack of relevant skills, knowledge, or accessible training programs can also restrict local communities from accessing employment opportunities created by the coal sector (see also topic 12.8 Economic impacts).

Job security is also a concern in the coal sector. Mine closures or coal price drops can occur suddenly, leading to job losses and increasing pressure on remaining workers. Low job security is further compounded by automation and changing business models, such as changes triggered by the transition to a low-carbon economy (see also topic 12.2 Climate adaptation, resilience, and transition). Organizations in the sector can support workers by planning for a just transition, including implementing timely measures that aim to develop their skills and improve their employability in other sectors.

Reporting on employment practices

If the organization has determined employment practices to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.15.1
Topic Standard disclosures		
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	12.15.2
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	12.15.3
	Disclosure 401-3 Parental leave	12.15.4
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes	12.15.5
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	12.15.6
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	12.15.7
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	12.15.8
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	12.15.9

References and resources

GRI 401: Employment 2016, *GRI 402: Labor/Management Relations 2016*, *GRI 404: Training and Education 2016*, and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on employment practices by the coal sector are listed in the Bibliography.

Topic 12.16 Child labor

Child labor is defined as work that deprives children of their childhood, their potential, and their dignity, and that is harmful to their development, including by interfering with their education. It is a violation of human rights and can lead to lifelong negative impacts. Abolition of child labor is a fundamental principle and right at work.

Around one million children between ages five and 17 are estimated to be engaged in artisanal and small-scale mining and quarrying activities, and the use of child labor in coal mining has been documented in several countries [244] [249]. Risks of child labor in the coal sector are higher when the work is taking place on an informal basis or in remote areas.

Coal mining activities are dangerous to children in various ways. Children face multiple hazards in coal mines, such as falling rocks, explosions, fires, and collapse of mine walls, leading to serious accidents and injuries (see also topic 12.14 Occupational health and safety). Other impacts can result from working in remote areas with limited access to schools and social services. In the absence of family or community support, the conditions may also foster alcohol abuse, drugs, and prostitution.

Coal organizations interact with a high number of suppliers, including in countries with low enforcement of human rights. Coal organizations may be involved with incidences of child labor because of their business relationships with suppliers, for example, during construction of operational sites. Child labor has a higher prevalence in areas affected by armed conflict (see also topic 12.12 Conflict and security).

The coal sector's impacts on local communities and organizations' employment practices can affect children's rights and well-being, for example, parents' working conditions, including irregular working hours, shift work, and fly-in fly-out arrangements (see also topic 12.15 Employment practices).

Reporting on child labor

If the organization has determined child labor to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.16.1
Topic Standard disclosures		
GRI 408: Child labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	12.16.2
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	12.16.3

References and resources

GRI 408: Child labor 2016 and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on child labor by the coal sector are listed in the Bibliography.

Topic 12.17 Forced labor and modern slavery

Forced labor is defined as all work or service which is exacted from any person under the menace of penalty and for which a person has not offered themselves voluntarily. Freedom from forced labor is a human right and a fundamental right at work. This topic covers an organization's approach to identifying and addressing forced labor and modern slavery.

Coal is a product at risk of being mined using forced labor or modern slavery in several countries [252] [259]. Additionally, coal organizations may be involved with human rights violations and other instances of exploitation via interaction with suppliers, which may include those operating in countries with low rates of enforcement of human rights. Coal organizations may also be involved with incidences of forced labor and modern slavery as a result of their joint ventures and other business relationships, including those with state-owned enterprises in countries where international human rights violations are documented. Conducting due diligence within the large and complex supply chains common in the sector may also pose difficulties for detecting and addressing incidents of forced labor and modern slavery.

There are documented cases of human rights violations throughout the supply chain concerning activities such as coal shipping and construction. Migrant workers can face higher risks of modern slavery when dealing with third-party employment agencies, such as those found to overcharge workers for visas and flights or demand recruitment costs be paid by workers rather than employers.

As part of a global effort, several governments have issued legislation requiring public reporting on addressing traditional and emerging forced labor practices, including modern slavery. Such legislation applies to many organizations in the coal sector.

Reporting on forced labor and modern slavery

If the organization has determined forced labor and modern slavery to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.17.1
Topic Standard disclosures		
GRI 409: Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	12.17.2
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	12.17.3

References and resources

GRI 409: Forced or Compulsory Labor 2016 and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on forced labor and modern slavery by the coal sector are listed in the Bibliography.

Topic 12.18 Freedom of association and collective bargaining

Freedom of association and collective bargaining are human rights and fundamental rights at work. They include the rights of employers and workers to form, join, and run their own organizations without prior authorization or interference, and to collectively negotiate working conditions and terms of employment. This topic covers an organization's approach and impacts related to freedom of association and collective bargaining.

Workers' rights to organize and to take collective action are critical for supporting and improving working conditions in the coal sector, including conditions relating to occupational health and safety, wages, and job security. These rights can also enable public debate about the sector's governance and practices, enhance collaboration towards a just transition, as well as aid in reducing social inequality.

Many jobs associated with the coal sector have traditionally been represented by trade unions and covered by collective bargaining agreements. However, some coal resources are located in countries where these rights are restricted. Workers in such locations face risks when seeking to join trade unions and engage in collective bargaining. Even in countries where unions are legal, restrictions that prevent effective worker representation might exist, and workers who join unions may face intimidation or unfair treatment.

Documented cases of interference with freedom of association and collective bargaining in the sector include detention of managers and other employees, invasion of privacy, not adhering to collective agreements, and preventing trade union access to workplaces to assist workers. Other documented cases include refusal to bargain in good faith with workers' chosen trade unions; threats, harassment, forced disappearance, violence, and deaths; unfair dismissal of trade union members and leaders; and unilateral cancellation of collective bargaining agreements.

Widely used in the coal sector, contract workers are often excluded from the scope of collective bargaining agreements. As a result, contract workers commonly have less favorable employment conditions and lower remuneration and benefits compared to employees (see also topic 12.15 Employment practices).

Box 2. Freedom of association and civic space

Freedom of association and peaceful assembly are human rights. These rights give workers, through their trade unions, and citizens, through independent civil society, the freedom to speak about the coal sector's policies and organizations' practices without interference.

Restrictions imposed on civic space, the environment that enables civil society to contribute to decisions that affect individual lives, can limit citizens' ability to engage in public debate about the sector's policies and organizations' practices.

Reporting on freedom of association and collective bargaining

If the organization has determined freedom of association and collective bargaining to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.18.1
Topic Standard disclosures		
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	12.18.2

References and resources

GRI 407: Freedom of Association and Collective Bargaining 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on freedom of association and collective bargaining by the coal sector are listed in the Bibliography.

Topic 12.19 Non-discrimination and equal opportunity

Freedom from discrimination is a human right and a fundamental right at work. Discrimination can impose unequal burdens on individuals or deny fair opportunities on the basis of individual merit. This topic covers impacts from discrimination and practices related to diversity, inclusion, and equal opportunity.

The conditions, locations, necessary skills, and types of work associated with the coal sector can be a barrier for entry, hinder employee diversity, and result in discrimination. Discriminatory practices can impede access to jobs and career development, as well as lead to inequalities in treatment, remuneration, and benefits.

Documented cases of discrimination in the coal sector concern race, color, sex, gender, religion, national extraction, and worker status. For example, jobseekers from local communities may be excluded from the hiring process because of a recruitment system bias that favors a dominant ethnic group or utilizes migrant workers. Local workers may receive significantly lower pay for equal work than expatriate employees. The sector's widespread use of contract workers, often with differing terms of employment and lower remuneration and benefits compared to employees, can also be conducive to discrimination (see also topic 12.15 Employment practices).

The coal sector is characterized by a significant gender imbalance. In many countries, the percentage of women working in this sector is significantly lower than the percentage of women working overall nationwide. Women are also significantly underrepresented in senior management positions. One cause of this imbalance may be that fewer women graduate with degrees pertinent to the sector, such as in science, technology, engineering, and mathematics. Other barriers for women and primary caregivers include fly-in fly-out work arrangements, long hours, and limited parental leave arrangements and childcare facilities at mining sites. Social or cultural customs, beliefs, and biases can also limit women's access to jobs in this sector or prevent them from taking on specific roles. In addition, some resource-rich countries have laws that prevent women from working in hazardous or arduous occupations.

The coal sector has also been linked to domestic and gender-based violence, both at operational sites and within local communities adjacent to the organization's operations. Male-dominated cultures, imbalanced gender distribution, and gendered organizational norms have been identified as contributing to the likelihood of sexual harassment (see also topic 12.14 Occupational health and safety).

Understanding how specific groups may be subject to discrimination across different locations where coal organizations operate can help organizations in effectively address discriminatory practices. Other measures, such as providing specific training to workers on preventing discrimination can help address impacts related to discrimination and create a respectful workplace.

Reporting on non-discrimination and equal opportunity

If the organization has determined non-discrimination and equal opportunity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.19.1
Topic Standard disclosures		
GRI 202: Market Presence 2016	Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	12.19.2
	Disclosure 202-2 Proportion of senior management hired from the local community	12.19.3
GRI 401: Employment 2016	Disclosure 401-3 Parental leave	12.19.4
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	12.19.5
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	12.19.6
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	12.19.7
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	12.19.8

References and resources

GRI 202: Market Presence 2016, *GRI 401: Employment 2016*, *GRI 404: Training and Education 2016*, *GRI 405: Diversity and Equal Opportunity 2016*, and *GRI 406: Non-discrimination 2016* list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on non-discrimination and equal opportunity by the coal sector are listed in the Bibliography.

Topic 12.20 Anti-corruption

Anti-corruption refers to how an organization manages the potential of being involved with corruption. Corruption is practices such as bribery, facilitation payments, fraud, extortion, collusion, money laundering, or the offer or receipt of an inducement to do something dishonest or illegal. This topic covers impacts related to corruption and an organization's approach related to contract and ownership transparency.

Corruption in the coal sector can occur throughout the value chain and has been linked to various negative impacts, such as misallocation of resource revenues, damage to the environment, abuse of democracy and human rights, and political instability. In addition, corruption can divert resource revenues to private beneficiaries, at the expense of, for example, investments in infrastructure or services. This can be particularly critical in countries with high poverty levels, where it can increase inequalities and conflicts over coal resources. Likelihood of corruption can be higher in areas of conflict, where increased pressure on the supply of resources and instability might be exploited. Corruption can in turn foster conflict and lead to instability (see also topic 12.12 Conflict and security).

Characteristics of the coal sector that contribute to the potential for corruption include frequent interaction between coal organizations and politically exposed persons,[15] such as government officials for licenses and other regulatory approvals. Other relevant sector characteristics include the complex financial transactions and the international reach of the sector.

State-owned enterprises (SOEs) face specific challenges in relation to corruption because they may have less effective internal controls and be subject to partial independent oversight. In addition to driving profit, SOEs may also pursue broader objectives such as community development. However, without adequate oversight, measures for community development may be abused for corrupt purposes. Organizations in the coal sector partnering with SOEs in joint ventures may face additional risks related to corruption as a result of this business relationship.

Corruption can occur during bidding processes for exploration and production licenses, for example, with the aim to obtain confidential information, influence decision-making, or avoid environmental or local content requirements. This may result in licenses being awarded to less qualified organizations, jeopardizing public investments, or negatively impacting the environment and local communities. Opaque licensing procedures may also obstruct public scrutiny of investments and transactions that could result in reduced public revenue.

Corrupt practices can also be aimed at blocking or shaping policies and regulations or to influence their enforcement. This might include land and resource rights regulations, taxes and other government levies, or environmental protection.

A lack of transparency in procurement procedures in the coal sector can also create a risk of corruption and fraud. Examples of this can include paying bribes to get regulations or quality requirements waived, receiving kickbacks for securing contracts at inflated prices, profiting from inflated prices charged by an entity established as a front organization, and favoring companies connected to local regulators.

To combat corruption and prevent the negative impacts that stem from it, organizations in the coal sector are expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and responsible business practices.

15 Politically exposed person is defined by the Financial Action Taskforce (FATF) as 'an individual who is or has been entrusted with a prominent public function' [269].

Box 3. Transparency about contracts and ownership structures

Publication of government contracts is a growing practice. It is endorsed by organizations such as the United Nations (UN), International Monetary Fund (IMF), International Finance Corporation (IFC), the International Bar Association (IBA), and the Organisation for Economic Co-operation and Development (OECD).

Contracts governing the extraction of coal resources are commonly devised by organizations in the sector and governments on behalf of citizens or local communities without public oversight. Fair terms for sharing risks and rewarding benefits, including those related to a just transition, are particularly relevant because of the long-term time horizons and widespread impacts of projects. Contract transparency helps local communities hold governments and organizations accountable for their negotiated terms and obligations. It also reduces information asymmetries between governments and coal organizations and helps level the playing field in negotiations.

Lack of transparency about ownership structures can make it difficult to determine who benefits from financial transactions. Beneficial ownership transparency has been identified as a significant opportunity to deter conflicts of interest, corruption, tax avoidance, and evasion.

See references [268] and [276] in the Bibliography.

Reporting on anti-corruption

If the organization has determined anti-corruption to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe how potential impacts of corruption or risks of corruption are managed in the organization's procurement practices and throughout the supply chain.	12.20.1
Topic Standard disclosures		
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	12.20.2
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	12.20.3
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	12.20.4
Additional sector disclosures		
• Describe the approach to contract transparency, including: - whether contracts and licenses are made publicly available and, if so, where they are published; - if contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future.[16]		12.20.5
List the organization's beneficial owners and explain how the organization identifies the beneficial owners of business partners, including joint ventures and suppliers.[17]		12.20.6

References and resources

GRI 205: Anti-corruption 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on anti-corruption by the coal sector are listed in the Bibliography.

16 This additional sector disclosure is based on Requirement 2.4. Contracts in the *EITI Standard 2019*. Definitions for contracts and licenses can be found in the *EITI Standard 2019* [278].
17 This additional sector disclosure is based on Requirement 2.5. Beneficial ownership c., d., and f. in the *EITI Standard 2019* [278].

Topic 12.21 Payments to governments

Lack of transparency about payments to governments can contribute to inefficient management of public funds, illicit financial flows, and corruption. This topic covers impacts from an organization's practices related to payments to governments and the organization's approach to transparency of such payments.

Organizations in the coal sector deal with a large number of complex financial transactions and make a variety of payments to governments. These include commodity trading revenues, exploration and production licensing fees, taxes and royalties, signature, discovery, and production bonuses.

Transparency of payments to governments can help distinguish the economic importance of the coal sector to countries, enable public debate, and inform government decision-making. It can also provide insights into the terms of contracts, increase government accountability, and strengthen revenue collection and management. Insufficient transparency of these payments, on the other hand, can impede detection of misallocation of revenues and corruption (see also topic 12.20 Anti-corruption).

Taxes, royalties, and other payments from organizations in the coal sector are an important source of investment and revenue for local communities, countries, and regions (see also topic 12.8 Economic impacts). However, aggressive tax practices or tax non-compliance can lead to diminished tax revenues in countries where coal organizations operate. This can be particularly damaging for developing countries that may lack or have high needs for public revenue.

The sector receives substantial subsidies from governments in many countries, despite commitments to phase out financial support by 2018.[18] Excessive subsidies for the sector can result in commodity prices that do not reflect coal's total environmental or social costs, and impede the transition to a low-carbon economy (see also topic 12.2 Climate adaptation, resilience, and transition).

When disclosing information on payments to governments, organizations in the coal sector often report aggregate payments at an organizational level. However, this can provide limited insight into payments made in each country or related to a project. Reporting country-level and project-level payments enables a comparison of the payments made to those stipulated in fiscal, legal, and contractual terms as well as to assess the financial contribution of coal activities to host countries and communities. It can also enable governments to address tax avoidance and evasion, correct information asymmetry, and level the playing field for governments when negotiating contracts.

Box 4. State-owned enterprises

A state-owned enterprise (SOE) is, according to the Extractive Industries Transparency Initiative (EITI), 'a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government' [283]. SOEs often have special status, which can involve financial advantages and preferential treatment.

In some major coal producing countries the largest coal organizations are state-owned enterprises. As direct customers, SOEs are also highly relevant for the sector. Of all power plants burning coal, 40% belong to SOEs, with the figure rising to 56% when including joint ventures.

18 In the European Union, subsidies to coal producers added up to €9.7 billion in 2012 [281] and remained at similar levels in the following years [287].

Reporting on payments to governments

If the organization has determined payments to governments to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	12.21.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	12.21.2
	Disclosure 201-4 Financial assistance received from government *Additional sector recommendations* For state-owned organizations (SOEs): • Report the financial relationship between the government and the SOE.[19]	12.21.3
GRI 207: Tax 2019	Disclosure 207-1 Approach to tax	12.21.4
	Disclosure 207-2 Tax governance, control, and risk management	12.21.5
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	12.21.6
	Disclosure 207-4 Country-by-country reporting *Additional sector recommendations* • Report a breakdown of the payments to governments levied at the project-level, by project and the following revenue streams, if applicable: • - The host government's production entitlement; - National state-owned company production; - Royalties; - Dividends; - Bonuses (e.g., signature, discovery, and production bonuses); - License fees, rental fees, entry fees; and other considerations for licenses or concessions; - Any other significant payments and material benefits to government.[20] • Report the value of any thresholds[21] that have been applied and any other contextual information necessary to understand how the project-level payments to governments reported have been compiled.	12.21.7
Additional sector disclosures		
For coal purchased from the state or from third parties appointed by the state to sell on their behalf, report: • volumes and types of coal purchased; • full names of the buying entity and the recipient of the payment; • payments made for the purchase.[22]		12.21.8

References and resources

GRI 201: Economic Performance 2016 and *GRI 207: Tax 2019* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on payments to governments by the coal sector are listed in the Bibliography.

19 This additional sector recommendation is based on Requirement 2.6 State participation in the *EITI Standard 2019* [289].

20 This additional sector recommendation is based on Requirement 4.1 Comprehensive disclosure of taxes and revenues and Requirement 4.7. Level of disaggregation in the *EITI Standard 2019*. A definition for project can be found in the *EITI Standard 2019* [289].

21 The *EITI Standard 2019* specifies that in countries implementing the EITI, the multi-stakeholder group for the country agree which payments and revenues are material, including appropriate thresholds [289]. The organization can use the relevant threshold set by the EITI multi-stakeholder group. If there is no relevant threshold set, the organization can use a threshold equivalent to that established for the European Union, which specifies that 'Payments, whether a single payment or a series of related payments, below EUR 100,000 within the reporting period can be excluded' [279].

22 This additional sector disclosure is based on Requirement 4.2 Sale of the state's share of production or other revenues collected in kind in the *EITI Standard 2019* [289] and *EITI Reporting Guidelines for companies buying oil, gas and minerals from governments* [288].

Topic 12.22 Public policy

An organization can participate in public policy development, directly or through an intermediary organization, by means of lobbying or making financial or in-kind contributions to political parties, politicians, or causes. While an organization can encourage the development of public policy that benefits society, participation can also be associated with corruption, bribery, undue influence, or an imbalanced representation of the organization's interests. This topic covers an organization's approach to public policy advocacy and the impacts that can result from the influence an organization exerts.

In regions where coal generates significant revenue for governments, organizations in the sector may get better access to, and representation in meetings with, government representatives, which may lead to increased influence over public policy decisions.

Lobbying by the coal sector can obstruct sustainable development, for example, by misaligning policy, regulation, and subsidies with the transition to a low-carbon economy. The coal sector has advocated against ambitious climate policies through individual organizations in the sector and industry bodies. These activities have often been targeted against enforcing meaningful carbon pricing, carbon budgets, or other measures to reduce greenhouse gas (GHG) emissions that could leave coal assets and resources stranded. These efforts have sometimes contradicted publicly stated corporate strategies and positions that support policies addressing climate change (see also topic 12.2 Climate adaptation, resilience, and transition). The coal sector has also lobbied for government subsidies, contributing to increased dependence on fossil fuels and discouraging investment in renewable energy and energy efficiency.

While lobbying activities may aim to safeguard existing jobs and the livelihoods of communities living adjacent to coal mining areas, advocacy and lobbying activities by the coal sector have also contributed to hindering environmental policies; blocking or amending legislation on environmental and social assessments of projects, or fair participation of all stakeholders; overturning restrictions on resource development; and lowering labor standards, corporate taxes, and resource royalties.

Reporting on public policy

If the organization has determined public policy to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the organization's stance on significant issues that are the focus of its participation in public policy development and lobbying; and any differences between these positions and its stated policies, goals, or other public positions. • Report whether the organization is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying, including: - the nature of this contribution; - any differences between the organization's stated policies, goals, or other public positions on significant issues related to climate change, and the positions of the representative associations or committees.[23]	12.22.1
Topic Standard disclosures		
GRI 415: Public Policy 2016	Disclosure 415-1 Political contributions	12.22.2

References and resources

GRI 415: Public Policy 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on public policy by the coal sector are listed in the Bibliography.

23 These additional sector recommendations are based on reporting recommendations 1.2.1 and 1.2.2 in *GRI 415: Public Policy 2016*.

Glossary

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

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

area of high biodiversity value
area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

area protected
area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

area restored
area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

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

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

benefit
direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

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

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

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

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

business relationships

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

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

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

carbon dioxide (CO2) equivalent
measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

Note: The CO_2 equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

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

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

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

close call
work-related incident where no injury or ill health occurs, but which has the potential to cause these

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: A 'close call' might also be referred to as a 'near-miss' or 'near-hit'.

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

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

community development program

plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

conflict of interest
situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities

corruption
'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

Source: Transparency International, *Business Principles for Countering Bribery*, 2011

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

direct (Scope 1) GHG emissions
greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

Examples: CO_2 emissions from fuel consumption

Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

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

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

disposal
any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC)

Note: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

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

energy indirect (Scope 2) GHG emissions
greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization

exposure
quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

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

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

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

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

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

freshwater
water with concentration of total dissolved solids equal to or below 1,000 mg/L

Source: Environmental management — Water footprint — Principles, requirements and guidelines. Geneva: ISO, 2014; modified
United States Geological Survey (USGS), Water Science Glossary of Terms, *water.usgs.gov/edu/dictionary.html*, accessed on 1 June 2018; modified
World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017; modified

global warming potential (GWP)
value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO_2 over a given period of time

Note: GWP values convert GHG emissions data for non-CO_2 gases into units of CO2 equivalent.

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

hazardous waste
waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

high-consequence work-related injury
work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

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

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

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

occupational health and safety management system
set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001

other indirect (Scope 3) GHG emissions
indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

parental leave
leave granted to men and women employees on the grounds of the birth of a child

preparation for reuse
checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC); modified

protected area
geographic area that is designated, regulated, or managed to achieve specific conservation objectives

recovery
operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

Examples: preparation for reuse, recycling

Note: In the context of waste reporting, recovery operations do not include energy recovery.

recycling
reprocessing of products or components of products that have become waste, to make new materials

Sources: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

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

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

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

remuneration
basic salary plus additional amounts paid to a worker

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

renewable energy source
energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

Examples: biomass, geothermal, hydro, solar, wind

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

scope of GHG emissions
classification of the operational boundaries where greenhouse gas (GHG) emissions occur

Note 1: Scope classifies whether GHG emissions are created by the organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.

Note 2: There are three classifications of Scope: Scope 1, Scope 2 and Scope 3.

Note 3: The classification of Scope derives from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), *GHG Protocol Corporate Accounting and Reporting Standard,* Revised Edition, 2004.

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

security personnel
individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

senior executive
high-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body

services supported
services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organization's own employees

Note: Public benefit can also include public services.

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

significant air emission
air emission regulated under international conventions and/or national laws or regulations

Note: Significant air emissions include those listed on environmental permits for the organization's operations.

significant operational change
alteration to the organization's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organization's activities

Examples: closures, expansions, mergers, new openings, outsourcing of operations, restructuring, sale of all or part of the organization, takeovers

spill
accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste

anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

waste disposal method
method by which waste is treated or disposed of

Examples: composting, deep well injection, incineration, landfill, on-site storage, recovery, recycling, reuse

water consumption
sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water discharge
sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stress
ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal
sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

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

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

work-related hazard
source or situation with the potential to cause injury or ill health

Source: International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems,* 2001; modified
International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified
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Note: Hazards can be:
- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

work-related incident
occurrence arising out of or in the course of work that could or does result in injury or ill health

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified
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Note 1: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 2: An incident that results in injury or ill health is often referred to as an ‘accident’. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a ‘close call', ‘near-miss’, or ‘near-hit’.

work-related injury or ill health
negative impacts on health arising from exposure to hazards at work

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001; modified

Note 1: ‘Ill health’ indicates damage to health and includes diseases, illnesses, and disorders. The terms ‘disease’, ‘illness’, and ‘disorder’ are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 2: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 3: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities 'in the interest of the employer'. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining 'work-relatedness', see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/ oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 4: The terms 'occupational' and 'work-related' are often used interchangeably.

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GRI STANDARDS

GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

Sector Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2024

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

ISBN 978-90-8866-138-9

Content

Introduction

GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 provides information for organizations in the agriculture, aquaculture, and fishing sectors about their likely material topics. These topics are likely to be material for organizations in the sectors on the basis of the sectors' most significant impacts on the economy, environment, and people, including on their human rights.

GRI 13 also contains a list of disclosures for organizations in the agriculture, aquaculture, and fishing sectors to report in relation to each likely material topic. This includes disclosures from the GRI Topic Standards and other sources.

This Standard is structured as follows:

- Section 1 provides a high-level overview of the agriculture, aquaculture, and fishing sectors, including their activities, business relationships, context, and the connections between the United Nations Sustainable Development Goals (SDGs) and the likely material topics for the sectors.
- Section 2 outlines the topics that are likely to be material for organizations in the agriculture, aquaculture, and fishing sectors and, therefore potentially merit reporting. For each likely material topic, the sectors' most significant impacts are described and disclosures to report information about the organization's impacts in relation to the topic are listed.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text and linked to the definitions.
- The Bibliography lists the authoritative intergovernmental instruments and additional references used in developing this Standard, listed by topic. It also lists further resources that the organization can consult.

The rest of the Introduction section provides an overview of the sectors this Standard applies to, an overview of the system of GRI Standards, and further information on using this Standard.

Sectors this Standard applies to

GRI 13 applies to organizations undertaking any of the following:
- Crop production
- Animal production
- Aquaculture
- Fishing

This Standard can be used by any organization in the agriculture, aquaculture, and fishing sectors, regardless of size, type, geographic location, or reporting experience.

The organization must use all applicable Sector Standards for the sectors in which it has substantial activities.

Sector classifications

Table 1 lists industry groupings relevant to the agriculture, aquaculture, and fishing sectors covered in this Standard in the Global Industry Classification Standard (GICS®) [4], the Industry Classification Benchmark (ICB) [3], the International Standard Industrial Classification of All Economic Activities (ISIC) [6], and the Sustainable Industry Classification System (SICS®) [5].[1] The table is intended to assist an organization in identifying whether *GRI 13* applies to it and is for reference only.

Table 1. Industry groupings relevant to the agriculture, aquaculture, and fishing sectors in other classification systems

CLASSIFICATION SYSTEM	CLASSIFICATION NUMBER	CLASSIFICATION NAME
GICS®	30202010	Agricultural Products
ICB	45102010	Farming, Fishing and Plantations
ISIC	A1 A3	Crop and animal production (excluding hunting) Fishing and aquaculture
SICS®	FB-AG FB-MP	Agricultural Products Meat, Poultry and Dairy

1 The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [1] and the North American Industry Classification System (NAICS) [2] can also be established through available concordances with the International Standard Industrial Classification (ISIC).

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

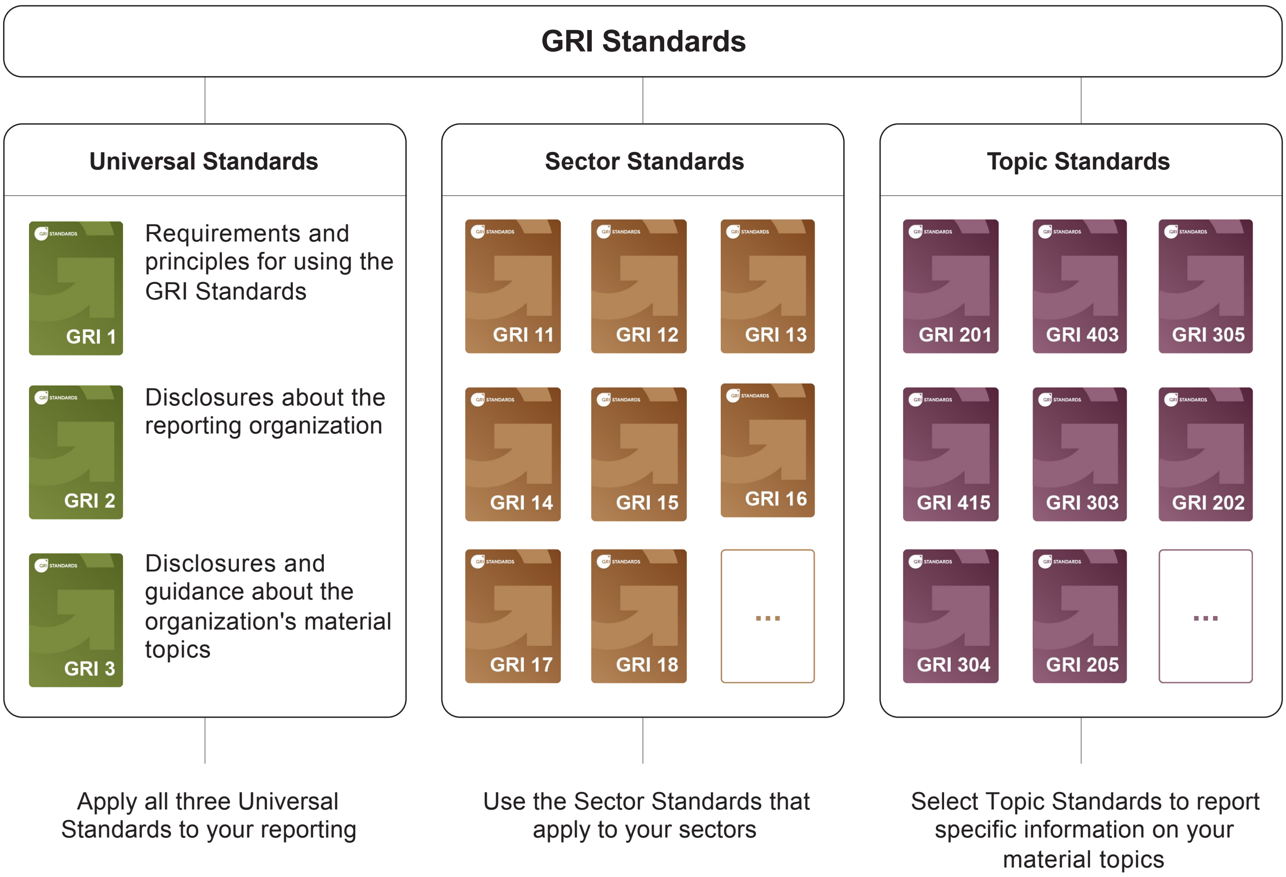
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

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

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

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

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



Using this Standard

An organization in the agriculture, aquaculture, and fishing sectors reporting in accordance with the GRI Standards is required to use this Standard when determining its material topics and then when determining what information to report for the material topics.

Determining material topics

Material topics represent an organization's most significant impacts on the economy, environment, and people, including their human rights.

Section 1 of this Standard provides contextual information that can help the organization in identifying and assessing its impacts.

Section 2 outlines the topics that are likely to be material for organizations in the agriculture, aquaculture, and fishing sectors. The organization is required to review each topic described and determine whether it is a material topic for it.

The organization needs to use this Standard when determining its material topics. However, circumstances for each organization vary, and the organization needs to determine its material topics according to its specific circumstances, such as its business model; geographic, cultural, and legal operating context; ownership structure; and the nature of its impacts. Because of this, not all topics listed in this Standard may be material for all organizations in the agriculture, aquaculture, and fishing sectors. See *GRI 3: Material Topics 2021* for step-by-step guidance on how to determine material topics.

If the organization has determined any of the topics included in this Standard as not material, then the organization is required to list them in the GRI content index and explain why they are not material.

See Requirement 3 in *GRI 1 Foundation 2021* and Box 5 in *GRI 3* for more information on using Sector Standards to determine material topics.

Determining what to report

For each material topic, an organization reports information about its impacts and how it manages these impacts.

Once an organization has determined a topic included in this Standard to be material, the Standard also helps the organization identify disclosures to report information about its impacts relating to that topic.

For each topic in section 2 of this Standard, a reporting sub-section is included. These sub-sections list disclosures from the GRI Topic Standards that are relevant to the topic. They may also list additional sector disclosures and recommendations for the organization to report. This is done in cases where the Topic Standards do not provide disclosures, or where the disclosures from the Topic Standards do not provide sufficient information about the organization's impacts in relation to a topic. These additional sector disclosures and recommendations may be based on other sources. Figure 2 illustrates how the reporting included in each topic is structured.

The organization is required to report the disclosures from the Topic Standards listed for those topics it has determined to be material. If any of the Topic Standards disclosures listed are not relevant to the organization's impacts, the organization is not required to report them. However, the organization is required to list these disclosures in the GRI content index and provide 'not applicable' as the reason for omission for not reporting the disclosures. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

The additional sector disclosures and recommendations outline further information which has been identified as relevant for organizations in the agriculture, aquaculture, and fishing sectors to report in relation to a topic. The organization should provide sufficient information about its impacts in relation to each material topic, so that information users can make informed assessments and decisions about the organization. For this reason, reporting these additional sector disclosures and recommendations is encouraged, however it is not a requirement.

When the organization reports additional sector disclosures, it is required to list them in the GRI content index (see Requirement 7 in *GRI 1*).

If the organization reports information that applies to more than one material topic, it does not need to repeat it for each topic. The organization can report this information once, with a clear explanation of all the topics it covers.

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

information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

See Requirement 5 in *GRI 1* for more information on using Sector Standards to report disclosures.

GRI Sector Standard reference numbers

GRI Sector Standard reference numbers are included for all disclosures listed in this Standard, both those from GRI Standards and additional sector disclosures. When listing the disclosures from this Standard in the GRI content index, the organization is required to include the associated GRI Sector Standard reference numbers (see Requirement 7 in *GRI 1: Foundation 2021*). This identifier helps information users assess which of the disclosures listed in the applicable Sector Standards are included in the organization's reporting.

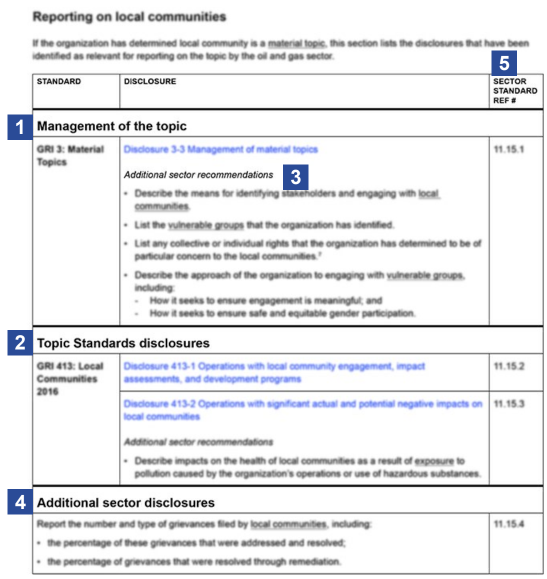
Defined terms

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

References and resources

The authoritative intergovernmental instruments and additional references used in developing this Standard, as well as further resources that may help report on likely material topics and can be consulted by the organization are listed in the Bibliography. These complement the references and resources listed in *GRI 3: Material Topics 2021* and in the GRI Topic Standards.

Figure 2. Structure of reporting included in each topic



Reporting on local communities

If the organization has determined local community is a material topic, this section lists the disclosures that have been identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	5 SECTOR STANDARD REF #
1 Management of the topic		
GRI 3: Material Topics	Disclosure 3-3 Management of material topics *Additional sector recommendations* 3 • Describe the means for identifying stakeholders and engaging with local communities. • List the vulnerable groups that the organization has identified. • List any collective or individual rights that the organization has determined to be of particular concern to the local communities.[7] • Describe the approach of the organization to engaging with vulnerable groups, including: - How it seeks to ensure engagement is meaningful; and - How it seeks to ensure safe and equitable gender participation.	11.15.1
2 Topic Standards disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities *Additional sector recommendations* • Describe impacts on the health of local communities as a result of exposure to pollution caused by the organization's operations or use of hazardous substances.	11.15.3
4 Additional sector disclosures		
Report the number and type of grievances filed by local communities, including: • the percentage of these grievances that were addressed and resolved; • the percentage of grievances that were resolved through remediation.		11.15.4

Management of the topic
The organization is required to report how it manages each material topic using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

Topic Standards disclosures
Disclosures from the GRI Topic Standards that have been identified as relevant for organizations in the sector(s) are listed here. When the topic is determined by the organization as material, it is required to report those disclosures or explain why they are not applicable in the GRI context index. See the Topic Standard for the content of the disclosure, including requirements, recommendations, and guidance.

Additional sector recommendations
Additional sector recommendations may be listed. These complement Topic Standards disclosures and are recommended for an organization in the sector(s).

Additional sector disclosures
Additional sector disclosures may be listed. Reporting these, together with any Topic Standards disclosures, ensures the organization reports sufficient information about its impacts in relation to the topic.

Sector Standard reference numbers
GRI Sector Standard reference numbers are required to be included in the GRI Content Index. This helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.

1. Sector profile

The agriculture, aquaculture, and fishing sectors produce essential food and non-food items, such as fibers, fuels, and rubber products. They play a major role in global development as a provider of food for human consumption and supplier of materials to other economic sectors, such as textiles, construction materials, pharmaceuticals, and the production of biofuels.

Production levels and value created by the sectors have increased in almost all countries across the globe in the past 20 years. However, their contribution to global gross domestic product (GDP) across this time period has stayed consistent at about 4%.[2] Despite this relatively limited global economic contribution, the sector has an outsized impact in developing countries and on those in rural areas. In some developing countries, it accounts for more than a quarter of GDP [20].

Demand for the products of the sectors is projected to grow into the future, driven by a growing population and changes in income levels. Future production will also be influenced by demographic, socio-cultural, and lifestyle changes, as well as consumer awareness of health and sustainability issues [30].

Agriculture, aquaculture, and fishing operations can be formally or informally organized as large-scale or small-scale business enterprises. Operations can also include households, cooperatives, and government institutions. These organizations can own or operate farms, fishing vessels, mills, and hatcheries. Vertically integrated organizations can directly own or manage production, storage, processing, and distribution.

Sector activities and business relationships

Through their activities and business relationships, organizations can have an effect on the economy, environment, and people, and in turn make negative or positive contributions to sustainable development. When determining its material topics, the organization should consider the impacts of both its activities and its business relationships.

Activities

The impacts of an organization vary according to the types of activities it undertakes. The following list outlines some of the key activities of the agriculture, aquaculture, and fishing sectors, as defined in this Standard. This list is not exhaustive.

Crop production

Production: growing and harvesting seeds, trees for rubber and latex, and all crops, such as cereals, vegetables, fruits, fibers, and other types; gathering berries, nuts, mushrooms, and sap.

Primary processing: cleaning, grading, hulling, pounding, and milling grains; soaking, heating, and drying leaves; extracting and filtering oils.

Aggregation: aggregating crop produce from multiple sources at farm level for sale to downstream markets, which can involve transaction by intermediary organizations or single actors.

Storage: keeping crops in a way that preserves their quality and keeps them safe from, for example, molds, yeasts, and rodents.

Transportation: using traditional or mechanized transportation to move crops.

Trading: buying and selling crops.

Animal production

Production: breeding and rearing livestock and poultry; collecting live animal products, such as meat, milk, eggs, honey, and wool; farming insects; raising animals in captivity; feeding animals; operating animal farms.

Primary processing: cleaning and washing animal products; processing milk; candling eggs; slaughtering animals for meat; deboning, cutting, smoking, and freezing meat; separating fur, skins, feathers, and down.

Aggregation: aggregating animal products from multiple farms for sale to downstream markets, which can involve transaction by intermediary organizations or single actors.

2 This figure is based on the agriculture, forestry and fishing sector as defined in the International Standard Industrial Classification of All Economic Activities (ISIC) which includes crop and animal production, hunting and related service activities, forestry and logging, and fishing and aquaculture [20].

Storage: keeping animal products in a way that preserves their quality and keeps them safe from, for example, harmful bacteria.

Transportation: using traditional or mechanized transportation to move live animals and animal products.

Trading: buying and selling live animals and animal products.

Aquaculture

Production: growing of algae and other seaweeds; culturing or farming of aquatic organisms, such as fish, mollusks, and crustaceans, in captive conditions that involve regular stocking, feeding, and protecting against predators; this includes both capture-based aquaculture (CBA) and hatchery-based aquaculture (HBA) systems.

Primary processing: slaughtering and deshelling produced aquatic organisms; undertaking service activities incidental to the operation of fish hatcheries and fish farms.

Aggregation: aggregating fish, mollusks, and crustaceans from multiple sources for sale to downstream markets, which can involve transaction by intermediary organizations or single actors.

Storage: keeping aquaculture products in a way that preserves their quality and keeps them safe from, for example, harmful bacteria.

Transportation: using traditional or mechanized transportation to move aquaculture products.

Trading: buying and selling aquaculture products.

Fishing

Fishing: capturing wild aquatic organisms, such as fish, mollusks, and crustaceans, via shore-based netting or commercial fishing vessels in inshore, coastal, or offshore waters.

Primary processing: onboard handling of live wild aquatic organisms after capture and through to the point of landing.

Aggregation: aggregating fish, mollusks, and crustaceans from multiple sources to downstream markets, which can involve transaction by intermediary organizations or single actors.

Storage: keeping fishing products[3] in a way that preserves their quality and keeps them safe from, for example, harmful bacteria.

Transportation: using traditional or mechanized transportation to move fishing products.

Trading: buying and selling fishing products.

Business relationships

An organization’s business relationships include relationships that it has with business partners, with entities in its value chain, including those beyond the first tier, and with any other entities directly linked to its operations, products, or services. The following types of business relationships are prevalent in the agriculture, aquaculture, and fishing sectors and are relevant when identifying the impacts of organizations in the sectors.

Aggregators: intermediary organizations or single actors who bring products from multiple sources at farm, fishery, hatchery, or mill level for sale to downstream markets.

Animal or fish feed suppliers: organizations or persons that provide feed for animal production or aquaculture.

Primary producers: agriculture, aquaculture, and fishing organizations can often buy their products from primary producers who actively farm or fish. Primary producers can be other organizations or persons, such as farmers and fishers, categorized as self-employed workers.

Suppliers of agricultural inputs: organizations that produce and sell fertilizers, pesticides and other inputs, and seeds.

3 Fishing products refer to wild aquatic organisms captured, such as fish, mollusks, and crustaceans.

The sectors and sustainable development

Agriculture, aquaculture, and fishing are fundamental to feeding the world's population. The sectors have a key role in meeting the growing demand for nutritious, affordable, and safe food for an estimated 10 billion people by 2050 [30]. At the same time, these sectors' activities are increasingly recognized as having significant impacts on sustainable development. Intensive use of natural resources, the location of operations in rural areas, and large amounts of labor involved into production globally are factors contributing to the scale of the sectors' impacts.

The agriculture, aquaculture, and fishing sectors are the second largest source of employment worldwide [20].[4] Over 2.5 billion people living in rural areas depend on them these sectors for jobs. At the same time, agriculture, aquaculture, and fishing are sectors with the highest informality rates in employment contracts, commercial transactions, and land tenure, posing challenges to upholding human rights. With 80% of the world's poor living in rural areas, ensuring sufficient income for rural workers remains an issue [37]. Improving incomes means communities need better economic opportunities, access to technology, skills training, and a more equitable distribution of value created by their labor. Growth in the sectors is proportionately more effective in raising the incomes of the world's poorest people in comparison to other sectors.

Agriculture, aquaculture, and fishing have a substantial environmental footprint. For example, agriculture accounts for an estimated 70% of freshwater withdrawals globally and is a substantial source of greenhouse gas (GHG) emissions, accounting for 22% of the total global emissions [25].[5] Similarly, fishing is responsible for at least 1.2% of global oil consumption [10].

Because agriculture, aquaculture, and fishing production rely on biodiversity, soils, and ecosystems, implementing sustainable practices across the sectors is a fundamental condition for food security. However, the agriculture sector is associated with 70% of losses in terrestrial biodiversity because of land conversion, deforestation, soil erosion, and impacts of pesticides [21]. Fishing has resulted in significant impacts on global ocean biodiversity, with one-third of fish stocks being overfished and about 60% fished at their maximum sustainable levels [24].

There has been ongoing growth in the global consumption of animal and aquaculture products. With approximately 340 million tons of meat, 88 million tons of dairy and 85 million tons of aquaculture products being produced annually, animal health and welfare are fundamental to agriculture and aquaculture activities [20]. The conditions animals live in have considerable implications for preventing zoonotic disease and the risks of antimicrobial resistance. Sound animal health and welfare also mean the responsibility for treating animals humanely.

Climate change poses challenges for the agriculture, aquaculture, and fishing sectors. It can affect yields, disrupt production and supply chains, jeopardizing food security. Impacts of climate change can also deepen poverty levels, displace people from their lands, and thus increase migration. Agriculture, aquaculture, and fishing organizations can contribute to food security and global development by building resilience to climate change, reducing food loss, and providing income and livelihoods to farmers and fishers and their communities.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of action for achieving sustainable development [7].

Since the SDGs and the targets associated with them are integrated and indivisible, agriculture, aquaculture, and fishing organizations have the potential to contribute to all SDGs by enhancing their positive impacts or by preventing and mitigating their negative impacts on the economy, environment, and people.

The agriculture, aquaculture, and fishing sectors provide food for communities across the world and are best positioned to contribute to Goal 2: Zero Hunger. The sectors are also the world's biggest employers and the largest economic sectors for many countries, directly impacting Goal 1: No Poverty and Goal 8: Decent Work and Economic Growth.

By managing natural resources sustainably and efficiently (Goal 12: Responsible Consumption and Production), agriculture has the potential to revitalize rural landscapes, contributing to Goal 15: Life on land. At the same time, the aquaculture and fishing sectors can contribute to healthy marine and aquatic ecosystems, which is Goal 14: Life Below Water. By implementing resilient fishing and farming practices, the agriculture, aquaculture, and fishing sectors can help increase productivity and build the adaptive capacity to respond to climate change (Goal 13: Climate Action).

4 This figure is based on the agriculture, forestry and fishing sector as defined in the International Standard Industrial Classification of All Economic Activities (ISIC) which includes crop and animal production, hunting and related service activities, forestry and logging, fishing, and aquaculture [19].

5 This figure is based on the Agriculture, Forestry and Other Land Use (AFOLU) sector as defined in the International Panel for Climate Change reports (IPCC). Land use change is the largest source of AFOLU emissions, followed by ruminant livestock production, followed by crop production [25].

Table 2 presents connections between the likely material topics for the agriculture, aquaculture, and fishing sectors and the SDGs. These linkages were identified based on an assessment of the impacts described in each likely material topic, and the targets associated with each SDG.

Table 2 is not a reporting tool but presents connections between the agriculture, aquaculture, and fishing sectors' significant impacts and the goals of the 2030 Agenda for Sustainable Development. See references [40] and [41] in the Bibliography for information on reporting progress towards the SDGs using the GRI Standards.

Table 2: Linkages between the likely material topics for the agriculture, aquaculture, and fishing sectors and the SDGs.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Topic 13.1 Emissions			●				●					●	●	●	●		
Topic 13.2 Climate adaptation and resilience	●	●											●				
Topic 13.3 Biodiversity		●				●						●		●	●		
Topic 13.4 Natural ecosystem conversion													●	●	●		
Topic 13.5 Soil health		●													●		
Topic 13.6 Pesticides use			●			●		●				●			●		
Topic 13.7 Water and effluents						●						●		●			
Topic 13.8 Waste												●					
Topic 13.9 Food security		●															●
Topic 13.10 Food safety		●	●														
Topic 13.11 Animal health and welfare															●		
Topic 13.12 Local communities	●	●	●		●	●							●			●	
Topic 13.13 Land and resource rights	●	●								●		●			●	●	
Topic 13.14 Rights of indigenous peoples	●	●									●		●		●	●	
Topic 13.15 Non-discrimination and equal opportunity					●			●		●						●	
Topic 13.16 Forced or compulsory labor					●			●								●	
Topic 13.17 Child labor	●							●								●	
Topic 13.18 Freedom of association and collective bargaining								●								●	
Topic 13.19 Occupational health and safety			●					●									
Topic 13.20 Employment practices	●							●		●							
Topic 13.21 Living income and living wage	●	●						●		●							
Topic 13.22 Economic inclusion	●	●			●			●	●	●	●			●			
Topic 13.23 Supply chain traceability												●		●		●	
Topic 13.24 Public policy		●												●	●	●	
Topic 13.25 Anti-competitive behavior																●	
Topic 13.26 Anti-corruption																●	

2. Likely material topics

This section comprises the likely material topics for the agriculture, aquaculture, and fishing sectors. Each topic describes the sectors' most significant impacts related to the topic and lists disclosures that have been identified as relevant for reporting on the topic by agriculture, aquaculture, and fishing organizations. The organization is required to review each topic in this section and determine whether it is a material topic for the organization, and then to determine what information to report for its material topics.

Topic 13.1 Emissions

This topic addresses emissions into the air, including greenhouse gas (GHG), ozone-depleting substances (ODS), nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions regarded as pollutants. Emissions can have negative impacts on air quality, ecosystems, and on human and animal health. GHG emissions are also a major contributor to climate change.

Agriculture is responsible for a large portion of greenhouse gas (GHG) emissions. From 2007 to 2016, the sector accounted for approximately 13% of carbon dioxide (CO_2), 44% of methane (CH_4), and 82% of nitrous oxide (N_2O) emissions from human activities globally, which was 23% of the total net anthropogenic emissions of GHGs over this period [46].

In agriculture and aquaculture, the highest share of total emissions is associated with land use change, including the conversion of land from a natural ecosystem for use by the sectors [46] (see also topic 13.4 Natural ecosystem conversion). Forests contribute to the reduction of CO_2 by absorbing more carbon than they release, making them a carbon sink. Clearing forests or grasslands results in large amounts of CO_2 being released. Soils can also absorb greenhouse gas emissions. Soil and pasture management practices can contribute to the capacity of soil to store carbon or adversely accelerate the release of carbon from the soil into the atmosphere (see topic 13.5 Soil health). Restoring and preserving carbon sinks, such as natural ecosystems and soils, plays an integral role in mitigating climate change (see also topic 13.2 Climate adaptation and resilience).

Land management for crop production produces GHG emissions through soil cultivation, including tillage, crop residue decomposition, and burning vegetation and crop residues. This results in the production of CO_2, N_2O, and particulate matter. Fertilizers, pesticides, and fuels used to power machinery and vehicles also release GHG emissions.

Ruminant livestock produce GHG emissions during respiration and digestion. Animal manure also emits gases, such as CH_4, N_2O, and CO_2. Livestock on managed pastures and rangelands was estimated accounted for over half of total anthropogenic N_2O emissions from agriculture [46]. CH_4 and N_2O emissions have a higher global warming potential than CO_2.

In animal production and aquaculture, emissions are also associated with animal and fish feed sourcing. These emissions can be caused by natural ecosystem conversion and the feed's production, processing, and transportation. In aquaculture land-based farms, emissions are also released from the combustion of fuel to generate the energy needed to regulate water temperature and circulation.

Fishing activities produce emissions from burning fuels, such as diesel, marine fuel oils, and intermediate fuel oils. These fuels provide the power to fishing vessels to access marine stocks and power onboard fish processing facilities, including freezing or refrigerating fish. Fishing vessels are not necessarily optimized for fuel efficiency, further contributing to emissions. The combustion of fuels also produces localized air pollution, while the use of refrigerants to store fish products can result in the emission of ozone-depleting substances.

The goal of the Paris Agreement to limit global warming to well below 2°C requires organizations to set emissions targets consistent with the cumulative carbon budgets that set a cap for the total allowed CO_2 emissions [42].

Reducing emissions for the sectors includes measures that help mitigate the main sources of GHGs, for example, measures to reduce methane (CH_4) emitted by ruminants through better management of feed and manure, or in crop production, using culture-specific production practices, such as growing rice using alternate wetting and drying methods that reduce methane production.

Reporting on emissions

If the organization has determined emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.1.1
Topic Standard disclosures		
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions *Additional sector recommendations* • When reporting on gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent, include land use change emissions.[6]	13.1.2
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	13.1.3
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions *Additional sector recommendations* • When reporting on gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent, include land use change emissions.	13.1.4
	Disclosure 305-4 GHG emissions intensity	13.1.5
	Disclosure 305-5 Reduction of GHG emissions	13.1.6
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	13.1.7
	Disclosure 305-7 Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	13.1.8

References and resources

GRI 305: Emissions 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on emissions by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

6 Land use change occurs when land is converted from one land use category to another; for instance, when cropland is converted to grassland or when forests are converted to cropland. This includes natural ecosystem conversion [48] (see also topic 13.4 Natural ecosystem conversion).

Topic 13.2 Climate adaptation and resilience

Organizations contribute to climate change and are simultaneously affected by it. Climate adaptation and resilience refer to how an organization adjusts to current and anticipated climate change-related risks, as well as how it contributes to the ability of societies and economies to withstand impacts from climate change.

Major impacts of climate change include an increase in acute weather events and long-term shifts in climate patterns. As a consequence, crop yields and biogeographic suitability have been negatively impacted in recent decades.

In agriculture, crops can be damaged and harvests lost due to increased volatility, intensity, and duration of weather-related events. Warmer winters related to climate change affect fruits and vegetables that need a period of colder weather to produce viable harvests. Land degradation exacerbated by global warming can also lead to increased frequency and severity of flooding, drought, pest prevalence, diseases, heat stress, dry spells, wind, sea-level rise, wave action, and permafrost thaw.

Aquaculture and fishing operations are likely to be affected by water temperature increases, oxygen deficit, sea-level rise, decreased pH levels, and changes in productivity patterns. Higher ocean temperatures also means continued losses of marine habitats and species. Aquaculture and inland fishing activities are also affected by changes in precipitation and water management, increased stress on freshwater resources, and the frequency and intensity of extreme climate events. In tropical and less developed regions, small-scale fishers are particularly vulnerable to climate change-related impacts.

An organization’s failure to adapt to climate change-related impacts can lead to disruptions in operations, increased occupational health and safety impacts, loss of livelihood, and food insecurity. These disruptions can affect an organization's workers, suppliers, customers, as well as smallholder farmers, fishers, indigenous peoples, and local communities. Disruptions in food production mean that between 34 and 600 million more people could suffer from hunger by 2080, depending on how climate change-related scenarios unfold [53] (see also topic 13.9 Food security).

Organizations can respond to climate change impacts by adopting practices and technologies that build resilience. For example, in agriculture, low or no-till farming can reduce soil erosion, leading to improved soil and water quality. Another important adaptation strategy for the sectors is the diversification in production through a wider genetic base with improvements in the tolerance of heat and drought. Mitigating food loss (see also topic 13.9 Food security) is another measure that contributes to less land and natural resources needed to produce the same output, thereby reducing GHG emissions.

Preserving indigenous and local knowledge of biodiversity can also be a contributing factor in enhancing climate resilience. Indigenous and local knowledge often focuses on preserving ecosystems and offers adaptive strategies to cope with unfavorable conditions in local areas.

Reporting on climate adaptation and resilience

If the organization has determined climate adaptation and resilience to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.2.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change *Additional sector recommendations* • Describe the climate change-related scenarios used for identifying the risks and opportunities posed by climate change.	13.2.2

References and resources

GRI 201: Economic Performance 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on climate adaptation and resilience by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.3 Biodiversity

Biodiversity is the variability among living organisms. It includes diversity within species, between species and of ecosystems. Biodiversity not only has intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. This topic covers impacts on biodiversity, including on plant and animal species, genetic diversity, and natural ecosystems.

Biodiversity is essential for food production and a wide range of ecosystem services. According to the International Union for Conservation of Nature (IUCN), biodiversity faces five major threats: habitat loss and degradation, overexploitation of biological resources, pollution, climate change, and invasive species.

Agriculture, aquaculture, and fishing operations pose threats to biodiversity through air, soil, and water contamination, deforestation, soil erosion, sedimentation of waterways, and species extraction. Biodiversity generally declines as agriculture, aquaculture, or fishing activities intensify. This is largely driven by natural ecosystem conversion and habitat change (see also topic 13.4 Natural ecosystem conversion). Biodiversity impacts result in increased mortality rates of species, habitat fragmentation, and can lead to species loss or extinction.

Biodiversity can be adversely impacted by monoculture. Growing the same crops or rearing the same animal species year after year may increase production but it also decreases agrobiodiversity on farms and plantations and can compromise biodiversity in adjacent environments. In crop production, continuous monocropping can result in a buildup of pests and diseases, usually requiring higher volumes of pesticides, which can be toxic to many non-target species, including pollinators. About 40% of invertebrate pollinator species, particularly bees and butterflies, face extinction [71].

Animal production can be a major source of surplus nitrogen and phosphorous pollution, leading to eutrophication in adjacent lakes and rivers, rendering them uninhabitable for aquatic organisms (see also topic 13.7 Water and effluents). Aquaculture activities have similar impacts due to a buildup of fish excrement in waterbodies. These impacts can adversely affect the availability of fishery resources and food for local communities.

Aquaculture can also result in impacts on local biodiversity through escapes from aquaculture farms, which in turn can compete with the area's native species. Poor feeding practices can result in excess or insufficient feed for fish, adding to disease outbreaks and aquatic pollution. The presence of extra feed can attract wild fish and predators to the water column.

Fishing is one of the most significant drivers of declining ocean biodiversity. This is largely due to overfishing, by-catch, and illegal, unreported, and unregulated fishing (IUU). From 1974 to 2017, the proportion of the world's fish stocks classified as overfished increased to 34.2%, with only about two-thirds of global fish stocks deemed as biologically sustainable (see references [65] and [68]).

Overfishing leads to impacts on the biodiversity of marine ecosystems by altering the composition of species. These alterations result in impacts on predator-prey relationships and cause shifts in trophic structures. Overfishing can be harder to prevent in international waters, where efforts to manage stock sustainably are further complicated when fish move across country borders.

Fishmeal and fish oil are rich in protein and are typically used as fish and animal feed ingredients. Fishing products used for feed can be derived from forage fish or fishing by-products, including trimmings and offcuts. Overfishing forage fish stocks used for feed increases pressure on the wild trophic structures. In aquaculture, further pressure on fish stocks can also be driven by using juvenile seeds captured in the wild.

Certain fishing practices, for example, bottom trawling in areas of high biodiversity value, can damage the seabed's physical structure, affecting bottom plants, corals, sponges, fish, and other aquatic animals. This practice can profoundly change how natural benthic ecosystems function or lead to their destruction. Seabed damage can also result in carbon dioxide (CO_2) emissions.

A phenomenon known as 'ghost fishing' can threaten both target and non-target species, potentially killing endangered and protected species and damaging underwater habitats. This phenomenon occurs when fishing gear is lost or discarded and can continue to trap species indiscriminately. Lost or discarded fishing gear also contributes to marine plastic pollution (see also topic 13.8 Waste).

About 80% of terrestrial biodiversity is found in indigenous peoples' lands and forests [76]; respecting indigenous peoples' rights to land and natural resources can also make a profound contribution to biodiversity conservation (see topic 13.14 Rights of indigenous peoples and topic 13.13 Land and resource rights).

Reporting on biodiversity

If the organization has determined biodiversity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* The following additional sector recommendation is for organizations in the aquaculture sector: • Describe the approach to preventing and managing escapes of farmed aquatic organisms.	13.3.1
Topic Standard disclosures		
GRI 304: Biodiversity 2016	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	13.3.2
	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	13.3.3
	Disclosure 304-3 Habitats protected or restored	13.3.4
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	13.3.5
Additional sector disclosures		
The following additional sector disclosures are for organizations in the aquaculture sector: • For each species of aquatic organisms produced, report: - species scientific name; - volume in metric tons; - farming methods; - production site. • For juvenile seeds stocks captured in the wild that are used as input to aquaculture production, report: - species scientific name; - volume in metric tons; - fishing methods; - locations of origin; - stock status, including the stock status assessments or systems used.[7] • Report the use of fishing products in feed, including the following: - species scientific name; - whether the whole fish or fish waste (trimmings, offcuts, and offal) is used; - locations of origin; - stock status, including the stock status assessments or systems used.		13.3.6
The following additional sector disclosure is for organizations in the fishing sector: • For each species of aquatic organisms caught or harvested, including non-target species, report: - species scientific name; - volume in metric tons; - fishing methods; - locations of origin; - stock status, including the stock status assessments or systems used.[8]		13.3.7

References and resources

GRI 304: Biodiversity 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on biodiversity by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

7 The organization can use any stock status assessments or systems that are relevant to the location of origin and species.

8 The organization can use any stock status assessments or systems that are relevant to the location of origin and species.

Topic 13.4 Natural ecosystem conversion

Natural ecosystem conversion refers to changing a natural ecosystem to another use or a profound change in a natural ecosystem's species composition, structure, or function. This topic covers impacts related to natural ecosystem conversion, including discrete incidents of land clearance, severe degradation, or the introduction of practices that lead to substantial and sustained change in natural ecosystems.

Natural ecosystems offer important services, including absorbing and storing vast quantities of carbon dioxide (CO_2). When natural ecosystems are converted to other uses, stored carbon can be released into the atmosphere, contributing to greenhouse gas (GHG) emissions and climate change. Estimates show that the loss of primary tropical forests in 2019 resulted in the release of more than 2 billion tons of CO_2 [86] (see topic 13.1 Emissions and topic 13.2 Climate adaptation and resilience). Conversion of natural ecosystems can also lead to other environmental impacts, such as loss of biodiversity (see also topic 13.3 Biodiversity), acceleration of soil erosion (see also topic 13.5 Soil health), and increased runoff and water pollution (see also topic 13.7 Water and effluents).

In agriculture and aquaculture sectors, natural ecosystem conversion can occur through the use of land and aquatic environments for animal breeding, grazing, crop production, aquaculture production, and ancillary activities. This can occur rapidly, with a significant change taking place in a short time, or gradually, with incremental changes over a long time.

Terrestrial ecosystem conversion can include the conversion of forests through deforestation and the conversion of other ecosystems, such as grasslands, woodlands, or savannas. Deforestation occurs when primary and secondary forests are cleared, often by burning. Deforestation in tropical rainforests can have a particularly severe impact because they are habitat to much of the world's biodiversity.

Aquaculture operations can result in clearing mangroves, salt marshes, and wetlands or produce sustained changes to the coastal, lake, and river ecosystems to make them fit for aquatic farming sites. Aquaculture also relies heavily on crops, such as soy, for fish feed which can contribute to the conversion of terrestrial ecosystems. Feed ingredients need to be traceable to identify and prevent the potential negative impacts associated with conversion (see topic 13.23 Supply chain traceability).

The rate of deforestation and conversion in the agriculture sector has been increasing to give way to plantations and pastures [91]. Deforestation and conversion occur in the supply chains of beef, soy, palm oil, cocoa, coffee, rubber, and other products. To be deemed deforestation- and conversion-free, products must be assessed as not causing or contributing to natural ecosystem conversion after an appropriate cut-off date.[9]

People can be displaced due to physical changes to the landscapes surrounding their communities or degradation or depletion of natural resources or ecosystem services that the community relies on (see also topic 13.12 Local communities and topic 13.13 Land and resource rights). Loss of natural ecosystems and resources can also cause food insecurity. For indigenous peoples, natural ecosystem conversion can result in the loss of cultural and spiritual heritage and livelihoods and impact the rights to self-determination and self-governance (see also topic 13.14 Rights of indigenous peoples).

9 A cut-off date is defined by the Accountability Framework as 'the date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, respectively' [92].

Reporting on natural ecosystem conversion

If the organization has determined natural ecosystem conversion to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe policies or commitments to reduce or eliminate natural ecosystem conversion, including target[10] and cut-off[11] dates, for the following: - the organization's own production; - sourcing of terrestrial animal and fish feed; - products sourced by the organization for aggregation, processing, or trade. • Describe how the organization ensures that its suppliers comply with its natural ecosystem conversion policies and commitments, including through sourcing policies and contracts. • Report the organization's participation in multi-stakeholder, landscape,[12] or sectoral initiatives intended to reduce or eliminate natural ecosystem conversion. • Describe the tools and systems used to monitor natural ecosystem conversion in the organization's activities, supply chain, and sourcing locations.	13.4.1
Additional sector disclosures		
Report the percentage of production volume from land owned, leased or managed by the organization determined to be deforestation- or conversion-free, by product, and describe the assessment methods used.[13]		13.4.2
• For products sourced by the organization, report the following by product: - the percentage of sourced volume determined to be deforestation- or conversion-free, and describe the assessment methods used; - the percentage of sourced volume for which origins are not known to the point where it can be determined whether it is deforestation- or conversion-free, and describe actions taken to improve traceability.		13.4.3
Report the size in hectares, the location, and the type[14] of natural ecosystems converted since the cut-off date on land owned, leased, or managed by the organization.		13.4.4
Report the size in hectares, the location, and the type of natural ecosystems converted since the cut-off date by suppliers or in sourcing locations.		13.4.5

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on natural ecosystem conversion by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

10 A target date is defined by the Accountability Framework as 'the date by which [the organization] intends to have fully implemented its commitment or policy' [92].

11 Cut-off dates may differ between commodities and regions. Appropriate cut-off dates can be selected based on sector-wide or regional cut-off dates, or those specified in certification programs, legislation, or be based on the availability of monitoring data. More guidance on identifying appropriate cut-off dates can be found in Accountability Framework Operational Guidance on Cut-off Dates [93].

12 Landscapes refer to natural and/or human-modified ecosystems, often with a characteristic configuration of topography, vegetation, land use, and settlements. Landscape initiatives refer to how organizations in the production and sourcing of agricultural products need to work beyond their own supply chains to address sustainability issues and support positive outcomes for the people and sourcing locations. These definitions are based on Food and Agriculture Organization, Landscape approaches: key concepts [84] and Proforest, Landscape initiatives [88].

13 Assessment methods can include monitoring, certification, sourcing from low-risk jurisdictions with no or negligible recent conversion, or sourcing from verified suppliers.

14 Natural ecosystem type can be characterized by biome, vegetation type, or high conservation value status relevant to the region and regulatory context.

Topic 13.5 Soil health

Soil health is the capacity of soil to function as a living ecosystem and to sustain plant and animal productivity, promote plant and animal health, and maintain or enhance water and air quality. This topic covers impacts on soil health, including soil erosion, soil loss, and reduction in soil fertility.

Recent estimates suggest that 80% of agricultural land is affected by moderate to severe erosion [97]. Although soil erosion occurs naturally, agricultural activities can significantly accelerate this process by removing vegetation cover, tillage, soil compaction, irrigation, and overgrazing by livestock.

In agriculture, original vegetation cover is removed to make land available for crop production or animal grazing. Agricultural crops rarely hold onto the topsoil as well as the original vegetation cover, increasing soil erosion and potentially reducing soil fertility. Estimates show that half of the topsoil globally has been lost in the past 150 years [102]. Grazing livestock can also cause impacts on soil structure through excessive defoliation, defecation, and trampling.

Soil erosion can also be accelerated by tillage. Soil erosion in agricultural fields exceeds soil formation at rates estimated between 10 to 20 times higher when there is no tillage and over 100 times higher when conventional tillage is used [101]. The increased erosion is because conventional tillage inverts and breaks up the soil, destroys the soil structure, and buries crop residues. Tilled soils have less capacity to support loads applied to the ground and are consequently more sensitive to compaction caused by agricultural machinery, which can lead to impacts on soil biodiversity. Minimum till or no-till methods, which reduce tillage area and tillage depth, crop protection, and other soil management practices, can help to reduce soil erosion.

Fertilizers, both organic and inorganic, as well as pesticides, have an impact on soil health (see also topic 13.6 Pesticides use). Excessive use of inorganic fertilizers can increase soil acidity levels and alter soil fertility. Pesticides can affect soil communities by influencing the performance of soil biota or modifying it. This can compromise the abundance and composition of the entire soil food web.

The main ingredients of fertilizers commonly used in agriculture are nitrogen, phosphorus, and potassium. The presence of phosphorus in agricultural runoff can accelerate eutrophication. Alterations to the global nitrogen cycle can lead to the rise of nitrous oxide levels in the atmosphere. Excessive use of nitrogen fertilizers in agriculture has been a major source of nitrate pollution in groundwater and surface water affecting access to clean water for local communities.

Reporting on soil health

If the organization has determined soil health to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the soil management plan, including: - a link to this plan if publicly available; - the main threats to soil health identified and a description of the soil management practices used; - the approach to input optimization, including the use of fertilizers.	13.5.1

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on soil health by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.6 Pesticides use

Pesticides are chemical or biological substances intended to regulate plant growth or control, repel, or destroy any pest. This topic covers an organization's approach and impacts related to pesticides use, including the impact of their toxicity on non-target organisms.

Pesticides include herbicides, insecticides, fungicides, nematicides, and rodenticides and can be used in crop production to control weeds and other pests.[15] Pesticides can decrease the spread of diseases and pests, increase production yields, and potentially limit the need to convert more land.

Conversely, if not handled properly pesticides can induce adverse health effects in humans by interfering with reproduction, immune, and nervous systems. Pesticides can also have negative impacts on biodiversity because of their toxicological effects. For example, pesticides that target insects or weeds can be toxic to birds, fish, and non-target plants and insects. These impacts can threaten ecosystem services, such as pollination, and adversely impact food security and people's livelihoods (see also topic 13.3 Biodiversity).

Each pesticide has different properties and toxicological effects. The World Health Organization (WHO) classifies the toxicity hazard levels for pesticides as either extremely hazardous, highly hazardous, moderately hazardous, slightly hazardous, or unlikely to present an acute hazard. Toxicity depends on the pesticide's function and other factors, such as its use and disposal. The regulation of pesticides is not always consistent across the world. Some pesticides, usually those classified as extremely and highly hazardous, are unregistered or banned in some countries but may remain available in others.

Workers and other people in the immediate area have the potential to be most affected during or right after pesticides are applied. Pesticides can also stay in soil and water for years and have long-term negative impacts on local communities and the local environment (see also topic 13.8 Waste). Women and children can be particularly vulnerable to negative health effects caused by exposure to pesticides (see topic 13.12 Local communities and also topic 13.19 Occupational health and safety). Exposure to pesticide residue is also possible through food and water (see also topic 13.7 Water and effluents and topic 13.10 Food safety).

The Food and Agriculture Organization (FAO) estimates that in developing countries, 80% of the increase in food production needed to keep pace with population growth is projected to come from greater crop yields. This could trigger a further intensification of pesticide use to generate higher yields. The intensive use of pesticides sometimes leads to resistance and outbreaks of secondary pests.

Integrated pest management in agriculture seeking to optimize pest control and mitigate negative impacts is a widely recognized approach that considers biological, chemical, physical, and crop-specific pest control practices. When pest control through the application of chemicals cannot be avoided, organizations are expected to manage pesticide use to minimize negative impacts and the application of extremely and highly hazardous pesticides [105].

15 Pest is defined by the Food and Agriculture Organization and the World Health Organization as any species, strain or biotype of plant, animal or pathogenic agent injurious to plants and plant products, materials or environments and includes vectors of parasites or pathogens of human and animal disease and animals causing public health nuisance [97].

Reporting on pesticides use

If the organization has determined pesticides use to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the pest management plan of the organization, including the rationale for the selection and application of pesticides and any other practices of pest control. • Describe actions taken to prevent, mitigate and/or remediate negative impacts associated with the use of extremely and highly hazardous pesticides. • Describe the actions, initiatives, or plans to switch to less hazardous pesticides and actions taken to optimize pest control practices. • Describe the training provided to workers on pest management and the application of pesticides.	13.6.1
Additional sector disclosures		
• Report the volume and intensity of pesticides used by the following toxicity hazard levels:[16] - Extremely hazardous; - Highly hazardous; - Moderately hazardous; - Slightly hazardous; - Unlikely to present an acute hazard.		13.6.2

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on pesticides use by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

16 The criteria for toxicity hazard levels and a list of pesticides classified by hazard level can be found in the World Health Organization Recommended Classification of Pesticides by Hazard [116].

Topic 13.7 Water and effluents

Recognized as a human right, access to fresh water is essential for human life and well-being. The amount of water withdrawn and consumed by an organization and the quality of its discharges can have impacts on ecosystems and people. This topic covers impacts related to the withdrawal and consumption of water and the quality of water discharged.

Water is a critical input for crop and animal production, as well as aquaculture. The agriculture sector accounts for an estimated 70% of total water withdrawn globally [120]. In crop production, withdrawn water is primarily used to irrigate land, apply pesticides and fertilizers, and control crop cooling and frost.

Water has critical importance to agricultural productivity. On average, irrigated land is twice as productive per unit as non-irrigated land. Irrigation can be achieved through different methods, including surface irrigation or subsurface irrigation. Water can be withdrawn from groundwater or surface water, such as lakes and reservoirs, or come in the form of treated wastewater or desalinated water. Intensive water withdrawal can decrease aquifer levels, which reduces the long-term sustainability of water resources and increases access costs for all users (see also topic 13.12 Local communities).

In animal production, water is used for animal hydration and cleaning. It is also used for the washing and sanitization of milking and slaughter equipment used to process animal products. Effluents containing waste from terrestrial animals, fertilizers, and pesticides can contribute to the pollution of surface and groundwater.

Aquaculture water use is associated with raising aquatic organisms in water and can require significant amount of surface water. Aquaculture production occurs in ponds, artificial channels, and, to a lesser extent, closed-recirculation tanks. Because aquaculture operations take place in controlled environments, much of the water withdrawn can be returned to the source after use.

Nutrient buildup from discharges in water bodies near fish farms is a typical water impact from aquaculture production. This issue is exacerbated in high-density farms when fish feces discharged into water potentially deplete oxygen levels and create algal blooms that lead to eutrophication. The eutrophication and acidification of water results in negative impacts on biodiversity. Water quality affects habitat and food sources for animals. Contaminated water can also adversely affect people's access to clean water, compromising their health and livelihoods.

In fishing operations, wastewater can be discharged to the sea from fishing vessels. This includes water used to store fish aboard the vessel, which can contain fish waste from gutting and bleeding, as well as materials and coating from the hold and onboard refrigeration systems. Wastewater could also come from cleaning holds and machinery containing detergents, disinfectants and oily mixtures. Discharges can cause oxygen depletion in sea water and pollution in coastal areas.[17]

17 The International Convention for the Prevention of Pollution from Ships (MARPOL) contains provisions on discharges of wastewater from vessels [117].

Reporting on water and effluents

If the organization has determined water and effluents to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.7.1
Topic Standard disclosures		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	13.7.2
	Disclosure 303-2 Management of water discharge-related impacts	13.7.3
	Disclosure 303-3 Water withdrawal	13.7.4
	Disclosure 303-4 Water discharge	13.7.5
	Disclosure 303-5 Water consumption	13.7.6

References and resources

GRI 303: Water and Effluents 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on water and effluent by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.8 Waste

Waste refers to anything that a holder discards, intends to discard, or is required to discard. When inadequately managed, waste can have negative impacts on the environment and human health, which can extend beyond the locations where waste is generated and discarded. This topic covers impacts from waste and the management of waste.

Waste from organizations in the agriculture, aquaculture, and fishing sectors includes organic waste, such as crop waste, animal manure, fish feces, animal carcasses; and inorganic waste, such as plastics. It can also include hazardous waste, such as pesticides containers, and materials from animal health products.

Some organic by-products have the potential to be used as a biomass energy source, feed or fertilizers, contributing to circularity measures. For example, trimmings and offcuts from aquaculture and fishing operations can be turned into fishmeal and oil, while manure produced by animals is an organic fertilizer that can improve soil health. However, if incinerated without energy recovery or directed to landfills, by-products turn into waste and cause negative environmental impacts, including greenhouse gas (GHG) emissions and water pollution (see also topic 13.1 Emissions, topic 13.7 Water and effluents). In addition, organic waste from terrestrial and aquatic animals may contain microorganisms and parasite eggs. These pathogens can spread in receiving environments and cause ill health in humans.

In aquaculture operations, fish feed and feces can settle at the bottom of ponds or in inactive zones of raceways as liquid or solid organic waste. Fish feces may also reach and pollute waterbodies. Pollution and waste impacts from fish feces and settleable solids can be minimized through water management (see also topic 13.7 Water and effluents).

Aquaculture activities generate considerable amounts of plastic waste. Plastics are widely used for equipment, disposable gloves, and for packaging various inputs, such as feed sacks and wrapped consumables. Plastic can also be used in pond liners, harvest nets, pipework, buoys, ropes, incubation jars, and containers. In fishing, various marine tools, such as floats, fishing nets and lines, strapping bands, wire ropes, and sails, also consist of plastics.

Discarded or abandoned plastic waste can contaminate the surrounding environments and enter the ocean and other waterbodies. Abandoned, lost, or otherwise discarded fishing gear contributes to waste and overfishing (see also topic 13.3 Biodiversity). Fish and aquatic animals sometimes mistake plastic waste for food and get trapped in items such as ropes, nets, and bags. The management of waste generated onboard fishing vessels, including plastics, paper products, food waste, and chemicals, is regulated by international maritime standards (see references [125], [126] and [127]).

Incorrectly disposed waste from agriculture, aquaculture and fishing activities can have lasting impacts on receiving environments, causing long-term contamination of soil and water. Contamination of agricultural land and natural resources causes negative impacts on the health and safety of local communities and can impact the safety of food produced (see also topic 13.10 Food safety, topic 13.12 Local communities, and topic 13.14 Rights of indigenous peoples).

Reporting on waste

If the organization has determined waste to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.8.1
Topic Standard disclosures		
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	13.8.2
	Disclosure 306-2 Management of significant waste-related impacts	13.8.3
	Disclosure 306-3 Waste generated *Additional sector recommendations* The following additional sector recommendations are for organizations in the fishing sector: • Report a breakdown of the total weight of waste generated on vessels to which the International Convention for the Prevention of Pollution from Ships (MARPOL) is applicable by MARPOL categories in metric tons.[18] • Describe the recovery and disposal operations used to manage each MARPOL category of waste.	13.8.4
	Disclosure 306-4 Waste diverted from disposal	13.8.5
	Disclosure 306-5 Waste directed to disposal	13.8.6

References and resources

GRI 306: Waste 2020 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on waste by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

18 A list of 'garbage types' or categories can be found in MARPOL Annex V [127]. Further information on these categories can be found in the 2017 Guidelines for the Implementation of MARPOL Annex V [125].

Topic 13.9 Food security

Food security means that people have physical and economic access to sufficient, safe, and nutritious food that is acceptable within a given culture and meets people's dietary needs and food preferences for an active and healthy life. Adequate food is a human right and is crucial to the enjoyment of all rights. This topic covers impacts on the dimensions of food security.[19]

Food insecurity is a prevalent global issue. In 2018, more than 820 million people faced hunger, and as populations grow, global food needs will increase [147]. Many people cannot afford food or are forced to consume insufficient or low-quality food. Since 2014, undernourishment and food insecurity have consistently increased, putting global goals to end hunger at risk [146].

Agriculture, aquaculture, and fishing organizations have impacts on food supply and affordability. Quantity, quality, and accessibility of food also depend on farming and fishing practices.

Globally, land used for agriculture is estimated at 38% of the total land surface [142]. Some regions are already constrained, limiting further land use expansion for food production (see also topic 13.4 Natural ecosystem conversion). Almost half of the world's calorie supply is derived from essential crops, such as maize, rice, and wheat. Competing demands for land, cultivation costs, and low margins may affect the supply and affordability of these crops. Climate change and adverse weather events can also cause impacts on yields, potentially increasing food losses (see also topic 13.2 Climate adaptation and resilience).

Box 1. Food loss

In agriculture, aquaculture, and fishing, products originally intended as food for human consumption that end up as waste are categorized as food loss. The Food and Agriculture Organization (FAO) estimates that 13.8% of food, from harvest to retail, was lost globally in 2016 [145].

Inefficiencies can cause food loss at different stages of the supply chain. At the farm level, they can be due to inadequate harvesting time, climatic conditions, handling practices, post-harvest activities, and challenges related to selling products. Food loss is accompanied by the loss of resources – including water, land, energy, labor, and capital – and contributes to greenhouse gas (GHG) emissions.

Measures to prevent food loss include adequate storage temperatures and conditions, sound infrastructure, and efficient transportation. Primary processing conditions and packaging can play a role in preserving agriculture, aquaculture, and fishing products.

Achieving food security is likely to involve trade-offs in terms of how land and products are used. For example, utilizing human-edible products for other uses means they are not available as food.

Intensive crop and animal production can result in increased availability of food. However, intensive production can also be associated with negative impacts on the environment and yields in the longer-term. Many agricultural practices deplete soil nutrients more quickly than can be formed, undermining the sustainability dimension of food security (see also topic 13.5 Soil health). Regenerative and organic practices, such as rotating crops or planting at optimal times, are considered to have the potential to contribute to greater soil health and productivity, and resilience of food production.

19 Food security has multiple dimensions: food availability, access, use, stability, and sustainability. An additional dimension of agency is understood as the capacity of individuals or groups to make decisions about the food they eat and how that food is produced [151].

Reporting on food security

If the organization has determined food security to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the effectiveness of actions and programs on food security at local, regional, national, or global levels. • Report partnerships which the organization is part of that address food security, including engagement with governments. • Describe policies or commitments to address food loss in the supply chain.	13.9.1
Additional sector disclosures		
Report the total weight of food loss in metric tons and the food loss percentage, by the organization's main products or product category, and describe the methodology used for this calculation.[20]		13.9.2

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on food security by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

20 Guidance on calculating the food loss percentage can be found in the Food Loss and Waste Accounting and Reporting Standard [158] and the SDG 12.3.1: Global Food Loss Index [157].

Topic 13.10 Food safety

Food safety concerns the handling of food and feed products in a way that prevents food contamination and food-borne illness. This topic addresses an organization's efforts to prevent contamination and ensure food safety.

According to the World Health Organization (WHO), an estimated 600 million people worldwide fall ill after eating contaminated food each year, resulting in about 420,000 deaths annually [163]. Besides threatening public health and well-being, food safety can affect local communities, which in turn may lead to the loss of economic activity on local and global scales (see also topic 13.12 Local communities).

Environmental contamination is a key driver of food safety impacts. The main sources of contamination from agriculture, aquaculture, and fishing activities include the pollution of water, soil, or air used by crops or animals. Contamination can also be caused by the inadequate management of crops or animals during their growth, harvest, catch, or products' primary processing, transportation, and storage.

Harmful bacteria, such as salmonella, listeriosis, or campylobacter, viruses and parasites can contaminate food and cause ill health in humans. Similarly, food contamination can result from antimicrobials and pesticides residues, heavy metals, and microplastics (see also topic 13.6 Pesticides use and 13.11 Animal health and welfare).

Globally, antimicrobials, such as chemical substances and antibiotics, are widely used in terrestrial and aquatic animal production. High volumes of antimicrobials can contribute to the development of antimicrobial-resistant bacteria, particularly in intensive animal production settings. The WHO identifies antimicrobial resistance as one of the biggest threats to global health and human development [162]. Addressing antimicrobial resistance requires adequate animal health and welfare standards, including the prudent use of antibiotics for animals.

Because food and feed products from one world region can supply another region, impacts on food safety can evolve from local into global issues, such as outbreaks of foodborne illnesses spread beyond country borders. To allow for recalls over food safety issues, products need to be traceable through the supply chain (see topic 13.23 Supply chain traceability).

Reporting on food safety

If the organization has determined food safety to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.10.1
Topic Standard disclosures		
GRI 416: Customer Health and Safety 2016	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	13.10.2
	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	13.10.3
Additional sector disclosures		
Report the percentage of production volume[21] from sites certified to internationally recognized food safety standards, and list these standards.[22]		13.10.4
Report the number of recalls issued for food safety reasons and the total volume of products recalled.		13.10.5

References and resources

GRI 416: Customer Health and Safety 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on food safety by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

21 Production volume refers to the total volume of products of the organization, including products sourced by the organization from suppliers.

22 This disclosure covers certification programs, assurance schemes, or verification schemes which provide a written assurance that a product is in conformity with certain requirements.

Topic 13.11 Animal health and welfare

Animal health and welfare refers to an animal's physical and mental state in relation to the conditions in which it lives and dies. The ‘Five Freedoms’ of animal welfare are freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury, and disease; freedom to express normal behavior; and freedom from fear and distress. This topic covers impacts on animal health and the five freedoms of animal welfare.

Globally, over 60 billion terrestrial animals are reared each year, a figure set to double by 2050 due to increases in animal protein consumption. Aquaculture farms produce 52 million tons of aquatic animals, representing half of all seafood consumed by humans worldwide [171]. Animal health and welfare is crucial because it concerns productivity, the safety of animal-derived products, and the humane treatment of animals.

Animal health management focuses on controlling potential impacts on health and preventing disease. This can include the use of antibiotics, anti-inflammatory, and hormone treatments. Overuse or misuse of antibiotics can contribute to antimicrobial resistance. Undesired residues of chemical substances in animal products can negatively impact food safety, creating public health risks (see topic 13.10 Food safety). Inadequate animal health and welfare practices can also increase the spread of zoonotic diseases, such as salmonellosis, swine flu, and bird flu, which can occur through the movement and trade of terrestrial and aquatic animals and animal products without proper biosecurity controls.

The conditions that animals are kept in can cause negative impacts on animal health and welfare. For example, terrestrial animals can be confined to small spaces, cages, or crates, preventing their movement and inhibiting normal behavior. Highly confined spaces can also lead animals to be left untreated for disease or injuries.

On-farm husbandry practices such as dehorning, hot-iron branding, castration, tail docking, and debeaking are associated with pain and distress. Similarly, slaughter practices can be a major source of suffering and fear. Therefore, many countries require pre-slaughter stunning to render an animal unconscious.

In aquaculture and fishing, commonly used slaughter methods include asphyxiation, carbon dioxide stunning, and ice chilling (see references [173] and [174]). According to the World Organisation for Animal Health (OIE), these methods fail to meet the standards set out in the Aquatic Animal Health Code.

Water quality, stock density, and rearing environment in aquaculture operations have major impacts on aquatic organisms’ health and welfare. Sea lice and diseases are among major health concerns for farmed fish and can reduce survival. Substances used to treat pests, such as lice, are usually administered via fish feed and water. When treatment is not managed properly, these substances can negatively impact non-target species, such as crustaceans, resulting in biodiversity loss (see topic 13.3 Biodiversity).

Genetic modification performed on terrestrial and aquatic animals to increase growth and productivity may also be a source of negative impacts on animal health and welfare.

Reporting on animal health and welfare

If the organization has determined animal health and welfare to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe policies regarding processing of animal products, animal transportation, handling, housing and confinement, and slaughter, by species. • Describe the approach to animal health planning and involvement of veterinarians, including the approach to using anesthetic, antibiotic, anti-inflammatory, hormone, and growth-promotion treatments, by species. • Describe commitments for responsible and prudent use of antibiotics[23] (e.g., avoiding prophylactic use) and describe how compliance with these commitments is evaluated. • Describe the results of assessments and audits of animal health and welfare, by species.	13.11.1
Additional sector disclosures		
Report the percentage of production volume[24] from sites of the organization certified to third-party animal health and welfare standards, and list these standards.		13.11.2
The following additional sector disclosure is for organizations in the aquaculture sector: Report the survival percentage of farmed aquatic animals and the main causes of mortality.		13.11.3

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on animal health and welfare by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

23 Guidance on what constitutes responsible and prudent use for terrestrial animals can be found in Chapter 6.10 Responsible and prudent use of antimicrobial agents in veterinary medicine in the *Terrestrial Animal Health Code 2021* [168]. Guidance on what constitutes responsible and prudent use for aquatic animals can be found in Chapter 6.2 Principles for responsible and prudent use of antimicrobial agents in aquatic animals in the *Aquatic Animal Health Code 2021* [167].

24 Production volume refers to the total volume of products of the organization, including products sourced by the organization from suppliers.

Topic 13.12 Local communities

Local communities comprise individuals living or working in areas that are affected or that could be affected by an organization's activities. An organization is expected to conduct community engagement to understand the vulnerabilities of local communities and how they may be affected by the organization's activities. This topic covers socioeconomic, cultural, health, and human rights impacts on local communities.

Agriculture, aquaculture, and fishing organizations can have positive impacts on local communities through employment and other economic impacts, but their use of land and natural resources can also create negative impacts on communities.

Local communities can experience economic and environmental impacts from the extensive use of groundwater and surface water in agriculture operations. The depletion of water sources can create a need for deepening wells and require more energy to pump water to the surface for irrigating crops and domestic purposes (see also topic 13.7 Water and effluents).

Land use by organizations in the agriculture, aquaculture, and fishing sectors can restrict communities' access to land and natural resources and, in some cases, lead to displacement. In the case of displacement, communities may be resettled to other areas, which are not always equivalent in soil quality, suitability for agriculture, access to services, or cultural and social significance. Compensation, if provided, may not always be adequate to make up for the resulting impacts on cultural, economic, or leisure activities (see topic 13.13 Land and resource rights).

Inadequate management or disposal of hazardous substances used in agriculture and aquaculture, such as pesticides, can impact the environment, food safety, and health of communities living in proximity to operations. Cases of acute pesticide poisoning (APP) account for significant mortality worldwide, especially in developing countries [189] (see also topic 13.6 Pesticides use*)*. Gases released from manure and organic waste contribute to air pollution, and odors can also cause disturbances to local communities (see also topic 13.1 Emissions and topic 13.8 Waste).

Although agriculture, aquaculture, and fishing organizations are often major employers and income providers in rural areas, many rural communities still suffer from poverty and food insecurity. Lack of sufficient income and the negative impacts on land, water, and biodiversity can cause migration to other more viable areas. This can cause labor shortages and socioeconomic disruption in these areas (see also topic 13.22 Economic inclusion).

Vulnerable groups such as women, children, indigenous peoples, nomadic communities, and migrant workers and their families can be disproportionately affected by agriculture, aquaculture, and fishing operations. Such groups often lack influence and can be underrepresented in consultation and decision-making processes, increasing the potential for negative impacts, including on their human rights.

Engagement and consultation with local communities, including vulnerable groups, can help to prevent negative impacts (see also topic 13.13 Land and resource rights). Where groups do not have the right to free, prior, and informed consent, they can be involved in participatory approaches to understand the effects of operations on their lives, rights, and well-being. Organizations are also expected to establish or participate in effective operational-level grievance mechanisms which enable local communities to raise concerns and seek remedy.[25]

25 Grievance mechanisms that the organization has established or participated in are reported in Disclosure 2-25 Processes to remediate negative impacts in *GRI 2: General Disclosures 2021*. See Guidance to Disclosure 2-25 for more information on grievance mechanisms and expectations for organizations to provide for or cooperate in remediation.

Reporting on local communities

If the organization has determined local communities to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.12.1
Topic Standard disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	13.12.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	13.12.3

References and resources

GRI 413: Local Communities 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on local communities by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.13 Land and resource rights

Land and resource rights encompass the rights to use, manage and control land, fisheries, forests, and other natural resources. An organization's impacts on the availability and accessibility of these can affect local communities and other users. This topic covers impacts on human rights and tenure rights that result from an organization's use of land and natural resources.

Acquiring legal rights to land and natural resources is often a complex process. In addition, forms of land and resource tenure vary and can include public, private, communal, collective, indigenous, and customary tenure. Lack of recognition of customary claim to lands, fisheries, forests, and other natural resources – whether or not they are formally titled or legally registered – is a common cause of land and natural resource conflicts and negative impacts on human rights. Human rights, including people's civil, political, economic, social, and cultural rights, can all be affected by the sectors' use of land, fisheries, and forests [193].

Agriculture, aquaculture, and fishing organizations can be granted land and fishing concessions over territories and fishing resources. Informal tenure in some countries reaches from 80 to 90% of total land, and those living on this land might lack legal protection [204]. Organizations may infringe on land and resource rights if they fail to undertake prior consultation and an assessment of the impacts with rightsholders. Fencing, landscape engineering, roads, and drainage works that block or divert routes may also restrict people's rights.

Rightsholders whose rights are most commonly affected by resource rights conflicts include farmers and fishers and their organizations, forest users, pastoralists, indigenous peoples, and local communities (see also topic 13.14 Rights of indigenous peoples and topic 13.12 Local communities).

Box 2. Human rights and land rights defenders

Conflict situations can expose those who defend the rights related to land and natural resources to risks. More and more land rights defenders, smallholder farmers, indigenous community leaders, media, and civil society representatives active on these issues have become victims of violence and persecution. United Nations bodies, including special rapporteurs[26] on human rights defenders, the right to food, and indigenous peoples, have reported physical attacks and reprisals against defenders who oppose land appropriation and denounce forced evictions, environmental pollution and other violations [200].

Fish captured in the wild is usually a common property resource. Therefore, fishing communities are important stakeholders concerned with the use of fishery resources and the entire ecosystem. This includes access to ports, waters, high seas, and catch quotas.

Fishery resources rights can be granted to organizations without due consideration for local fishers. Commercial fishing vessels accessing fishing zones reserved for or used by small-scale fishers and fishing in coastal areas can change fishery resources by disrupting fish breeding habitats.

Agriculture, aquaculture, and fishing organizations are expected to identify legitimate rightsholders through their own assessments and ensure independent verification of assessment results. Organizations can contribute to securing land tenure and access to natural resources for rightsholders by requiring their suppliers to respect such rights.

26 Special rapporteurs are mandate-holders for special procedures of the United Nations Human Rights Council. They are independent human rights experts with mandates to report and advise on human rights from a thematic or country-specific perspective. See reference [199] in the Bibliography.

Reporting on land and resource rights

If the organization has determined land and resource rights to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe commitments to respect land and natural resource rights (including customary, collective, and informal tenure rights)[27] and report the extent to which the commitments apply to the organization's activities and to its business relationships. • Describe how the commitments to respect land and natural resource rights are implemented with suppliers. • Describe the approach to protecting human rights and land rights defenders from reprisals (i.e., non-retaliation for raising complaints or concerns).	13.13.1
Additional sector disclosures		
List the locations of operations, where land and natural resource rights (including customary, collective, and informal tenure rights) may be affected by the organization's operations.		13.13.2
Report the number, size in hectares, and location of operations where violations of land and natural resource rights (including customary, collective, and informal tenure rights) occurred and the groups of rightsholders affected.		13.13.3

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on land and resource rights by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

27 The Voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security outlines guiding principles, rights and responsibilities for responsible tenure governance. In article 3.2, it specifies that 'non-state actors including business enterprises have a responsibility to respect human rights and legitimate tenure rights' and outlines the associated expectations [193].

Topic 13.14 Rights of indigenous peoples

Indigenous peoples are at higher risk of experiencing negative impacts more severely as a result of an organization's activities. Indigenous peoples have both collective and individual rights, as set out in the United Nations Declaration on the Rights of Indigenous Peoples and other authoritative international human rights instruments. This topic covers impacts on the rights of indigenous peoples.

Indigenous peoples find deep cultural and spiritual value in their lands and territories, and often rely on natural resources for subsistence. These natural resources and cultural sites are located on land that indigenous communities customarily own, occupy, or use. Customary rights – a cornerstone of the rights of indigenous peoples under international law – are frequently not recognized in practice, which can lead to these rights being violated (see topic 13.13. Land and resource rights).

The agriculture sector is a significant driver of land acquisitions to expand food production. Large-scale land acquisitions, including through foreign investment, can be facilitated to increase the size of farms and plantations and generate revenues through export. This often happens in regions where indigenous peoples have long derived their livelihoods from what ecosystems offer.

The use of natural resources by the agriculture, aquaculture, and fishing sectors can have acute impacts on indigenous peoples. These impacts can threaten traditional hunting, fishing, and farming activities. Indigenous knowledge and culture may also be lost when disrupted.

Indigenous farming practices are intertwined with indigenous cultures and are deeply linked to particular places. Natural ecosystem conversion and water use for agricultural and aquacultural activities can affect traditional farming. The environmental impacts from waste can lead to pollution and contamination of indigenous land and natural resources.

Indigenous fishing communities rely on fish as their main food source, which is a central part of their traditional practices so their livelihoods, food security, and culture can be undermined due to the negative impacts on fishery resources. The degradation of local aquatic and coastal ecosystems, overfishing, and stock depletion, can reduce the availability and accessibility of these fishery resources. At the same time, the increased competition with commercial fishing operations or the introduction of non-local species can also negatively impact fishery resources.

Because of the close relationship with the environment and dependence on natural resources, indigenous peoples are particularly affected by climate change. Climate change can further exacerbate the vulnerability of indigenous communities due to impacts on the availability of traditional food sources and decreased crop yields, jeopardizing traditional lifestyles (see also topic 13.2 Climate adaptation and resilience and topic 13.3 Biodiversity).

The fundamental rights to self-determination and non-discrimination mandate respect for indigenous peoples' collective and individual rights. Before initiating development or other activities that could have impacts on lands or resources that indigenous peoples use or own, organizations are expected to seek free, prior, and informed consent (FPIC). The relocation of indigenous peoples cannot occur without FPIC, and an agreement on just and fair compensation must be in place before relocation occurs and, where possible, with the option of return [210].

When disputes take place, indigenous communities often lack legal and technical support, as well as access to remedy. This can lead to unfair compensation for lost access to resources, income insecurity, marginalization of indigenous communities, discrimination, displacement, loss of livelihood, and other negative impacts on human rights. In addition, indigenous women may be more severely exposed to negative impacts because of gender discrimination (see topic 13.15 Non-discrimination and equal opportunity).

Reporting on rights of indigenous peoples

If the organization has determined rights of indigenous peoples to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to engaging with indigenous peoples, including: - how the organization seeks to ensure meaningful engagement; - how the organization seeks to ensure indigenous women can participate safely and equitably.	13.14.1
Topic Standard disclosures		
GRI 411: Rights of Indigenous Peoples 2016	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples *Additional sector recommendations* • Describe the identified incidents of violations involving the rights of indigenous peoples.	13.14.2
Additional sector disclosures		
List the locations of operations where indigenous peoples are present or affected by activities of the organization.		13.14.3
• Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC)[28] from indigenous peoples for any of the organization's activities, including, in each case: - whether the process has been mutually accepted by the organization and the affected indigenous peoples; - how the organization ensured that the constituent elements of FPIC have been implemented as part of the process;[29] - whether an agreement has been reached and, if so, whether the agreement is publicly available.		13.14.4

References and resources

GRI 411: Rights of Indigenous Peoples 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional intergovernmental instruments and references used in developing this topic, as well as resources that may be helpful for reporting on the rights of indigenous peoples by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

28 The normative framework for free, prior and informed consent consists of a series of international legal instruments including the United Nations Declaration on the Rights of Indigenous Peoples [210], the International Labour Organization Convention 169 (ILO 169) [208], and the Convention on Biological Diversity (CBD) [209].

29 Free, prior and informed consent cannot be achieved if one of the constituent elements is missing [210]. The constituent elements are further described in 'Free, prior and informed consent: a human rights-based approach -Study of the Expert Mechanism on the Rights of Indigenous Peoples' [224].

Topic 13.15 Non-discrimination and equal opportunity

Freedom from discrimination is a human right and a fundamental right at work. Discrimination can impose unequal burdens on individuals or deny fair opportunities on the basis of individual merit. This topic covers impacts from discrimination and an organization's practices related to equal opportunity.

Many agriculture, aquaculture, and fishing sector workers are self-employed or informally employed. Casual and seasonal employment is also widespread. Non-standard forms of employment common in the sectors can be a factor increasing the likelihood of discriminatory treatment of workers. Workers can often face discrimination in terms of labor protection and might not enjoy equal rights or treatment for work of equal value, including lower job security, wages, benefits, and paid leave.

The agriculture, aquaculture, and fishing sectors commonly use migrant labor, including temporary migrant labor. Because of their migrant status, migrant workers may be subject to discriminatory treatment regarding remuneration, access to occupational health services, and employment protection. In fishing, vessel crews are typically subject to discriminatory pay based on nationality. Undocumented migrant workers can be even more vulnerable to discrimination and labor abuses (see also topic 13.16 Forced or compulsory labor and topic 13.20 Employment practices).

People living off traditional farming and fishing, including smallholder farmers, landless workers, and communities, can experience discriminatory treatment. For example, they may face inequality in accessing land or employment, thus lacking opportunities to provide for themselves. This can exacerbate the likelihood of negative impacts on their human rights and render them more vulnerable to labor exploitation (see topic 13.12 Local communities).

Characteristics among indigenous workers that may deviate from social practices of the majority, including languages and clothing, can also lead to employment discrimination in the sectors. Indigenous women can face discrimination on the grounds of both ethnicity and gender.

Women working in agriculture, aquaculture, and fishing often experience gender discrimination through poorer working conditions, unequal opportunities, and lower wages than those of men. Women are more frequently involved in lower-paid or less secure forms of employment. In fishing, women play crucial roles throughout the value chain, working for commercial and small-scale fisheries, however, they are typically less involved in offshore and long-distance fishing, which usually pays more.

Women are also often less involved in cooperatives and farmer organizations, limiting their access to processing facilities, improved technologies, and agricultural inputs. The result can be lower earnings due to smaller yields despite working long hours.

Discrimination against women in the agriculture, aquaculture, and fishing sectors can also include gender-based violence and harassment. It is less likely that women performing seasonal work or informal work report sexual violence and other abuses they experience, and women in such work arrangements may have less possibility to seek remedy.

Box 3. Women's rights

The majority of economically active women in low-income countries work in agriculture [229]. In many countries, women do not have the same rights as men, or even if they do legally, the rights may go unrecognized. These include rights to buy, sell, or inherit land; to open a savings account or borrow money; to sign a contract; and to sell their produce.

Traditional gender roles can restrict women's freedom of movement and prevent them from bringing their produce to market or leaving their villages without the permission of male relatives. Social conventions and gender norms often regard women's work activities and output as part of their traditional caretaking role rather than participation in the market economy, thus underestimating their economic contribution. Women in these situations do not enjoy the right to the same decent standard of living as men.

Women can also be denied their rights when it comes to maternity protection. Benefits such as maternity leave and childcare allowance might be inaccessible for women in the agriculture, aquaculture, and fishing sectors.

Reporting on non-discrimination and equal opportunity

If the organization has determined non-discrimination and equal opportunity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.15.1
Topic Standard disclosures		
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	13.15.2
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men *Additional sector recommendations* • Report the ratio of the basic salary and remuneration of women to men for workers who are not employees and whose work is controlled by the organization.	13.15.3
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	13.15.4
Additional sector disclosures		
Describe any differences in employment terms and approach to compensation based on workers' nationality or migrant status, by location of operations.		13.15.5

References and resources

GRI 405: Diversity and Equal Opportunity 2016 and *GRI 406: Non-discrimination 2016* list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on non-discrimination and equal opportunity by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.16 Forced or compulsory labor

Forced or compulsory labor is work or service which is exacted from any person under the menace of penalty and for which a person has not offered themselves voluntarily. Freedom from forced labor is a human right and a fundamental right at work.

The International Laboure Organization (ILO) has identified the agriculture, aquaculture, and fishing sectors as highly susceptible to forced or compulsory labor. Workers face non-payment or late payment of wages, restrictions on freedom of movement, violence, threats, human trafficking, and other forms of modern slavery. Instances of forced labor have been documented in the supply chains of most products in the sectors (see references [251], [256] and [257]).

Agriculture, aquaculture, and fishing workers are unlikely to be unionized, often earn less, and have fewer skills than workers in other sectors. The sectors are labor-intensive and have a high demand for workers, often filled by employment agencies. National labor laws do not always provide labor protection to smallholder farmers, small-scale fishers, or seasonal and casual workers (see topic 13.20 Employment practices).

Work is often undertaken in remote or low-income rural areas. This can exacerbate the likelihood of abusive labor practices and cause workers to become indebted to their employers due to fees owed for job access or accommodation. In some cases, employers may use debt bondage to prevent workers from leaving.

Migrant workers in the sectors are more likely to work under conditions of coercion. They may not have valid work permits or be unaware of their legal status and even have their passports or identification documents taken away. Undocumented migrant workers can also be forced or coerced into illegal farming or fishing operations, carrying higher risks for their health and safety.

Migrant fishing workers are a particularly vulnerable group. They often come from lower-income countries and can be trafficked or unaware of having crossed multiple borders, putting their human rights and even their lives at risk.

In fishing operations, the continued pressure to deliver higher product volumes while keeping labor costs low can contribute to instances of abusive labor practices. Eliminating forced labor aboard fishing vessels and enforcing workers' rights can require additional effort because fishing vessels regularly operate offshore or under the flag of a country far removed from the fishing location. International standards largely rely on flag states to enforce labor laws on board fishing vessels.

Identifying and preventing forced labor also requires understanding supply chains, where traceability plays a key role (see topic 13.23 Supply chain traceability).

Reporting on forced or compulsory labor

If the organization has determined forced or compulsory labor to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.16.1
Topic Standard disclosures		
GRI 409: Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	13.16.2

References and resources

GRI 409: Forced or Compulsory Labor 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional intergovernmental instruments and references used in developing this topic, as well as resources that may be helpful for reporting on forced or compulsory labor by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.17 Child labor

Child labor is defined as work that deprives children of their childhood, their potential, and their dignity, and that is harmful to their development, including by interfering with their education. It is a violation of human rights and can lead to lifelong negative impacts. Abolition of child labor is a fundamental principle and right at work.

The agriculture, aquaculture, and fishing sectors have the highest share of child labor compared to all other sectors and instances of child labor have been documented in the supply chains of many products in the sectors (see references [266] and [272]).[30]

More than 70% of all children in child labor are engaged in agriculture, aquaculture, and fishing. This is even higher among those aged five to 11 [266]. In some contexts, children's participation in non-hazardous agriculture, aquaculture, and fishing work can contribute to a child's skill-building and personal development. However, work defined as child labor is not associated with positive impacts and is considered inappropriate for a child based on hazards, hours, conditions of work, and interference with schooling. In some parts of the world, child labor may be socially acceptable, contributing to the propagation of the practice.

Children working in agriculture, aquaculture, and fishing may perform tasks suited only for adult workers. These tasks are likely to have negative impacts on their health or development. For example, children can be tasked with applying pesticides in the agriculture sector. Exposure to pesticides can be particularly hazardous for children, as their bodies are more vulnerable to toxins, leading to increased risks of childhood cancers and impaired cognitive processes.

Children are often designated to take care of animals. Because animal production activities are intensive, involving cleaning animals and their housing, collecting water, feeding, and milking, children can drop out of schooling, unable to combine it with this type of work.

In fishing, children work throughout the supply chain, performing tasks such as catching, processing, and selling fish and other aquatic products. Fishing communities may have few sources of income, and child labor is frequently used to supplement income or in subsistence activities. Long hours and nightshifts in these sectors can also subject children to hazardous working conditions (see topic 13.19 Occupational Health and Safety).

Large parts of the agriculture, aquaculture, and fishing sectors involve informal work, increasing the likelihood of child labor. Seasonal work presents additional risks and raises the likelihood of school absence. Missing school for work negatively affects children's right to education.

Less than one-third of children undertaking work receive payment. In many cases this is because children are working in family-run operations. Children also typically earn less than adults and, in some cases, they are also more productive, which employers may find advantageous.

The International Labour Organization (ILO) identifies forced child labor and hazardous child labor as the worst forms of child labor [259]. A quarter of children in child labor fall victim to forced labor (see topic 13.16 Forced or compulsory labor). This can happen when, for example, labor brokers recruit and force children to travel far from home. In cases of debt bondage to an employer, parents might have their children work alongside them.

Young workers are also recognized as a vulnerable group under child labor standards and are subject to protection from hazardous work, which they may be exposed to in the sectors.

Box 4. Young workers

Young workers above the applicable minimum working age and younger than 18 years are subject to specific protections regarding the types of work they can perform. Young persons are still in cognitive and physical development and therefore considered more vulnerable to negative impacts at work than adults.

According to the ILO, the work performed by young workers needs to be consistent with their physical and mental development. Young workers in agriculture, aquaculture, and fishing may be exposed to hazardous working conditions, occupational injuries, and disease. Restrictions also apply to work hours to reduce their vulnerability.

30 The United States Department of Labor has documented cases of child labor in the production of bananas in Belize, Brazil, Ecuador, Nicaragua, and the Philippines; beans in Mexico and Paraguay; citrus fruit in Belize and Turkey; cocoa in Brazil, Cameroon, Ghana, Guinea, and Sierra Leone; coffee in Brazil, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guinea, Honduras, Kenya, Mexico, Nicaragua, Panama, Sierra Leone, Tanzania, Uganda, and Vietnam; and rice in Brazil, Dominican Republic, Kenya, the Philippines, Uganda, and Vietnam. They have also documented cases of child labor in the production of beef in Brazil, and cattle in Chad, Costa Rica, El Salvador, Ethiopia, Lesotho, Mauritania, Namibia, Uganda, and Zambia. Child labor in aquaculture has been documented in cases involving fish in Brazil, Cambodia, Kenya, Paraguay, Peru, Philippines, Uganda, Vietnam, and Yemen; shellfish in El Salvador and Nicaragua; and shrimp in Bangladesh and Cambodia [272].

Reporting on child labor

If the organization has determined child labor to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.17.1
Topic Standard disclosures		
GRI 408: Child Labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	13.17.2

References and resources

GRI 408: Child Labor 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional intergovernmental instruments and references used in developing this topic, as well as resources that may be helpful for reporting on child labor by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.18 Freedom of association and collective bargaining

Freedom of association and collective bargaining are human rights and fundamental rights at work. They include the rights of employers and workers to form, join, and run their own organizations without prior authorization or interference, and to collectively negotiate working conditions and terms of employment. This topic covers an organization's approach and impacts related to freedom of association and collective bargaining.

The rights to freedom of association and collective bargaining of many workers in the agriculture, aquaculture, and fishing sectors remain at risk. Workers are still denied their rights to organize and bargain collectively in many countries, preventing them from effectively protecting their interests.

Low-income workers, workers in informal employment, migrant, seasonal, and casual workers face barriers to exercising the right to freedom of association and collective bargaining. This is amplified by the asymmetric balance of power between employers and workers. Lack of access to freedom of association and collective bargaining can exacerbate impacts on workers who already face increased work-related vulnerabilities and isolation (see topic 13.15 Non-discrimination and equal opportunity).

While it is more common for workers in large commercial agriculture, aquaculture, and fishing operations to be represented by trade unions and covered by collective bargaining agreements, only a small percentage are organized. Organizations preventing unionization of workers in the sectors is a recurring issue. Trade unions' members have also experienced intimidation and violence (see references [281], [286] and [287]).

Seasonal workers might find it hard to join unions due to their short-term employment. Trade unions have reported restrictions on temporary workers or workers employed by suppliers to access the same rights as other employees effectively. In some cases, organizations purposely hire workers on short-term contracts or outsource jobs so that workers are not able to join trade unions. Migrant workers can be more vulnerable in this regard, as they can be explicitly banned from joining national unions of countries where they work.

According to the International Labour Organization (ILO), all workers – including self-employed persons, smallholder farmers, small-scale fishers, and those working in the informal economy – should enjoy the right to freedom of association and collective bargaining.

Reporting on freedom of association and collective bargaining

If the organization has determined freedom of association and collective bargaining to be a material topic, this section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.18.1
Topic Standard disclosures		
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	13.18.2

References and resources

GRI 407: Freedom of Association and Collective Bargaining 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional intergovernmental instruments and references used in developing this topic, as well as resources that may be helpful for reporting on freedom of association and collective bargaining by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.19 Occupational health and safety

Healthy and safe work conditions are recognized as a human right. Occupational health and safety involves the prevention of physical and mental harm to workers and promotion of workers' health. This topic covers impacts related to workers' health and safety.

Agriculture, aquaculture, and fishing are listed among the most hazardous sectors, with high numbers of work-related injuries and ill health each year (see references [304] and [309]). Work-related hazards associated with agriculture, aquaculture, and fishing include:

- handling dangerous machinery, tools, vessels, and vehicles;
- exposure to excessive noise and vibration, causing hearing and other sensory problems;
- slips, trips, falls from heights, falls overboard, and drowning;
- working with animals considerably heavier than the worker, lifting heavy weights, and other work giving rise to musculoskeletal disorders;
- working near people or animals, increasing the risk of exposure to infectious diseases;
- attacks by wild animals;
- exposure to dust and potentially harmful organic substances and chemicals;
- exposure to extreme temperatures and severe weather.

Because workers in agriculture, aquaculture, and fishing sectors often live where they work, occupational health and safety impacts can also be associated with workers' living conditions. Adequate working and living conditions provide access to potable drinking water, quantity and quality of food, hygiene, sanitation, and appropriate accommodation. Workers are entitled to safe, hygienic, and socially acceptable access to sanitation, a lack thereof can increase the risk of contracting infectious diseases.

Workers may work long hours and many consecutive days in the agriculture sector, especially when harvesting crops. They can be exposed to pesticides and other chemical substances used. Children living with workers on farms and plantations can also be exposed to hazardous substances (see also topic 13.6 Pesticides use and topic 13.17 Child labor).

Fishing is associated with many risks, such as ill health, work-related injuries, and death. Fishing far offshore is considered one of the most dangerous occupations. Vessel disasters and falls overboard pose the greatest safety risks and are the sector's leading causes of fatalities. Vessel safety risks are linked to weather, lack of weather warning systems, power loss, engine failure, or inadequate maintenance levels. At-sea crew transfers between fishing vessels and support vessels can pose additional safety risks, especially in rough seas.

Most fishing vessels fall outside of size parameters regulated by international maritime safety standards. Small-scale fishers operate millions of fishing vessels that vary in degree of sophistication. Frequently, these vessels prove unsuitable for the conditions in which they may be used, such as carrying considerable amounts of fish or sailing far offshore.

Vessel safety standards address risks related to general safety, such as fire safety, lighting, ventilation, personal safety, vessel stability, and survival at sea. Vessel safety training serves to prevent vessel disasters and ensure compliance with the safety standards. Insurance schemes can further provide income security for fishers and, in case of death or injury, to their families.

Primary fish processing, such as catching, sorting, and storing fish, often requires handling dangerous tools, such as knives and hooks. When fish are manually beheaded, gutted, skinned, or filleted, it is common for workers to experience cuts or severe lacerations. Fish and other aquatic animals' bites, stings, and tail kicks can also lead to injuries. In the case of ill health or injury offshore, professional medical care or even an urgent medical evacuation might be unavailable.

Fishing can involve long hours at sea, far offshore. The daily and weekly rest requirements determined by crewing levels can also affect fishing crews' health and safety. Because workers can reside aboard fishing vessels for long periods, poor living conditions can also disrupt their rest periods. Fishers may also experience difficulty taking shore leave or getting off their vessels at foreign ports.

Fishers may be abandoned by vessel owners without the prospect of payment or repatriation (see topic 13.20 Employment practices). There have been documented cases showing some abandonment lasting for many months. Abandonment can have health and safety impacts, including lack of medical care and regular food provision and harm to mental health caused by keeping people in a state of high uncertainty.

Due to a lack of safety norms enforcement and inspection, illegal fishing operations and operations in contested waters can negatively impact the health and safety of workers. Addressing illegal, unreported, and unregulated (IUU) fishing in supply chains can help eliminate factors leading to compromised health and safety standards (see also topic 13.23 Supply chain traceability).

The often isolated and transboundary movement of vessels means consistent access for labor inspection, and occupational health and safety policy enforcement remains difficult.

Reporting on occupational health and safety

If the organization has determined occupational health and safety to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* The following additional sector recommendation is for organizations in the fishing sector: • Describe policies on maximum working hours and minimum hours of rest for workers on fishing vessels and the approach to limiting worker fatigue.[31]	13.19.1
Topic Standard disclosures		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	13.19.2
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	13.19.3
	Disclosure 403-3 Occupational health services *Additional sector recommendations* The following additional sector recommendation is for organizations in the fishing sector: • Describe any occupational health services' functions that specifically address the occupational health and safety risks for workers aboard fishing vessels, including workers operating in high seas, and explain how the organization facilitates workers' access to these services.	13.19.4
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	13.19.5
	Disclosure 403-5 Worker training on occupational health and safety	13.19.6
	Disclosure 403-6 Promotion of worker health	13.19.7
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	13.19.8
	Disclosure 403-8 Workers covered by an occupational health and safety management system	13.19.9
	Disclosure 403-9 Work-related injuries	13.19.10
	Disclosure 403-10 Work-related ill health	13.19.11

References and resources
GRI 403: Occupational Health and Safety 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on occupational health and safety by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

31 The minimum hours of rest are set out in the International Labour Organization (ILO) Convention 188, 'Work in Fishing Convention' [388].

Topic 13.20 Employment practices

Employment practices refer to an organization's approach to job creation, terms of employment and working conditions for its workers. This topic also covers the employment and working conditions in an organization's supply chain.

An employment relationship is a legal relationship between a worker and an organization that confers rights and obligations to both parties. Informal employment is widespread in the agriculture, aquaculture, and fishing sectors, with work performed not being registered. Globally, 94% of workers in the agricultural sector are in informal employment [336].

Informal workers do not have a secure employment contract and may be left without legal protection and employment benefits; their working time and other terms of employment are not clearly defined. Informal work also frequently goes undeclared, violating labor law and undermining tax collection.

Where a formal employment relationship exists, a lack of transparency can still surround daily hours, pay rates, and working conditions. For example, workers can face unjustified or nontransparent deductions from their pay. Employers might withhold a portion of pay to cover various costs, such as recruitment fees, food supplies and water, accommodation, taking leave to rest, or transferring payments to workers' families. In-kind payments, bonuses and piece rates are common forms of compensation. This can enhance productivity but may result in a lack of certainty around total earnings and limit a worker's buying power.

Employment arrangements in these sectors and related supply chains can be complex and involve many actors. Agriculture, aquaculture, and fishing organizations may rely on workers engaged directly, through employment agencies, or by suppliers. Employers may classify workers they engage as self-employed or engage workers through a third party to avoid a direct employment relationship. Such situations are referred to as disguised employment and can lead to workers being denied their due benefits. Similar negative impacts occur when workers are employed via temporary or daily contracts on an ongoing basis.

While employment agencies fulfill the sectors' demands, documented cases show that fundamental principles and rights at work are regularly violated where there is no due diligence on how these agencies operate. Workers can face unjustified recruitment fees, unlawful employment conditions, and restrictions on terminating their engagement. Unethical employment and recruitment practices in the sectors can also increase worker vulnerability and lead to exploitation. Fair or ethical recruitment means hiring workers lawfully and in a fair, transparent manner that respects their dignity and human rights (see references [329], [342] and [343]). Ethical recruitment is characterized by:

- recruitment fees being borne by the employer;
- respect for freedom of movement;
- transparent employment terms and conditions;
- confidentiality and data protection;
- access to remedy.

Migrant workers often fill the need for labor in agriculture, aquaculture, and fishing. Migrant status, language, and communication barriers commonly leave migrant workers disadvantaged in terms of remuneration, housing, and social and medical protection (see topic 13.15 Non-discrimination and equal opportunity).

Box 5. Migrant workers

Migrant workers can be particularly vulnerable to unethical labor practices and abuse. They are more likely to face pay discrimination and less favorable employment terms because they depend on employers or employment agencies for jobs and work permits.

Migrant workers can be made to pay a fee to access jobs in the agriculture, aquaculture, and fishing sectors and to hand over identity documents, which prevents them from leaving employers. Such practices make migrant workers fall victim to bonded or forced or compulsory labor, labor exploitation, and human trafficking (see also topic 13.16 Forced or compulsory labor).

International labor standards expect workers in the agriculture, aquaculture, and fishing sectors to have decent conditions of work, including accommodations, food, transportation to and from the workplace, and accident insurance, where applicable. For fishers, international labor and maritime standards specify the right to repatriation in case of abandonment.

Reporting on employment practices

If the organization has determined employment practices to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe policies or commitments regarding recruitment of workers, including: - whether the organization has an ethical recruitment policy and, if so, a link to this policy if publicly available; - whether these policies and commitments cover the approach to recruitment fees; - whether these policies and commitments prohibit the withholding of identity documents, such as passports; - whether under these policies workers are provided with written contracts in a language understood by the worker; - whether these policies and commitments apply to employment agencies used to recruit workers; - how instances of non-compliance with these policies and commitments are identified and addressed. • Describe the approach to worker compensation, including: - whether it is based on bonuses and piece rates, and any deductions or withholdings from compensation; - the approach to in-kind payments, including the percentage of remuneration paid in kind at significant locations of operation. • Describe the approach to actions taken to determine and address situations where work undertaken within the supply chain does not take place within appropriate institutional and legal frameworks, including:[32] - situations where persons working for suppliers are not provided the social and labor protection that they are entitled to receive by national labor law; - situations where working conditions in the organization's supply chain do not meet international labor standards or national labor law; - situations of disguised employment relationships where workers in the organization's supply chain are falsely considered to be self-employed or where there is no legally recognized employer; - situations where work undertaken in the organization's supply chain is not subject to legally recognized contracts.	13.20.1

References and resources

GRI 401: Employment 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on employment practices by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

32 These additional sector recommendations are based on clause 1.2 in *GRI 401: Employment 2016*.

Topic 13.21 Living income and living wage

Living income and living wage refer to such level of income or wage which is sufficient to afford a decent standard of living for all household members, including nutritious food, clean water, housing, education, healthcare, and other essential needs, such as provision for unexpected events. This topic covers the organization's approach to worker compensation in the context of whether it provides for living income or living wage.

As recognized by the Universal Declaration of Human Rights, all workers have a right to just and favorable remuneration that ensures an existence worthy of human dignity for themselves and their families. The lack of a decent standard of living can lead to poverty, malnutrition, and limited access to basic services. Providing living income or living wage helps reduce inequality and in-work poverty.

Workers in agriculture, aquaculture, and fishing are more than four times more likely to be in poverty than those in other sectors [356]. Ensuring living income or living wage for workers includes paying self-employed farmers and fishers a fair price for their products or providing such remuneration for a standard workweek to waged workers that is sufficient to afford a decent standard of living.

A legally set minimum wage can sometimes be used as a proxy for a living wage. However, a living wage is calculated based on requirements for a decent standard of living and can be higher than the minimum wage. In many countries, wage workers in the agriculture, aquaculture, and fishing sectors fall outside of national minimum wage regulations or are subject to sector-specific minimum wage rates that are lower than those applied to other categories of workers. A high spread of informal employment in these sectors also poses a major barrier to the enforcement of wage norms.

Workers in agriculture, aquaculture, and fishing can be compensated in various ways, such as in-kind payment of a share of their catch or harvest, or bonuses and piece rates, making them more vulnerable to under-compensation (see topic 13.20 Employment practices). While international labor standards do not set a specific threshold, the International Labour Organization (ILO) has questioned whether a high proportion of wages, such as more than 50%, being paid in-kind is appropriate given its potential to diminish workers' financial income [351].

Many fishers and farmers are categorized as self-employed workers because they do not receive wages but are compensated according to their production. Protections for this type of worker might not exist, so their incomes may depend on the individuals' negotiating power, production levels, and prices. However, prices may be subject to volatile or unfavorable market forces and can be set without accounting for possible production losses due to weather events, plant and animal diseases, or other unforeseen circumstances that reduce production.

Lack of living income or living wage can lead to negative impacts on the environment and people. For example, a lack of living income can also be conducive to illegal clearing of forests or illicit farming or fishing activities in an attempt to earn more. Farmers and fishers can also be pressed to cut production costs by lowering their workers' wages or relying on poor labor practices such as exploitation, illegal migrant labor, or child labor. Lack of living income also limits the ability of producers to invest in more efficient or sustainable production methods, which can further impact their access to markets, income, and livelihoods (see topic 13.22 Economic inclusion).

Reporting on living income and living wage

If the organization has determined living income and living wage to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe commitments related to providing a living income or paying a living wage. • Describe the methodology used for defining living income or living wage at significant locations of operation and report whether this has involved consultation with and participation of local stakeholders, including trade unions and employer organizations. • Describe how sourcing, pricing, and remuneration policies take living income or living wage into account, including how living income is considered when setting product prices. • Describe the tools and systems used to monitor wages paid by suppliers.	13.21.1
Additional sector disclosures		
Report the percentage of employees and workers who are not employees and whose work is controlled covered by collective bargaining agreements that have terms related to wage levels and frequency of wage payments at significant locations of operation.		13.21.2
Report the percentage of employees and workers who are not employees and whose work is controlled paid above living wage, with a breakdown by gender		13.21.3

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on living income and living wage by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.22 Economic inclusion

Economic inclusion concerns an organization's impacts on access to economic opportunities for local communities and the productive potential of actual and possible suppliers. This topic covers an organization's approach to economic inclusion of farmers and fishers, and their communities.

Small-scale producers – farmers and fishers, who grow, harvest, and supply products to organizations – are key suppliers for the agriculture, aquaculture, and fishing sectors. There are 500 million smallholder farmers in the agriculture sector, and in some regions, they produce up to 80% of all agricultural products [364]. Similarly, small fishing vessels represent over 80% of the world's total fishing fleet (see references [360] and [370]). However, many of these farmers and fishers live in poor and rural areas, where communities face economic and social exclusion due to inadequate infrastructure, lack of technology, limited production capacity, or limited access to markets and finance [368].

Farmers' and fishers' productivity and resilience can be strengthened by sustained demand, capital provision, skill-building, and enhanced access to markets. For example, contract farming – when an organization enters into forwarding agreements to purchase products – can enhance farmers' financial certainty and market access. Organizations may also commit to providing production inputs as part of these agreements, such as seeds and fertilizers. However, contract farming agreements need to be executed in a way to prevent debt or dependency.

Agriculture, aquaculture, and fishing organizations can also contribute to the capacity of small-scale producers by reducing barriers to market and connecting them to financial services and productive assets. Organizations may also facilitate the formalization and development of business enterprises by farmers and fishers. This includes assistance with registering land titles, business registration, and formal labor relations. Organizations can also encourage cooperatives that provide collective benefits.

Economic inclusion can also be encouraged when organizations select suppliers by, for example, prioritizing those owned by women or members of other vulnerable groups. Empowering women is a key driver for economic inclusion in rural areas, as women are more likely to be in poverty and face economic constraints at the individual or household levels (see topic 13.15 Non-discrimination and equal opportunity).

The development of infrastructure that extends beyond the scope of the organization's operations, such as roads, ports, or canals, can facilitate access to transportation, energy, sanitation, and other services in otherwise unserved areas. Organizations may also contribute to community investments and stimulate economic activity in the local area, providing economic opportunities for those not active in the local economy.

Empowering farmers and fishers can help them achieve high productivity and contribute to greater food security, responding to current and future needs of sustainable food production (see topic 13.9 Food security).

Reporting on economic inclusion

If the organization has determined economic inclusion to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe actions taken to support the economic inclusion of farmers and fishers, and their communities (e.g., direct support through investments, partnerships, or training) and the effectiveness of these actions (e.g., increased yields or productivity, number of farmers or fishers reached, percentage of products sourced from small producers). • Describe actions taken to identify and adjust the sourcing practices of the organization that cause or contribute to negative impacts on economic inclusion of farmers and fishers in the supply chain.[33]	13.22.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	13.22.2
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	13.22.3
	Disclosure 203-2 Significant indirect economic impacts	13.22.4

References and resources

GRI 201: Economic Performance 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on economic inclusion by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

33 These additional sector recommendations are based on the guidance to clause 1.1 in *GRI 204: Procurement Practices 2016*.

Topic 13.23 Supply chain traceability

Traceability is the ability to trace the source, origin, or production conditions of raw materials and final products. Traceability provides a way to identify and prevent potential negative impacts linked to an organization's products. This topic covers an organization's approach to supply chain traceability.

Agriculture, aquaculture, and fishing organizations may source their products and procure inputs, such as animal feed, from multiple farms, mills, plantations, waters, or hatcheries. Production conditions can differ highly across countries. The sectors' supply chains can be complex, crossing international borders and aggregating products from multiple locations. Products can be associated with diverse negative impacts on the economy, environment, and people and involve informal operations, where impacts often go undocumented.

Traceability mechanisms enable organizations to identify the origins of their products and actors in their supply chain. These mechanisms can help localize and withdraw non-conforming products. For example, traceability allows for urgent product recalls over food safety concerns and outbreaks of disease in animals.

Feed traceability in animal production and aquaculture is a key concern. The sourcing of animal and fish feed can contribute to negative impacts on biodiversity and natural ecosystems. Aquaculture feed can rely on depleted fish stocks, further driving overfishing (see topic 13.3 Biodiversity). Plant-based feed can be associated with natural ecosystem conversion. For example, almost 80% of the world's soybean crop is used as animal feed and soybean farming is associated with deforestation in many areas [379] (see topic 13.4 Natural ecosystem conversion).

In the fishing sector, traceability mechanisms serve to ensure fishery resources' sustainability and the legality of fishing operations. Identifying the source of fishing products requires increased scrutiny because of the transshipment of catch, re-exportation, and numerous processing stages.

Box 6. Illegal, unreported, and unregulated (IUU) fishing

Some estimates indicate that globally up to 30% of sourced fish comes from IUU fishing, which includes fishing without a license, exceeding fishing quotas, capturing undersized fish or endangered species, and using unauthorized fishing gear [377]. It also includes fishing in restricted or protected marine areas or inshore waters reserved for local fishers and unauthorized transfer of catch from one vessel to another.

IUU fishing is a threat to marine ecosystems and biodiversity because of its potential impacts on the sustainability of fishing stocks. Traceability mechanisms are a fundamental tool against IUU fishing. Certified fisheries, fisheries improvement projects,[34] or robust monitoring, control, and surveillance (MCS) measures can also provide some level of assurance against IUU fishing.

Traceability can also facilitate the transparency of value created at each stage of the value chain and how the value is distributed among producers. This information is relevant for establishing purchasing prices for agriculture, aquaculture, and fishing products that provide for living income or living wage to workers, farmers, and fishers (see also topic 13.21 Living income and living wage).

Tracing the origins of products can be challenging, and traceability across the agriculture, aquaculture, and fishing sectors is unevenly implemented. Organizations that source agriculture, aquaculture, or fishing products might, depending on the product, be able to trace each to its source or a specific geographic area. Suppliers may also have certifications and assurance schemes by third parties that link their products to production sites upholding certain environmental, economic, and social performance standards.

34 Improvement projects focus on improving production practices and the way impacts on species and ecosystems are managed. Improvement projects are often undertaken with the intention of undergoing an assessment as part of a certification process that ensures conformity with certain environmental, economic, and social performance standards in the future.

Reporting on supply chain traceability

If the organization has determined supply chain traceability to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the rationale and methodology for tracing the source, origin, or production conditions of the products sourced by the organization (such as raw materials and production inputs purchased).[35] The following additional sector recommendations are for organizations in the fishing sector: • Describe policies, assurance schemes, and risk assessment processes related to illegal, unreported, and unregulated (IUU) fishing. • List initiatives and partnerships intended to help address illegal, unreported, and unregulated (IUU) fishing that the organization participates in.	13.23.1
Additional sector disclosures		
Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms, hatcheries, and feed mill levels).[36]		13.23.2
Report the percentage of sourced volume[37] certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.[38]		13.23.3
Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified.		13.23.4

References and resources

The references used in developing this topic, as well as resources that may be helpful for reporting on supply chain traceability by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

35 This additional sector recommendation is based on the guidance to clause 1.1 in *GRI 204: Procurement Practices 2016*.
36 A description of the organization's supply chain is reported under Disclosure 2-6 Activities, value chain and other business relationships in *GRI 2: General Disclosures 2021*.
37 Sourced volume refers to the total volume of products sourced by the organization from suppliers.
38 Certifications or standards that trace the path of products through the supply chain are sometimes referred to as chain of custody (CoC). CoC is the chronological documentation or document trail that records the sequence of custody, control, transfer, analysis, and disposition of products.

Topic 13.24 Public policy

An organization can participate in public policy development, directly or through an intermediary organization, by means of lobbying or making financial or in-kind contributions to political parties, politicians, or causes. While an organization can encourage public policy development that benefits society, participation can also be associated with corruption, bribery, undue influence, or an imbalanced representation of the organization's interests. This topic covers an organization's approach to public policy advocacy and the impacts that can result from an organization's influence.

Agriculture, aquaculture, and fishing organizations can potentially influence local, national, or international policy concerning environmental regulations, access to natural resources, labor laws, food safety, public health, and animal welfare.

Advocacy or lobbying by the agriculture, aquaculture, and fishing sectors may target policies that limit the sectors' environmental impact; government price setting and subsidies; or mandatory quotas on products. In agriculture, documented cases show that large agricultural organizations advocated for postponing legal requirements for rotating crops and avoiding penalties for inadequate land use. Agriculture lobby activities can also target approvals of genetically modified organisms (GMOs) and objectives to decrease the use of pesticides, fertilizers, and animal antibiotics. Lobbying can also affect farmers' access to technology and genetic resources, such as seeds.

In animal production, lobbying can inhibit public policy development that deals with livestock's negative impacts on the environment. Livestock products – particularly dairy and beef – are heavily subsidized in many countries due to livestock organizations' influence. Subsidies enabled expressly through lobbying can facilitate the supply of animal products at prices that do not cover the costs to the environment. Lobbying can also prevent stricter standards of animal welfare.

In fishing, organizations can influence allowable catch and quota regulations, including international trade negotiations and inter-country agreements on fishing quotas. Locally, lobbying can sway attempts to limit catch in order to preserve fishing stocks (see also topic 13.26 Anti-corruption).

Reporting on public policy

If the organization has determined public policy to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.24.1
Topic Standard disclosures		
GRI 415: Public Policy 2016	Disclosure 415-1 Political contributions	13.24.2

References and resources

GRI 415: Public Policy 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on public policy by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.25 Anti-competitive behavior

Anti-competitive behavior refers to actions by an organization that can result in collusion with potential competitors, abuse of dominant market position or exclusion of potential competitors, thereby limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographic quotas, and allocating customers, suppliers, geographic areas, or product lines. This topic covers impacts as a result of anti-competitive behavior.

Many agriculture, aquaculture, and fishing products are purchased from producers and traded by a limited number of organizations. In situations of limited market options, traders and buyers can exert significant market power.

Anti-competitive agreements between agriculture, aquaculture, and fishing organizations can lead to purchasing prices for products being set below those in a competitive market and restrictions on the product volumes. Many producers in these sectors are smallholder farmers and small-scale fishers, often working in the informal sector and facing substantial barriers to accessing markets (see also topic 13.22 Economic inclusion). Large organizations that source supplies from small producers can take advantage of information asymmetry and market fragmentation to limit their choices of whom to supply.

Anti-competitive practices may render small producers in these sectors unable to cover their costs, achieve living income, or pay wages to their workers, resulting in economic exclusion and risk to livelihoods (see topic 13.21 Living income and living wage). Other actions that purposely limit the effects of market competition can also cause small producers to lose their independence and be pressured into becoming subsidiaries of large multinational organizations. In some parts of the sectors, cartels have caused the exclusion of small producers from international markets.

Large cooperatives, commonly found in the sectors, can affect market competition by requiring farmers and fishers to sell their products exclusively through them. While such arrangements can benefit producers, they can also pose anti-competitive concerns by limiting consumers' choices in cases where they represent a major share of the sector's productive capacity.

Reporting on anti-competitive behavior

If the organization has determined anti-competitive behavior to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.25.1
Topic Standard disclosures		
GRI 206: Anti-competitive Behavior 2016	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	13.25.2

References and resources

GRI 206: Anti-competitive Behavior 2016 lists authoritative intergovernmental instruments.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on anti-competitive behavior by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Topic 13.26 Anti-corruption

Anti-corruption refers to how an organization manages the potential of being involved with corruption. Corruption is practices such as bribery, facilitation payments, fraud, extortion, collusion, money laundering, or the offer or receipt of an inducement to do something dishonest or illegal. This topic covers the potential for corruption to occur and the related impacts.

Corruption in the agriculture, aquaculture, and fishing sectors can erode the capacity of governments to limit practices, such as deforestation and overfishing. Corruption also increases the likelihood of potential negative impacts on workers and communities and reduces government revenues. Organizations that engage in corruption can have an unfair advantage in competitive markets.

In the agriculture, aquaculture, and fishing sectors, corruption may be related to the use of land and other natural resources regulated by government agencies. It can, for example, take the form of bribes paid to officials to register land, acquire land information, or obtain permits to establish an operation. This can affect rightsholders and lead to the displacement of communities, particularly in areas without secure land tenure (see also topic 13.13 Land and resource rights).

Other forms of corruption can also involve the undue benefit from political reforms and land transactions, such as privatizing state-owned land, approving zoning plans, and land expropriation. These practices often ignore legal mechanisms and cause impacts on people and the environment.

Corruption in the sectors may include inducing officials to ignore illegal farming or fishing operations, leading to the loss of natural ecosystems when land is cleared. Corrupt practices in fishing can facilitate access agreements between organizations and officials managing fishing resources, which potentially result in unsustainable levels of fishing.

Corrupt practices can also allow for illegal, unreported, and unregulated fishing (IUU) and exceeding quotas, undermining stocks' sustainability. Fishers themselves might be involved in corruption to increase catch quantities. Records of type or volume of catch may be falsified, or authorities may be bribed to ignore or certify false records.

Operating fishing vessels under a flag of convenience or an unknown flag can also be associated with corruption when intended to bypass countries' legal restrictions.

Reporting on anti-corruption

If the organization has determined anti-corruption to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the agriculture, aquaculture, and fishing sectors.

STANDARD	DISCLOSURE	SECTOR STANDARD REF. NO.
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	13.26.1
Topic Standard disclosures		
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	13.26.2
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	13.26.3
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	13.26.4

References and resources

GRI 205: Anti-corruption 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on anti-corruption by the agriculture, aquaculture, and fishing sectors are listed in the Bibliography.

Glossary

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

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

anti-competitive behavior
action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

Examples: allocating customers, suppliers, geographic areas, and product lines; coordinating bids; creating market or output restrictions; fixing prices; imposing geographic quotas

area of high biodiversity value
area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

area protected
area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

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

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

benefit
direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

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

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

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

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

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

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

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

carbon dioxide (CO2) equivalent
measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

Note: The CO_2 equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

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

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

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

circularity measures
measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

close call
work-related incident where no injury or ill health occurs, but which has the potential to cause these

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: A 'close call' might also be referred to as a 'near-miss' or 'near-hit'.

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

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

corruption
'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

Source: Transparency International, *Business Principles for Countering Bribery*, 2011

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

direct (Scope 1) GHG emissions
greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

Examples: CO_2 emissions from fuel consumption

Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

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

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

disposal
any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC)

Note: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

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

energy indirect (Scope 2) GHG emissions
greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization

exposure
quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

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

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

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

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

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

freshwater
water with concentration of total dissolved solids equal to or below 1,000 mg/L

Source: Environmental management — Water footprint — Principles, requirements and guidelines. Geneva: ISO, 2014; modified
United States Geological Survey (USGS), Water Science Glossary of Terms, *water.usgs.gov/edu/dictionary.html*, accessed on 1 June 2018; modified
World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017; modified

global warming potential (GWP)
value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO_2 over a given period of time

Note: GWP values convert GHG emissions data for non-CO_2 gases into units of CO2 equivalent.

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

hazardous waste
waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

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

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

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

other indirect (Scope 3) GHG emissions
indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

preparation for reuse
checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC); modified

recovery
operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

Examples: preparation for reuse, recycling

Note: In the context of waste reporting, recovery operations do not include energy recovery.

recycling
reprocessing of products or components of products that have become waste, to make new materials

Sources: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

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

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

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

remuneration
basic salary plus additional amounts paid to a worker

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

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

runoff
part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), *UNESCO International Glossary of Hydrology*, 2012; modified

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future

generations to meet their own needs

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

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

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste
anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

water consumption
sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water withdrawal

sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

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

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

work-related hazard
source or situation with the potential to cause injury or ill health

Source: International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems,* 2001; modified
International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified
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Note: Hazards can be:
- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

work-related incident
occurrence arising out of or in the course of work that could or does result in injury or ill health

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified
Definitions that are based on or come from the ISO 14046:2014 and ISO 45001:2018 standards are reproduced with the permission of the International Organization for Standardization, ISO. Copyright remains with ISO.

Note 1: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 2: An incident that results in injury or ill health is often referred to as an ‘accident’. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a ‘close call', ‘near-miss’, or ‘near-hit’.

work-related injury or ill health
negative impacts on health arising from exposure to hazards at work

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001; modified

Note 1: 'Ill health' indicates damage to health and includes diseases, illnesses, and disorders. The terms 'disease', 'illness', and 'disorder' are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 2: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 3: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities 'in the interest of the employer'. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining 'work-relatedness', see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/ oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 4: The terms 'occupational' and 'work-related' are often used interchangeably.

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GRI 14: Mining Sector 2024

Sector Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2026.

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 14: Mining Sector 2024 provides information for organizations involved in mining activities about their likely material topics. These topics are likely to be material for mining organizations on the basis of the sector's most significant impacts on the economy, environment, and people, including on their human rights.

GRI 14 also contains a list of disclosures for mining organizations to report in relation to each likely material topic. This includes disclosures from the GRI Topic Standards and other sources.

The Standard is structured as follows:

- Section 1 provides a high-level overview of the mining sector, including its activities, business relationships, context, and the connections between the United Nations Sustainable Development Goals (SDGs) and the likely material topics for the sector.
- Section 2 outlines the topics that are likely to be material for mining organizations and, therefore, potentially merit reporting. For each likely material topic, the sector's most significant impacts are described and disclosures to report information about the organization's impacts in relation to the topic are listed.
- The Glossary contains defined terms with specific meanings when used in the GRI Standards. The terms are underlined in the text and linked to the definitions.
- The Bibliography contains authoritative intergovernmental instruments and additional references used in developing this Standard, listed by topic. It also lists further resources that the organization can consult.

The rest of the Introduction section provides an overview of the sector this Standard applies to, an overview of the system of GRI Standards, and further information on using this Standard.

Sector this Standard applies to

GRI 14 applies to organizations undertaking any of the following:

- Exploration, extraction, including quarrying, and primary processing[1] of all types of minerals, metallic and non-metallic, except for oil, gas, and coal.[2]
- Support activities for mining, such as transport and storage, when integrated into the mining organization’s core operations.
- Supply of specialized products and services to mining organizations, such as those provided by contractors for Engineering, Procurement, and Construction (EPC) and operational activities mentioned above.

This Standard can be used by any organization in the mining sector, regardless of size, type, geographic location, or reporting experience. The Standard is not designed to capture the impacts specific to the artisanal and small-scale mining (ASM) sector. However, this Standard does consider the impacts that mining organizations may have on ASM operators and the impacts they may be involved with through their business relationships, interactions, or co-location of their activities with ASM.[3]

The organization must use all applicable Sector Standards for the sectors in which it has substantial activities.

Sector classifications

Table 1 lists industry groupings relevant to the mining sector covered in this Standard in the Global Industry Classification Standard (GICS®) [5], the Industry Classification Benchmark (ICB) [3], the International Standard Industrial Classification of All Economic Activities (ISIC) [7], and the Sustainable Industry Classification System (SICS®) [6].[4] The table is intended to assist an organization in identifying whether *GRI 14* applies to it and is for reference only.

Table 1. Industry groupings relevant to the mining sector in other classification systems

CLASSIFICATION SYSTEM	CLASSIFICATION NUMBER	CLASSIFICATION NAME
GICS®	151040	Metals and Mining (excluding manufacturers of aluminum and steel, and metal recycling)
ICB	551020000	General Mining
	55102010	Iron and Steel (excluding manufacturers of steel and metal recycling)
	55102035	Aluminum (excluding manufacturers of aluminum and metal recycling)
	55102040	Copper (excluding smelters and metal recycling)
	55102050	Nonferrous Metals (excluding smelters and metal recycling)
	55103020	Diamonds and Gemstones
	55103025	Gold Mining (excluding smelters and metal recycling)
	55103030	Platinum and precious metals (excluding smelters and metal recycling)
ISIC	07	Mining of metal ores
	08	Other mining and quarrying
	099	Support activities for other mining and quarrying
SICS®	EM-3	Metals and Mining (excluding manufacturers of aluminum and steel, and metal recycling)

1 Primary processing can include, for example, milling, crushing, grinding, concentrating, and leaching to separate commercially valuable minerals from their ores. Further stages of processing, such as smelting, refining, and metal recycling, will be the subject of a separate GRI Sector Standard.

2 Oil and gas, and coal have dedicated Sector Standards available: *GRI 11: Oil and Gas Sector 2021* and *GRI 12 Coal Sector 2022*.

3 In this Standard, ASM is understood to comprise of formal or informal activities, often associated with simplified forms of mining, limited access to technology, and high labor intensity. ASM can include individual operators, families, and cooperatives involving up to hundreds or even thousands of miners.

4 The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [1] and the North American Industry Classification System (NAICS) [2] can also be established through available concordances with the International Standard Industrial Classification (ISIC).

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

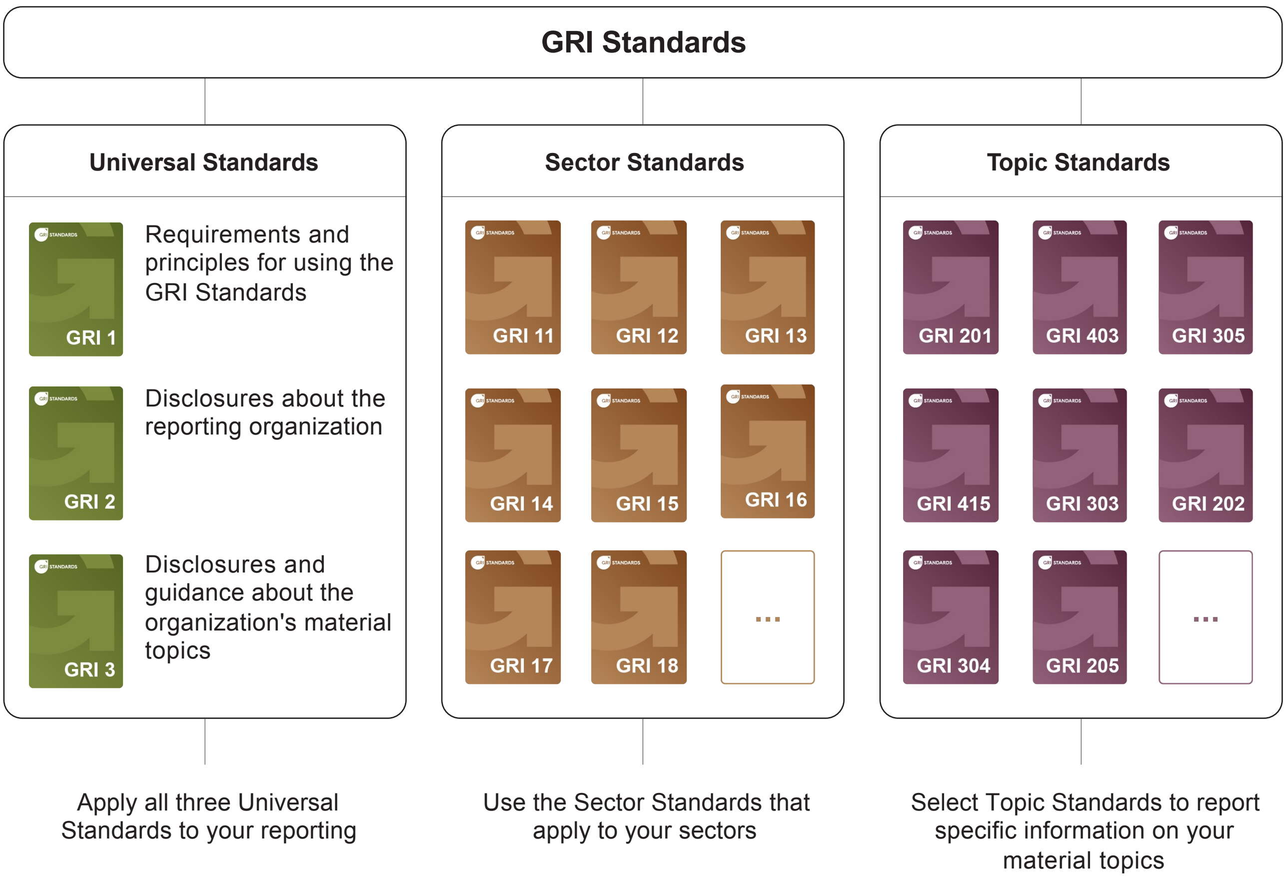
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

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

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

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

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



Using this Standard

An organization in the mining sector reporting in accordance with the GRI Standards is required to use this Standard when determining its material topics and then when determining what information to report for the material topics.

Determining material topics

Material topics represent an organization's most significant impacts on the economy, environment, and people, including their human rights.

Section 1 of this Standard provides contextual information that can help the organization in identifying and assessing its impacts.

Section 2 outlines the topics that are likely to be material for organizations in the mining sector. The organization is required to review each topic described and determine whether it is a material topic for it.

The organization needs to use this Standard when determining its material topics. However, circumstances for each organization vary, and the organization needs to determine its material topics according to its specific circumstances, such as its business model; geographic, cultural, and legal operating context; ownership structure; and the nature of its impacts. Because of this, not all topics listed in this Standard may be material for all organizations in the mining sector. See *GRI 3: Material Topics 2021* for step-by-step guidance on how to determine material topics.

If the organization has determined any of the topics included in this Standard as not material, then the organization is required to list them in the GRI content index and explain why they are not material.

See Requirement 3 in *GRI 1: Foundation 2021* and Box 5 in *GRI 3* for more information on using Sector Standards to determine material topics.

Determining what to report

For each material topic, an organization reports information about its impacts and how it manages these impacts. Once an organization has determined a topic included in this Standard to be material, the Standard also helps the organization identify disclosures to report information about its impacts relating to that topic.

For each topic in section 2 of this Standard, a reporting sub-section is included. These sub-sections list disclosures from the GRI Topic Standards that are relevant to the topic. They may also list additional sector disclosures and recommendations for the organization to report. This is done in cases where the Topic Standards do not provide disclosures, or where the disclosures from the Topic Standards do not provide sufficient information about the organization’s impacts in relation to a topic. These additional sector disclosures and recommendations may be based on other sources. Figure 2 illustrates how the reporting included in each topic is structured.

The organization is required to report the disclosures from the Topic Standards listed for those topics it has determined to be material. If any of the Topic Standards disclosures listed are not relevant to the organization’s impacts, the organization is not required to report them. However, the organization is required to list these disclosures in the GRI content index and provide ‘not applicable’ as the reason for omission for not reporting the disclosures. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

The additional sector disclosures and recommendations outline further information which has been identified as relevant for organizations in the mining sector to report in relation to a topic. The organization should provide sufficient information about its impacts in relation to each material topic, so that information users can make informed assessments and decisions about the organization. For this reason, reporting these additional sector disclosures and recommendations is encouraged, however it is not a requirement. When the organization reports additional sector disclosures, it is required to list them in the GRI content index (see Requirement 7 in *GRI 1*).

If the organization reports information that applies to more than one material topic, it does not need to repeat it for each topic. The organization can report this information once, with a clear explanation of all the topics it covers. If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report on a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

See Requirement 5 in *GRI 1* for more information on using Sector Standards to report disclosures.

GRI Sector Standard reference numbers

GRI Sector Standard reference numbers are included for all disclosures listed in this Standard, both those from GRI Standards and additional sector disclosures. When listing the disclosures from this Standard in the GRI content index, the organization is required to include the associated GRI Sector Standard reference numbers (see Requirement 7 in *GRI 1: Foundation 2021*). This identifier helps information users assess which of the disclosures listed in the applicable Sector Standards are included in the organization's reporting.

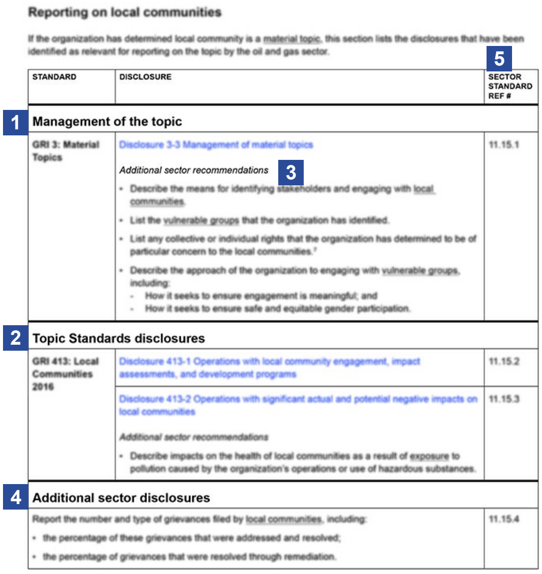
Defined terms

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

References and resources

The authoritative intergovernmental instruments and additional references used in developing this Standard, as well as further resources that may help report on likely material topics and can be consulted by the organization are listed in the Bibliography. These complement the references and resources listed in GRI 3: Material Topics 2021 and in the GRI Topic Standards.

Figure 2. Structure of reporting included in each topic



Reporting on local communities

If the organization has determined local community is a material topic, this section lists the disclosures that have been identified as relevant for reporting on the topic by the oil and gas sector.

STANDARD	DISCLOSURE	5 SECTOR STANDARD REF #
1 Management of the topic		
GRI 3: Material Topics	Disclosure 3-3 Management of material topics *Additional sector recommendations* 3 • Describe the means for identifying stakeholders and engaging with local communities. • List the vulnerable groups that the organization has identified. • List any collective or individual rights that the organization has determined to be of particular concern to the local communities.[7] • Describe the approach of the organization to engaging with vulnerable groups, including: - How it seeks to ensure engagement is meaningful; and - How it seeks to ensure safe and equitable gender participation.	11.15.1
2 Topic Standards disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities *Additional sector recommendations* • Describe impacts on the health of local communities as a result of exposure to pollution caused by the organization's operations or use of hazardous substances.	11.15.3
4 Additional sector disclosures		
Report the number and type of grievances filed by local communities, including: • the percentage of these grievances that were addressed and resolved; • the percentage of grievances that were resolved through remediation.		11.15.4

Management of the topic
The organization is required to report how it manages each material topic using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

Topic Standard disclosures
Disclosures from the GRI Topic Standards that are relevant to the topic are listed here. When the topic is determined by the organization as material, it is required to report these disclosures (if they are relevant to its impacts) or explain why they are not applicable in the GRI content index. See the Topic Standard for the content of the disclosure, including requirements, recommendations, and guidance.

Additional sector recommendations
Additional sector recommendations may be listed. These complement Topic Standard disclosures and Disclosure 3-3 with sector-specific reporting expectations. These are recommended to report, but not required.

Additional sector disclosures
Additional sector disclosures may be listed. Reporting these, together with any Topic Standard disclosures, ensures the organization provides sufficient information about its impacts in relation to the topic. These are recommended to report, but not required.

Sector Standard reference numbers
GRI Sector Standard reference numbers are required to be included in the GRI content index. This helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.

1. Sector profile

Minerals are essential for the functioning of modern societies and economies. They are used, for example, to make steel and other materials for infrastructure, critical components for transportation, communications, and technological solutions, and to create fertilizers for farming. Minerals are indispensable in the transition to a low-carbon economy and are used for renewable energy technologies, such as wind turbines, solar panels, and the manufacture of electric storage batteries.

Minerals are divided into metallic and non-metallic minerals. Metallic minerals (or metals) can be classified by their properties or function. They comprise precious metals (e.g., gold, silver, platinum); ferrous metals (containing iron); non-ferrous metals (e.g., aluminum, cobalt, copper, lithium, uranium, zinc); and rare earth elements (e.g., neodymium, scandium, yttrium). Sand, stone, lime, potash, and diamonds are examples of non-metallic minerals.

The capital-intensive mining sector represents a wide range of organizations. The sector includes large publicly listed companies often vertically integrated across the value chain, state-owned enterprises (SOEs), and small and medium-sized organizations known as 'junior companies', which often specialize in exploration. Organizations engaged in quarrying are typically less complex, with little or no processing requirements.

Sector activities and business relationships

Through their activities and business relationships, organizations can have an effect on the economy, environment, and people, and in turn make negative or positive contributions to sustainable development. When determining its material topics, the organization should consider the impacts of both its activities and its business relationships.

Activities

The impacts of an organization vary according to the types of activities it undertakes. The following list outlines some of the key activities of the mining sector, as defined in this Standard. This list is not exhaustive.

Prospecting and exploration: Surveying of resources, including feasibility assessments, geologic mapping, aerial photography, geophysical measuring, and exploration drilling.

Development: Design, planning, and construction of mines, access roads, and facilities for processing, waste management, and workers.

Mining operations: Extraction of ores and minerals from the earth using different techniques, such as surface mining, placer mining, underground mining, or *in situ* techniques, as well as primary processing to separate commercially valuable minerals from their ores. This phase also includes the disposal of waste and management of tailings facilities.

Closure and rehabilitation: Decommissioning of processing facilities, land reclamation, restoration, and rehabilitation in line with post-closure objectives, as well as closing and capping waste facilities and associated infrastructure.

Transportation: Moving minerals and waste to the point of storage, consumption, or further processing by, for example, barge, conveyor belt, train, truck, or ship, or transported as slurry by pipeline.

Storage: Storage of minerals at mine sites or import and export terminals.

Sales and marketing: Selling minerals, for example, for iron and steel production, cement production, and use in manufacturing.

Business relationships

An organization's business relationships include those with business partners, entities in its value chain including those beyond the first tier, and any other entities directly linked to the organization's operations, products, or services. The following types of business relationships are prevalent in the mining sector and relevant for identifying the impacts of organizations in the sector.

Joint ventures are common arrangements in mining in which organizations share the costs, benefits, and liabilities of assets or a project. They can also include partnerships with SOEs. An organization in the mining sector can be involved with negative impacts as a result of participating in a joint venture, even if it is a non-operating partner.

Suppliers represent a significant share of spending by mine site and are commonly used to perform mining operations or to provide products or services, including security. Some of the most significant impacts covered in this Standard concern the supply chain.

Customers and other parties in the value chain are increasingly voicing expectations for supply chain traceability to ensure the responsible production of minerals. They, therefore, constitute a key driver of transparency in the sector.

The sector and sustainable development

The mining sector plays an important role in many national economies and can make significant contributions to the economic development of regions and countries. Low- and middle-income countries are most likely to rely on their natural resources as a primary driver of economic activity – a dependence that has grown steadily over the last few decades. In mining-dependent economies, responsible mining practices can lead to reductions in levels of poverty and overall improvements in social well-being.

Financial flows around mining projects are substantial, deriving, for example, from taxes, royalties, and other payments to governments or spending on suppliers. Along with providing employment opportunities, particularly in the supply chain, the sector also invests in infrastructure and community development projects. Benefits like these can contribute to long-term development needs and priorities for rural areas and countries that have limited sources of additional revenue. These flows represent important benefit streams but can also give rise to corruption.

Locating, extracting, and processing minerals entails complex scientific, environmental, and socioeconomic planning. The scale of mining projects can be significant, sometimes spanning vast areas and taking place over many decades. Government legislation, including environmental protections and tax regimes, set out by the countries where mining occurs largely regulate mining projects. If poorly managed, mining can create negative impacts with lasting implications for ecosystems, human rights, and the health, safety, and well-being of workers and local communities. Climate change brings additional challenges to managing the impacts of mining with consequences for water management, biodiversity, and extreme heat. Moreover, the decline of ore grades increases the amount of energy and resources needed by mining organizations to locate and extract minerals from rock, resulting in more pollution and waste generated [20].

Global demand for minerals is expected to increase due to continued economic growth, improved living standards, and the need to transition to a low-carbon economy. While minerals are essential to clean energy technologies that underpin global climate change mitigation goals, the sector is increasingly under scrutiny due to its contribution to GHG emissions and the need to reduce them in the value chain. The mining sector is also facing expectations to transition to renewable energy sources and implement circular economy principles, such as reusing and recycling existing materials.

The drive to mine certain minerals needed for clean technologies has also raised concerns over risks of increased environmental and human rights impacts. When higher-grade ores and proven deposits are depleted, mining activities may be driven to more remote or ecologically sensitive areas, areas characterized by water stress or inhabited by Indigenous Peoples, or fragile, conflict-prone states. Additionally, land use, displacement, environmental impacts, and the economic potential associated with mineral extraction can inflame conflict. This can sometimes result in violence against or within local communities.

Box 1. Gender in mining

Because of the significance of impacts that mining organizations have at a community level, there is a growing expectation to disclose information on their local impacts on the economy, environment, and people. As mining can have different impacts on women and men, organizations are also increasingly expected to consider and address the distinct impacts of their activities on different genders. For example, women are disproportionately and uniquely affected by environmental degradation, climate change, and mining-induced social impacts like sexual and gender-based violence [12] [21]. Additionally, a lack of job opportunities can affect women's financial independence, and conditions of work in the sector can pose additional health and safety risks for women [23].

Applying gender-specific human rights due diligence approaches can address these issues, including when conducting community engagement or assessing aspects related to land rights, security, grievance resolution, and social investments. Organizations can also implement gender-responsive corporate policies and codes of conduct in the workplace. Recognizing how the impacts of mining can be more adverse or beneficial depending on unique social circumstances can broadly contribute to meaningful engagement with affected stakeholders and result in more informed actions by organizations to manage their impacts [9] [18] [21] [26].

A number of topics in this Standard list reporting disclosures that include a breakdown of reported information by gender. This is especially important if the impacts or reported numbers differ significantly for women and men. Beyond these instances, organizations can proactively provide gender-disaggregated data for any other topic where relevant and useful.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of action for achieving sustainable development [11].

Since the SDGs and targets associated with them are integrated and indivisible, mining organizations have the potential to contribute to all SDGs by enhancing their positive impacts or by preventing and mitigating their negative impacts on the economy, environment, and people.

The mining sector can contribute to achieving Goal 7: Affordable and Clean Energy and Goal 13: Climate Action by supplying critical minerals necessary for the low-carbon transition while mitigating GHG emissions through the use of renewable energy and energy efficiency measures.

The sector has connections to Goal 6: Clean Water and Sanitation and Goal 15: Life on Land due to the impacts that water use and land use by mining organizations can have on local communities and the environment.

The mining sector can make meaningful contributions to Goal 8: Decent Work and Economic Growth and Goal 1: No Poverty because it provides an essential source of revenue and employment in many regions while also providing materials for other industries that drive economic growth. With proper management of environmental impacts and the continuing supply of materials that enable infrastructure development, the mining sector can contribute to Goal 11: Sustainable Cities and Communities and Goal 12: Responsible Consumption and Production.

Table 2 presents connections between the likely material topics for the mining sector and the SDGs. These links were identified based on an assessment of the impacts described in each likely material topic, the targets associated with each SDG, and existing mappings undertaken for the sector (see reference [32] in the Bibliography).

Table 2 is not a reporting tool but presents connections between the mining sector's significant impacts and the goals of the 2030 Agenda for Sustainable Development. See references [32] and [31] in the Bibliography for information on reporting progress towards the SDGs using the GRI Standards.

Table 2. Links between the likely material topics for the mining sector and the SDGs

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Topic 14.1 GHG emissions									●				●	●			
Topic 14.2 Climate adaptation and resilience	●						●	●	●				●				
Topic 14.3 Air emissions			●								●				●		
Topic 14.4 Biodiversity						●						●		●	●		
Topic 14.5 Waste			●			●						●			●		
Topic 14.6 Tailings						●						●			●		
Topic 14.7 Water and effluents						●						●		●	●		
Topic 14.8 Closure and rehabilitation				●		●		●			●				●		
Topic 14.9 Economic impacts	●			●	●			●	●	●							
Topic 14.10 Local communities	●		●		●	●										●	
Topic 14.11 Rights of Indigenous Peoples	●		●		●						●					●	
Topic 14.12 Land and resource rights	●										●					●	
Topic 14.13 Artisanal and small-scale mining (ASM)	●		●					●							●	●	
Topic 14.14 Security practices																●	
Topic 14.15 Critical incident management			●								●						
Topic 14.16 Occupational health and safety			●					●									
Topic 14.17 Employment practices	●				●			●		●							
Topic 14.18 Child labor	●			●				●								●	
Topic 14.19 Forced labor and modern slavery	●							●								●	
Topic 14.20 Freedom of association and collective bargaining								●								●	
Topic 14.21 Non-discrimination and equal opportunity				●	●			●		●						●	
Topic 14.22 Anti-corruption												●				●	
Topic 14.23 Payments to governments	●															●	●
Topic 14.24 Public policy																●	
Topic 14.25 Conflict-affected and high-risk areas								●								●	

Box 2. Other key international instruments and initiatives supporting responsible mining

Downstream actors, investors, and regulators increasingly expect mining organizations to conduct human rights due diligence. The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas has been widely adopted by organizations to reduce the risk of severe human rights impacts, fueling conflict and financial crime. The OECD guidance has also been adopted by several national and supranational regulatory instruments, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 in the United States and the Mineral Supply Due Diligence Regulation in the European Union. Likewise, the Regional Initiative against the Illegal Exploitation of Natural Resources, administered by the International Conference on the Great Lakes Region (ICGLR), aims to break the link between mineral revenues and conflict financing.

Organizations such as the Extractive Industries Transparency Initiative (EITI) and Intergovernmental Forum on Mining, Minerals, Metals, and Sustainable Development (IGF) are helping countries enhance and communicate on their resource governance and financial benefit-sharing. These efforts show the increasing global push to reveal the path of mineral revenues within governments and the economy, concentrating on issues like transparency over project-level payments, ownership structures, and agreements, permits, contracts, and licenses, as well as wider legal and policy areas affecting the sector to leverage the benefits of mining for local stakeholders.

Similarly, many government-led efforts, including those involving the World Bank and public-private collaborations, have driven increased attention and expectations in the mining sector to identify, assess, prevent, and reduce impacts, all while improving traceability and transparency.

2. Likely material topics

This section comprises the likely material topics for the mining sector. Each topic describes the sector's most significant impacts related to the topic and lists disclosures that have been identified as relevant for reporting on the topic by mining organizations. The organization is required to review each topic in this section and determine whether it is a material topic for the organization, and then to determine what information to report for its material topics.

Mine-site disclosure

This disclosure applies to organizations that own or operate mine sites.[5]

Mining activities have impacts that often manifest locally. Given that an organization's operations may span diverse regions, environments, and jurisdictions, impacts can vary greatly depending on where activities occur. An organization should assess and report information about its impacts in relation to appropriate local contexts (see the Sustainability Context principle in *GRI 1: Foundation 2021* for more information).

Several topics in this Standard include mine-site-level reporting. Where impacts are highly significant for some mine sites and not others, organizations should provide site-level information about the sites where impacts are highly significant.

In other cases, disaggregated data may be needed for all mine sites to allow information users to make accurate assessments about the organization's overall contributions to sustainable development. These include certain public interest topics, such as greenhouse gas (GHG) emissions or biodiversity, where the mining sector has considerable impacts globally.

Organizations can proactively provide mine-site disaggregated data for any topic identified as material for reporting.

Table 3 offers an example of how to present information for Disclosure 14.0.1. Organizations can use the table to indicate instances where impacts are highly significant for specific mine sites, and whether disaggregated data is provided for the site.

ADDITIONAL SECTOR DISCLOSURES	SECTOR STANDARD REF #
List the organization's mine sites and report the organization's definition used for 'mine site'. For each site, report: • the name of the site; • the geographic location (country and coordinates); • the size in hectares.	14.0.1

5 For the purposes of this Standard, a mine site consists of open-cut and underground mines and the surface area disturbed by a mining operation; tailings storage and waste facilities; lands disturbed by the construction or improvement of haulage ways, pipelines and pipeline corridors; and roads or any surface areas in which structures, equipment, materials, or any other elements used in the mining operation are situated. This excludes downstream processing facilities such as smelters, refineries, unless they are co-located with on-site milling or beneficiation infrastructure.

Table 3. Example template for presenting information on mine-site disclosure
The table offers an example of how to present information for Disclosure 14.0.1. The organization can amend the table according to its practices, for example by reporting additional information.

Material topics	**Name of Site 1**		**Name of Site 2**		**Name of Site 3**	
	Country: XXX Coordinates: XXX Size: XXX hectares		Country: XXX Coordinates: XXX Size: XXX hectares		Country: XXX Coordinates: XXX Size: XXX hectares	
	Highly significant impacts	Site-level data	Highly significant impacts	Site-level data	Highly significant impacts	Site-level data
GHG emissions	**Y**	**Y**	**Y**	**Y**	**Y**	**N**
Climate adaptation and resilience	**Y**	**N**	**Y**	**N**	**Y**	**N**
Air emissions	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Biodiversity	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Waste	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Tailings	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Water and effluents	**Y**	**Y**	**Y**	**Y**	**Y**	**N**
Closure and rehabilitation	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Economic impacts	**Y**	**Y**	**Y**	**Y**	**Y**	**N**
Local communities	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Rights of Indigenous Peoples	-	-	**Y**	**Y**	-	-
Land and resource rights	-	-	**Y**	**Y**	-	-
Artisanal and small-scale mining (ASM)	-	-	-	-	**Y**	**Y**
Security practices	-	-	**Y**	**N**	**Y**	**Y**
Critical incident management	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Occupational health and safety	**Y**	**N**	**Y**	**N**	**Y**	**Y**
Employment practices	**Y**	**N**	**Y**	**N**	**Y**	**Y**
Child labor	-	-	**Y**	**Y**	-	-
Forced labor and modern slavery	**Y**	**N**	-	-	-	-
Freedom of association and collective bargaining	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Non-discrimination and equal opportunity	**Y**	**N**	**Y**	**Y**	**Y**	**Y**
Anti-corruption	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Payments to governments	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Public policy	-	-	**Y**	**Y**	-	-
Conflict-affected and high-risk areas	-	-	-	-	**Y**	**Y**
[Additional topic/s]	**Y**	**Y**	-	-	-	-

Topic 14.1 GHG emissions

Greenhouse gas (GHG) emissions comprise air emissions that contribute to climate change. This topic covers direct (Scope 1) and energy indirect (Scope 2) GHG emissions related to an organization's activities, as well as other indirect (Scope 3) GHG emissions that occur upstream and downstream of the organization's activities.

Mining activities are energy-intensive and contribute to greenhouse gas (GHG) emissions that cause climate change. Most GHG emissions from mining activities are associated with the use of fossil fuel-powered vehicles and the consumption of self-generated and purchased electricity. Therefore, most emissions in the mining sector are direct (Scope 1) GHG emissions from sources owned or controlled by the organization. Additionally, energy indirect (Scope 2) GHG emissions result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization.

Energy-intensive processes and activities include excavation, mine operations, and material transfer. The primary GHG emitted through the sector's activities is carbon dioxide (CO_2). Other GHGs include methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). The amount of energy used at a mine and the resulting emissions depend on several factors, such as mining method, mine depth, geology, mine productivity, and the degree and method of processing required. For example, most of the energy needs of open pit mines are associated with extensive soil and rock movement and longer haul distances, while underground mines have greater pumping, ventilation, cooling, and hoisting-related energy requirements.

Beyond the total amount of energy used, the GHG emissions intensity of mining activities can vary according to mine design and planning, operational practices, and the energy source used. Coal as a fuel source has the highest emissions intensity compared to other fossil fuels, typically releasing more than twice the amount of GHGs than natural gas per unit of electricity produced.

GHG emissions can also increase due to a human-induced change in the use or management of lands, which may lead to a change in land cover. For instance, when forests are cleared to enable mineral extraction and the supporting infrastructure (see also topic 14.4 Biodiversity). Land use change emissions are more prevalent in surface mining due to the greater land use requirements and often lower-grade ores. Methane (CH_4) can also be released through extraction, venting, or as fugitive emissions. Closure activities can further contribute to GHG emissions. However, the rehabilitation of mine sites can be used to capture CO_2 with appropriate reclamation and post-reclamation strategies.

In addition to Scope 1 and Scope 2 GHG emissions, mining organizations are also under increasing scrutiny over other indirect (Scope 3) GHG emissions up and downstream from mining activities. There is a growing expectation for emissions reduction throughout the value chain. For organizations mining gold and other precious metals, the most substantial emissions tend to originate upstream from the organization, namely, from the goods and services they procure. Where minerals require extensive refining, such as smelting, most Scope 3 GHG emissions tend to originate in downstream processes, in particular where coal is used as an energy source. Examples include the manufacture of steel, aluminum, and cement.

To combat climate change, parties to the Paris Agreement have committed to transition to a low-carbon economy. Organizations in the sector are increasingly expected to set GHG emissions targets and reduce emissions in line with the latest scientific evidence on the global effort needed to limit global warming to 1.5° C [42] (see also topic 14.2 Climate adaptation and resilience). Scope 1 and Scope 2 GHG emissions can be reduced, for example, through energy efficiency measures, electrification of equipment, and switching to renewable or low-carbon fuel sources.

In some cases, emissions reduction initiatives such as the electrification of a mine may bring shared power to local communities and businesses. However, it can pose additional challenges to communities, including increased pressure on regional and national energy grids, energy supply disruptions, job losses, or new environmental challenges. Organizations can partner with governments to mitigate such impacts and invest in solutions such as developing renewable energy infrastructure to support mines and the post-mining transition. These efforts can contribute to equitable and just outcomes for workers and the community (see also topics 14.8 Closure and rehabilitation and 14.9 Economic impacts).

Reporting on GHG emissions

If the organization has determined GHG emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.1.1
Topic Standard disclosures		
GRI 302: Energy 2016	Disclosure 302-1 Energy consumption within the organization	14.1.2
	Disclosure 302-2 Energy consumption outside of the organization	14.1.3
	Disclosure 302-3 Energy intensity	14.1.4
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions *Additional sector recommendations* • When reporting on gross direct (Scope 1) GHG emissions, include land use change emissions.[6] • Report a breakdown of the gross direct (Scope 1) GHG emissions by mine site.	14.1.5
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions *Additional sector recommendations* • Report a breakdown of the gross location-based energy indirect (Scope 2) GHG emissions by mine site. • If applicable, report a breakdown of the gross market-based energy indirect (Scope 2) GHG emissions by mine site.	14.1.6
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	14.1.7
	Disclosure 305-4 GHG emissions intensity *Additional sector recommendations* • Report a breakdown of the GHG emissions intensity ratio by mine site.	14.1.8
	Disclosure 305-5 Reduction of GHG emissions	14.1.9

References and resources

GRI 302: Energy 2016 and *GRI 305: Emissions 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on GHG emissions by the mining sector are listed in the Bibliography.

6 Land use change refers to a change in the use or management of land and seascapes by humans, which may lead to a change in land cover. It covers changes to terrestrial ecosystems, such as when forests are converted to enable mineral extraction and supporting infrastructure. Guidance on calculating land use change emissions can be found in the IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry [59] and its 2019 updates [60].

Topic 14.2 Climate adaptation and resilience

Organizations contribute to climate change and are simultaneously affected by it. Climate adaptation and resilience refer to how an organization adjusts to current and anticipated climate change-related risks, as well as how it contributes to the ability of societies and economies to withstand impacts from climate change.

Across the value chain, mining activities contribute to climate change by releasing GHG emissions (see also topic 14.1 GHG emissions). Changing climatic conditions, rising sea levels, and increasing intensity and frequency of extreme weather events already affect every region of the globe, causing negative impacts on the health, livelihoods, and human rights of millions of people. Physical impacts also pose risks to the workers, suppliers, local communities, and infrastructure, including transportation routes linked or adjacent to mining activities.

Climate change has been found to aggravate the impacts of mining on the local environment, disrupting biodiversity (see also topic 14.4 Biodiversity), affecting water quality and quantity, and exacerbating water stress (see also topic 14.7 Water and effluents). Climate change also heightens the risks of tailings storage facility failures due to increased rainfall (see also topic 14.6 Tailings and 14.15 Critical incident management). Rising temperatures can have negative impacts on air quality through the retention of particulate matter, which can exacerbate the impacts of air pollution (see also topic 14.3 Air emissions). In addition, climate change has the propensity to create drier climates where mining takes place, increasing the likelihood of dust events while diminishing the availability of water to suppress dust.

These impacts can have implications for the health, safety, well-being, and livelihoods of local communities and workers. They can also increase competition for natural resources, which often disproportionately affects women [70] (see also topic 14.10 Local communities). Mining organizations can help strengthen local communities' resilience to climate change-related impacts. Adaptation strategies can involve planning for post-mining land use, ensuring the availability of natural resources for agriculture, promoting climate-resilient economic growth, and long-term emergency planning. Organizations can also assist communities in obtaining reliable access to energy and water by, for example, establishing shared renewable energy infrastructure, implementing energy-saving programs, and sharing water resources.

The transition to a low-carbon economy is expected to increase demand for critical minerals needed for clean energy technologies, such as cobalt, copper, lithium, nickel, and rare earth elements. If managed well, this can present opportunities for mineral-rich countries through positive economic development (see also topic 14.9 Economic impacts). However, increased negative environmental and human rights impacts are recognized as a major risk. Many minerals that face rising demand are extracted from regions vulnerable to political instability, institutional weakness, and human rights violations. Mining in these areas can trigger or exacerbate conflict, corruption, environmental damage, and labor abuses (see also topic 14.25 Conflict-affected and high-risk areas).

Box 3. Scenario analysis

Scenario analysis allows for the simultaneous consideration of alternative forms of future states affected by climate change and can be used to explore climate change-related risks. Organizations typically define scenarios according to the transition speed expressed in the average global temperature changes. A scenario compatible with the Paris Agreement will require a temperature rise well below 2ºC, pursuing efforts to limit the temperature rise to 1.5ºC. Other scenarios can be defined according to an organization’s national context. For more guidance, see TCFD, *The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities*, 2017 [82].

Reporting on climate adaptation and resilience

If the organization has determined climate adaptation and resilience to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the climate change-related scenarios used to assess the resilience of the organization's strategy, including a well-below 2°C, preferably 1.5°C, scenario.[7] • Report whether the organization has a climate change adaptation plan in place, and if so, provide a summary of the plan and the progress made in implementing the plan, and describe how engagement with stakeholders has informed the plan.	14.2.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change *Additional sector recommendations* • Describe how the substantive changes in operations, revenue, or expenditure due to climate change affect or could affect the organization's workers and suppliers, its contributions to economic development, and its payments to governments.	14.2.2

References and resources

GRI 201: Economic Performance 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on climate adaptation and resilience by the mining sector are listed in the Bibliography.

7 The Paris Agreement aims at holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels [67]. Scientific evidence released after the Paris Agreement came into force shows that limiting global warming to 1.5°C 'would substantially reduce projected losses and damages related to climate change in human systems and ecosystems compared to higher warming levels' [64].

Topic 14.3 Air emissions

Air emissions include pollutants that have negative impacts on air quality and ecosystems, including human and animal health. This topic covers impacts from emissions of sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM), volatile organic compounds (VOCs), carbon monoxide (CO), and heavy metals, such as mercury (Hg).

In addition to greenhouse gas (GHG) emissions, mining activities are a source of other anthropogenic air emissions classified as pollutants. Globally, air pollution causes acute health problems and millions of deaths annually by contributing to heart and lung diseases, strokes, respiratory infections, and neurological damage [90]. Air emissions are a major concern for the sector's workers (see also topic 14.16 Occupational health and safety) and local communities adjacent to mine sites and transportation routes (see also topic 14.10 Local communities). These emissions disproportionately affect children, the elderly, and the poor [89]. Air emissions from mining activities can also have negative impacts on nearby ecosystems (see also topic 14.4 Biodiversity).

Mining activities release air emissions during drilling, blasting, excavation, overburden removal, storage, mineral processing, and transportation. Fugitive emissions can result from earthmoving, crushing, transportation, and pollutants from tailings facilities (see also topic 14.6 Tailings). These emissions mostly comprise dust and other particulate matter (PM). Depending on the mineral being mined, air emissions can also include heavy metals, carbon monoxide (CO), sulfur dioxide (SO_2), nitrogen oxide (NO_x), hydrogen sulfide (H_2S), and volatile organic compounds (VOCs). The severity of impacts from air emissions can depend on the proximity of local communities and workers, and the sensitivity of local ecosystems.

The extraction and smelting of zinc and other non-ferrous metals produce mercury gases, which lead to severe health impacts. Mercury (Hg) is frequently used in artisanal and small-scale gold mining activities, sometimes located adjacent to mining organization's concessions (see also topic 14.13 Artisanal and small-scale mining). Many gold and silver operations and refineries use cyanide to extract the mineral from ore, which can under certain conditions volatilize into hydrogen cyanide (HCN) and cause respiratory hazards for workers.[8]

Nitrogen oxide emissions from transportation can have negative impacts on ecosystems. They can enter waterways and oceans, have negative impacts on marine life, and generate ground-level ozone (O_3) or smog. Sulfur oxides from burning fossil fuels and smelting mineral ores containing sulfur can lead to acid rain and contribute to ocean acidification. In addition to negative impacts on human health, acid rain, and smog can degrade water and soil quality, impairing the functions of natural environments and thereby affecting food chains.

Box 4. Dust and particulate matter

Mining activities release significant amounts of particulate matter (PM), a pollutant mixture of solid particles and liquid droplets in the air. Dust is the main type of PM from mining, generated during blasting, digging, and hauling, as well as through conveyors, vehicles, and ore crushing. Dust can also be generated from exposed surfaces such as dirt roads, pits, waste piles, or dry tailings. Exposure to dust is associated with increased risks of heart and lung conditions for workers and communities. Dust can also impede the photosynthetic functions of trees and other plants.

Open-pit mining has a large geographic footprint, making dust management challenging. Organizations utilize dust control measures to prevent or mitigate dust exposure for workers and communities, including ventilation systems, dust collectors, irrigation bars, dry fog, water cannons, and bunds of trees. Air quality surveys can be undertaken to assess the adequacy of these controls.

8 Cyanide can also be present in tailings managed in tailings storage facilities. Without proper management controls in place, HCN can be volatilized to the immediate surrounding of the facility.

Reporting on air emissions

If the organization has determined air emissions to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.3.1
Topic Standard disclosures		
GRI 305: Emissions 2016	Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions *Additional sector recommendations* • For each mine site, report significant air emissions[9] relevant for the site, in kilograms or multiples.	14.3.2

References and resources

GRI 305: Emissions 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on air emissions by the mining sector are listed in the Bibliography.

9 Significant air emissions that are relevant for the mining sector include, for example, NO_x, SO_x, mercury (Hg), PM10 and PM2.5, and hydrogen sulfide (H_2S).

Topic 14.4 Biodiversity

Biodiversity is the variability among living organisms. It includes diversity within species, between species, and of ecosystems. Biodiversity not only has intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. This topic covers impacts on biodiversity, including on genetic diversity, animal and plant species, and natural ecosystems.

Mining activities typically require large-scale developments that have impacts on biodiversity and ecosystem services. These impacts can limit the availability and accessibility of natural resources or degrade their quality. Impacts on biodiversity and ecosystem services may also affect the well-being and livelihoods of local communities and Indigenous Peoples (see also topic 14.10 Local communities and 14.11 Rights of Indigenous Peoples).

Direct drivers of biodiversity loss influence biodiversity and ecosystem processes, leading to impacts such as degradation of ecosystems, habitat fragmentation, and animal mortality. Mining activities may contribute to the direct drivers of biodiversity loss through land and sea use change, for example, in the form of land clearance for mining, access routes, and waste management facilities; exploitation of natural resources by withdrawing and consuming water; through the introduction of invasive alien species; and pollution. Sources of air, water, and soil pollution can include:

- air emissions, including dust and fumes (see also topic 14.3 Air emissions);
- effluent discharges such as riverine tailings disposal (see also topic 14.7 Water and effluents);
- waste storage, disposal, and tailings facility failures (see also topics 14.5 Waste and 14.6 Tailings); and
- light, noise, and vibration.

Different mining methods present distinct impacts on biodiversity. Open-pit mines generate more severe impacts than underground mines due to the progressive deepening and widening of the mine site, increasing the affected areas over time. Open-pit mining is a prominent cause of deforestation, with nearly a third of all forests estimated to be affected by mining projects worldwide [110]. Removing carbon sinks and topsoil can also exacerbate GHG emissions (see also topic 14.1 GHG emissions), contributing to erosion and desertification. Underground mining, in turn, can have negative impacts resulting from ground subsidence and groundwater contamination.

Mining activities can have impacts on biodiversity beyond the mine site. These impacts can be more significant when mining occurs in or near ecologically sensitive areas. For example, mining activities can spread into ecological corridors and disrupt the functioning of an ecologically sensitive area. Inactive mine pits, underground workings, and hazardous waste can also cause biodiversity impacts beyond closure (see also topic 14.8 Closure and rehabilitation).

The increasing demand for minerals drives mining activities to ecologically sensitive areas, including previously undeveloped locations and marine ecosystems (see also topic 14.2 Climate adaptation and resilience). While the potential impacts of deep-sea mining are not fully understood, it is likely to disrupt marine ecosystems, compact or alter seafloor areas, create sediment plumes, and pose a risk of leaks, accidents, and spills on fragile habitats [105].

To limit and manage impacts on biodiversity, many mining organizations use the mitigation hierarchy tool to help inform their actions to balance or outweigh negative impacts on biodiversity [103]. The mitigation hierarchy follows avoidance, minimization, restoration, rehabilitation, and offset. Actions to avoid negative impacts are prioritized, as is minimizing those impacts when avoidance is not possible. Restoration and rehabilitation measures should be implemented when negative impacts cannot be avoided or minimized. Offsetting measures may be applied to residual negative impacts after all other measures have been applied.

Reporting on biodiversity

If the organization has determined biodiversity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.4.1
Topic Standard disclosures		
GRI 101: Biodiversity 2024	Disclosure 101-1 Policies to halt and reverse biodiversity loss	14.4.2
	Disclosure 101-2 Management of biodiversity impacts	14.4.3
	Disclosure 101-4 Identification of biodiversity impacts	14.4.4
	Disclosure 101-5 Locations with biodiversity impacts *Additional sector recommendations* • Report information on the ecologically sensitive areas for all mine sites.	14.4.5
	Disclosure 101-6 Direct drivers of biodiversity loss *Additional sector recommendations* • Report direct drivers of biodiversity loss for all mine sites.	14.4.6
	Disclosure 101-7 Changes to the state of biodiversity *Additional sector recommendations* • Report changes in the state of biodiversity for all mine sites.	14.4.7
	Disclosure 101-8 Ecosystem services *Additional sector recommendations* • Report information on ecosystem services for all mine sites.	14.4.8

References and resources

GRI 101: Biodiversity 2024 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on biodiversity by the mining sector, are listed in the Bibliography.

Topic 14.5 Waste

Waste refers to anything that a holder discards, intends to discard, or is required to discard. When inadequately managed, waste can have negative impacts on the environment and human health, which can extend beyond the locations where waste is generated and discarded. This topic covers impacts from waste and the management of waste.

Mining activities typically generate high volumes of waste, including hazardous waste. The largest waste streams derive from the extraction or processing of minerals and comprise overburden, rock waste, and tailings. These waste streams can contain toxic and naturally occurring heavy metals and minerals mobilized by mining, such as asbestos and antimony, aluminum, arsenic, cadmium, chromium, copper, iron, lead, manganese, mercury, and thallium.

Waste from mining activities may contaminate surface water, groundwater, and seawater (see also topic 14.7 Water and effluents), as well as food sources. Waste also has negative impacts on human health (see also topic 14.10 Local communities) and animal and plant species (see also topic 14.4 Biodiversity). Land use for waste storage, along with soil contamination, leads to erosion and loss of productive land, which can further have effects on local communities' livelihoods. The waste impacts from mining activities can depend on an organization's approach to waste management, regulations, application of technologies, and the availability of recovery and disposal facilities near mine sites.

Mining activities often require using and storing hazardous materials, such as chemicals, for mineral processing. These materials can be released into the environment during exploration, extraction, processing, and transport. Hazardous materials can accumulate and remain in the environment beyond the life of a mine. There are specific concerns regarding the use of cyanide in processing minerals such as gold and silver, which, when improperly used, stored, or disposed of, can have negative impacts on human health and the environment (see also topic 14.15 Critical incident management). Mercury can be produced as a by-product when processing ores, potentially releasing toxic vapors. While most mining organizations no longer use mercury to extract gold, it is still used by many artisanal and small-scale operators (see also topic 14.13 Artisanal and small-scale mining).

Overburden from surface mining is usually stored in overburden emplacement facilities or dumps on adjacent land until the pit is backfilled or the overburden dump is stabilized and revegetated. These dumps require physical and chemical stabilization to avoid failures, which can have impacts on the environment and the safety of people. Overburden can also contribute to the formation of highly acidic water rich in heavy metals, known as acid mine drainage, which can seep into the environment.

Rock waste is usually managed in heaps or disposed of in waste rock dumps or former open-pit operations and can generate dust (see alsotopic 14.3 Air emissions). Tailings, a by-product of the processing of minerals, are often treated and discarded into ponds, filtered, stored in heaps, or disposed of in underground voids. Runoff from tailings and tailings facility failures can cause widespread environmental contamination and pose risks to the health, safety, and livelihoods of local communities (see also topic 14.6 Tailings).

The amount of waste produced by mining activities depends on the type of mineral extracted and the ore grade. Generally, surface mining produces more waste than underground mining due to the possibility of obtaining lower-grade sediments and rocks from which the mineral is extracted. Waste from mining activities often requires management beyond the productive phase of a mining operation, including long-term aftercare. Closure can also yield significant waste, for example, from decommissioned processing plants and other facilities (see also topic 14.8 Closure and rehabilitation).

Typical waste generated by mining operations comprises oils, chemicals, tires, e-waste, used catalysts, solvents, various industrial byproducts, packaging materials, and construction debris. Mining organizations may also need to manage substantial domestic waste at mine camps or in dedicated mining towns.

Box 5. Circular economy

The mining sector is both a supplier of materials and a significant user of natural resources, materials, and products. Mining organizations are increasingly incorporating circularity measures throughout the value chain. This approach can help reduce the requirement for raw materials, minimize waste generation, and repurpose waste for productive purposes, all contributing to improved resource efficiency. Mining organizations can repurpose tailings and waste rock for uses such as backfill, landscaping, and construction materials. They can also implement processes for treating and recycling process water, enabling its reuse in mining operations. Many circularity measures can be designed in collaboration with and for the benefit of local communities.

Reusing and recycling metals can significantly contribute to the circular economy, as many metals can be melted and reused infinitely. Recycling metals can also be less energy-intensive than extracting and processing virgin materials (see also topic 14.1 GHG emissions). Some mining organizations are already transitioning to more circular business models, expanding their activities from the primary extraction of minerals to metals recycling.

Circularity measures can be reported using GRI 306: Waste 2020, and the use of materials is addressed in GRI 301: Materials 2016.

Reporting on waste

If the organization has determined waste to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.5.1
Topic Standard disclosures		
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	14.5.2
	Disclosure 306-2 Management of significant waste-related impacts	14.5.3
	Disclosure 306-3 Waste generated *Additional sector recommendations* • When reporting the composition of the waste generated, include a breakdown of the following waste streams: - rock waste; - tailings.[10] • Report a breakdown of the total waste generated and the composition of the waste by mine site.	14.5.4
	Disclosure 306-4 Waste diverted from disposal *Additional sector recommendations* • When reporting the composition of the waste diverted from disposal, include a breakdown of the following waste streams: - rock waste; - tailings. • Report a breakdown of the total waste diverted from disposal and the composition of the waste by mine site.	14.5.5
	Disclosure 306-5 Waste directed to disposal *Additional sector recommendations* • When reporting the composition of the waste directed to disposal, include a breakdown of the following waste streams: - rock waste; - tailings. • Report a breakdown of the total waste directed to disposal and the composition of the waste by mine site.	14.5.6

References and resources

GRI 306: Waste 2020 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on waste by the mining sector are listed in the Bibliography.

10 The additional sector recommendations under Disclosures 306-3, 306-4, and 306-5 ask to report a breakdown of total weight of tailings produced. The management of tailings facilities is reported in topic 14.6 Tailings.

Topic 14.6 Tailings

Tailings are a by-product of mining that need management throughout the life of a mine and beyond closure. Poor design or management of tailings facilities can, at worst, lead to catastrophic failures with lasting impacts on workers, local communities, and damage to the environment, natural resources, and infrastructure.

Tailings are generated as a by-product of mining and are usually one of the largest waste streams related to mining operations (see also topic 14.5 Waste). Often contained in the form of liquid slurry, tailings consist of processed material usually mixed with chemicals left over when separating minerals from rock or soil.

Tailings are often treated and stored in surface tailings facilities, filtered and dry-stacked, or used to fill underground voids. Surface tailings are contained by dams or disposed into decommissioned open pits and can cover vast areas. Other disposal methods, such as riverine, lake, and submarine tailings disposal, are still in use by the sector. However, these methods are widely discouraged due to the significant potential impacts on the environment and health of local communities from, for example, elevated levels of metals present in tailings (see also topic 14.10 Local communities).

Tailings containing heavy metals, cyanide, chemical-processing agents, or sulfides can pose a health risk when released into the environment. Catastrophic failures of tailings facilities, including dams, can pose detrimental risks to the safety and well-being of workers and local communities. At worst, failures can lead to loss of life and the destruction of whole communities (see also topic 14.15 Critical incident management). Further impacts include damage to infrastructure, natural resources, and the activities of other sectors, ultimately disrupting lives and livelihoods. Failures of tailings facilities result from, for example, inadequate water management, overtopping, foundation or drainage failure, erosion, and earthquakes. Extreme weather events due to climate change pose additional challenges to the long-term management of tailings (see also topic 14.2 Climate adaptation and resilience).

Runoff from tailings can contaminate groundwater, surface water, and seawater. Contaminated water sources cause damage to ecosystems, species, and agricultural operations, affecting local communities' health and livelihoods (see also topic 14.7 Water and effluents). Dry tailings can also generate dust (see also topic 14.3 Air emissions). Inefficient processing of metal ores can spur re-encroachment and re-mining of tailings by artisanal and small-scale operators, which can mobilize toxic tailings into the environment (see also topic 14.13 Artisanal and small-scale mining).

Tailings management and storage options depend on and can be altered by various factors. These factors can include the presence of local communities, distance to areas of biodiversity importance, seismicity, the amount and seasonal distribution of rainfall, and local topography. Based on its context, each facility requires unique design and technical considerations to minimize risks to people and the environment throughout the tailings facility lifecycle, including closure and post-closure (see also topic 14.8 Closure and rehabilitation). The design is expected to be monitored, evaluated, and updated regularly, according to findings from reviews, risk assessments, and whenever there are material changes [134].

Organizations utilize site-specific plans on emergency preparedness and response to identify hazards, prepare for and assess their capacity to respond to emergencies, and anticipate long-term remediation. Alongside regular testing and updates, the plan requires active involvement with various stakeholders who could be affected, such as workers and local communities. This includes collaboration with public sector agencies, first responders, local authorities, and institutions to mitigate the potential repercussions of a failure.

Reporting on tailings

If the organization has determined tailings to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Report whether the organization complies with or has committed to comply with a recognized international standard on tailings management, and, if available, provide a link to the most recent publicly disclosed information.[11]	14.6.1
Additional sector disclosures		
Report the tailings disposal methods used by the organization.		14.6.2
List the organization's tailings facilities, and report the name, location, and ownership status, including whether the organization is the operator. For each tailings facility not confirmed to be in a state of safe closure:[12] • describe the tailings facility, including its construction method;[13] • report whether the facility is active, inactive, or closed; • report the maximum permitted storage capacity and the total weight of tailings stored in metric tons; • report the Consequence Classification in line with Requirement 4.1 of the GISTM; • report the frequency of risk assessments and a summary of the most recent risk assessment findings; • report the date and material findings of the most recent independent technical review, including the implementation of mitigation measures and the date of the next review.		14.6.3

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on tailings by the mining sector are listed in the Bibliography.

11 Recognized international standards include the *Global Industry Standard on Tailings Management* (GISTM) and the *Tailings Management Protocol* by Towards Sustainable Mining (TSM). In case the organization complies with the GISTM, it provides a link to the most recent information disclosed in line with GISTM Principle 15. In case the organization complies with another recognized international standard (e.g., *Tailings Management Protocol* by TSM), it provides a link to public reporting of compliance results.

12 State of safe closure is defined by the GISTM as a closed tailings facility confirmed to not pose ongoing material risks to people or the environment. For further guidance, including definitions for terms used in additional sector disclosure 14.6.3, see the GISTM [134].

13 Construction method should be reported as 'downstream', 'upstream', or 'centerline'. For further guidance, see the definitions provided by the International Council on Mining and Metals (ICMM) [132].

Topic 14.7 Water and effluents

Recognized as a human right, access to fresh water is essential for human life and well-being. The amount of water withdrawn and consumed by an organization and the quality of its discharges can have impacts on ecosystems and people. This topic covers impacts related to the withdrawal and consumption of water and the quality of water discharged.

Mining can have significant impacts on water availability and quality, resulting in long-term consequences on biodiversity, human health and development, and food security (see also topics 14.4 Biodiversity, 14.10 Local communities, and 14.11 Rights of Indigenous Peoples). Impacts on water occur throughout the life of a mine and beyond closure.

Mining organizations use water throughout their operations, including mineral extraction, processing, cooling, dust suppression, and the transportation of ore and waste in slurries. Mining activities can reduce water availability for local communities and other water users, potentially affecting people's right to clean drinking water. In areas where water is collected manually, reduced access to water can have disproportionate impacts on women and girls, who are typically responsible for this task [141].

The amount of water needed for mining operations depends on operational efficiency and mining methods. The total volume of freshwater withdrawn for mining operations can also vary according to an organization's ability to substitute freshwater, the quality of water required, characteristics of local water resources, and recycling infrastructure.

Mining organizations can improve local communities' access to freshwater by bolstering water and sanitation infrastructure and improving water quality, for example, by treating naturally occurring acid rock drainage. Mining organizations can also influence hydrology and have impacts on the livelihoods of local communities by altering groundwater levels, shifting river flow regimes, and using dams for freshwater needs in mining activities. In areas already facing water stress, mining operations can aggravate the problem by reducing water accessibility for other users and intensifying competition for water. These impacts can exacerbate tensions between and within other sectors or local communities, especially in cases where water rights and regulations are poorly managed or enforced.

The impacts of mining activities on the quality of surface water, groundwater, and seawater can be due to water discharge and runoff, heavy metal contamination, spills, leaks or leaching of chemicals, and the failure of tailings facilities (see also topic 14.5 Waste and 14.6 Tailings). Acid mine drainage can be one of the most significant water impacts from metal mines, occurring when water and oxygen react with rocks containing sulfur-bearing minerals, forming an acidic runoff. Underground operations might also disrupt or contaminate aquifers.

Contamination risks can be higher when mining occurs in areas with frequent heavy rainfall events, which can cause flooding and make the containment of effluents more challenging. The level of water treatment and water quality standards applied to effluent discharges, as well as the sensitivity of the local ecosystem, can affect the impact that mining organizations have on the receiving waterbody.

Droughts, floods, and other extreme weather events due to climate change pose more frequent challenges to water availability and quality (see also topic 14.2 Climate adaptation and resilience), requiring collaborative approaches by the mining sector to prevent or mitigate impacts on local communities [153].

Reporting on water and effluents

If the organization has determined water and effluents to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe actions taken to prevent or mitigate negative impacts from acid mine drainage.	14.7.1
Topic Standard disclosures		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	14.7.2
	Disclosure 303-2 Management of water discharge-related impacts	14.7.3
	Disclosure 303-3 Water withdrawal *Additional sector recommendations* • Report water withdrawal by mine site.	14.7.4
	Disclosure 303-4 Water discharge *Additional sector recommendations* • Report water discharge by mine site.	14.7.5
	Disclosure 303-5 Water consumption *Additional sector recommendations* • Report water consumption by mine site.	14.7.6

References and resources

GRI 303: Water and Effluents 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on water and effluents by the mining sector are listed in the Bibliography.

Topic 14.8 Closure and rehabilitation

At the end of commercial use, organizations are expected to close assets and facilities and rehabilitate operational sites. Impacts can occur during and after closure. This topic covers an organization's approach to closure and rehabilitation, including how the organization considers the impacts on the environment, local communities, and workers.

The aim of closure is to return land disturbed by mining to a physically, biologically, and chemically stable condition. When implemented successfully, it enables ecosystem restoration, minimizes long-term pollution, protects local water supplies, ensures public safety, and provides communities with productive land wherever possible. This process is expected to result in a healthy and functioning ecosystem that is compatible with planned post-mining land use, compliant with regulatory requirements, and considerate of the needs and livelihoods of local stakeholders. Closure planning should start at the project design phase and be updated regularly throughout the mine lifecycle. This can help mitigate impacts on the environment and people while integrating opportunities for reclamation concurrent with mining operations.

When not managed adequately, the closure of a mine can result in various environmental impacts, including the contamination of surface water and groundwater, soil contamination from overburden heaps, changes to landforms, and disturbance to biodiversity (see also topics 14.4 Biodiversity, 14.5 Waste, and 14.7 Water and effluents). The presence of, or contamination by, hazardous materials can result in long-lasting health and safety impacts on people (see also topic 14.10 Local communities). Failure to rehabilitate sites can also render land unsuitable for other productive purposes, such as agriculture, leading to the potential loss of livelihoods.

Closure activities can include:
- stabilization of open-pit or underground workings to prevent subsidence and erosion of mine-pit benches;
- decommissioning of processing facilities, equipment, and other infrastructure;
- removal of workers' facilities and camps;
- land reclamation and rehabilitation, including management of topsoil, waste rock stockpiles, and overburden heaps to control erosion and land degradation, and foster ecosystem restoration;
- closing and sealing waste, including tailings, facilities (see also topic 14.6 Tailings);
- post-closure environmental and socioeconomic monitoring to ensure that post-closure objectives are being achieved; and
- remediation actions identified through monitoring activities.

Mining organizations can implement closure and rehabilitation activities progressively during the operating life of the mine by, for example, backfilling and revegetating unused areas as operations move to other zones.

Although closure and rehabilitation may offer new employment opportunities, cessation of mining operations also leads to unemployment when workers are no longer essential. When a mine closes, it can also result in job losses for the mine's suppliers. In locations where the mine has been the primary economic driver by providing employment, income, tax revenue, community development, and other benefits, closure can leave local communities to face economic downturns and social disruption.

The impacts of mine closure can be exacerbated if there is insufficient notice or inadequate planning for economic revitalization and social transition. Closed or abandoned mine sites can leave a long-lasting legacy of environmental issues and financial burdens for communities and governments, unless there are assigned responsible parties or allocated funds to cover the costs of mine closure and post-closure activities (see also topic 14.9 Economic impacts). Mining organizations can collaborate with local communities, governments, unions, and workers to mitigate negative impacts and work towards a sustainable post-mining economy. This can be done by, for example, reskilling and retraining workers, offering worker transfer programs and relocation assistance programs (see also topic 14.17 Employment practices), and consulting communities, including women, on closure plans (see also topic 14.10 Local communities). Closure planning often starts in the early phases of a mine's life cycle, becoming more detailed and responsive as the closure date approaches.

Many jurisdictions require organizations to make financial provisions, or assurances, for long-term costs associated with mine closure and rehabilitation when developing closure plans. These assurances are intended to cover the total estimated cost of closure activities and post-closure monitoring to account for social and environmental legacy impacts that can occur after closure [157].

Assurances can be in the form of various financial instruments, such as cash deposits, bank guarantees, surety bonds, trust funds, or other third-party-held assets, all designed to ensure the fulfillment of closure obligations.

Organizations can conduct periodic reviews and update costs to account for operational changes during the life of a mine and their effect on the cost of closure. However, closure costs are often misunderstood, poorly regulated, or underestimated, resulting in insufficient financial assurances to cover the actual closure costs. Providing transparency over these provisions can improve the relationship between mining organizations and stakeholders, including governments.

Reporting on closure and rehabilitation

If the organization has determined closure and rehabilitation to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe how engagement with workers, suppliers, local communities, and other relevant stakeholders has informed closure planning and implementation, including post-mining land use.	14.8.1
Topic Standard disclosures		
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes	14.8.2
GRI 404: Training and Education 2016	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	14.8.3
Additional sector disclosures		
For each mine site, report whether it: • has a closure and rehabilitation plan in place; • is undergoing closure and rehabilitation activities; • has been closed and rehabilitated.		14.8.4
For each closure and rehabilitation plan: • report whether the plan has been approved by relevant authorities; • report the dates of the most recent and next reviews of the plan.		14.8.5
For each mine site, report in hectares: • total land disturbed and not yet rehabilitated; • total land disturbed and rehabilitated (including progressively rehabilitated, if applicable).		14.8.6
For each mine site, report the estimated life of the mine (LOM).[14]		14.8.7
For financial provisions made by the organization for closure and rehabilitation, including environmental and socioeconomic post-closure monitoring and aftercare for mine sites, report: • the total estimated closure cost (not discounted), whether the financial provision covers the full amount of the current estimated closure cost, and whether the financial provision made is in line with the applicable regulatory requirements, by mine site; • the methodology used to calculate the estimated closure cost; • financial instruments used or developed to guarantee adequate financial provisions for closure and rehabilitation.[15]		14.8.8
Describe non-financial provisions made by the organization to manage the local community's socioeconomic transition to a sustainable post-mining economy, including collaborative efforts, projects, and programs.		14.8.9

14 The definition of life of mine (LOM) used by the organization for this additional sector disclosure should be the same as the definition used in its consolidated financial statements or equivalent documents.

15 For further guidance, including definitions for terms used in the additional sector disclosure, see International Council on Mining and Metals (ICMM), *Financial concepts for mine closure*, 2019 [160]; and Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), *Global Review: Financial assurance governance for the post-mining transition*, 2021 [157].

References and resources

GRI 402: Labor/Management Relations 2016 and *GRI 404: Training and Education 2016* list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional references used in developing this topic, as well as resources that may be helpful for reporting on closure and rehabilitation by the mining sector are listed in the Bibliography.

Topic 14.9 Economic impacts

An organization's impacts on the economy refers to how the value it generates affects economic systems, for example, as a result of its procurement practices and employment of workers. Infrastructure investments and services supported by an organization can also have impacts on a community's well-being and long-term development. This topic covers economic impacts at local, national, and global levels.

Mining activities can be an important source of investment and income for local communities, countries, and regions. Mineral extraction offers considerable opportunities for producing countries and their communities to gain lasting economic benefits, which, if well managed, can transform national economies, reduce poverty and inequality, and improve people's well-being. Economic contributions can manifest locally through procurement spending, capacity building, or employment provision, and at national, subnational, or regional levels through taxes and royalties (see also topic 14.23 Payments to governments).

Impacts vary according to the scale and duration of operations, interactions with other economic activities, the effectiveness of resource governance by local and national governments, and local procurement and employment practices used by the organization. At a global scale, the sector's contributions are prevalent through, for example, the provision of minerals for the low-carbon transition, essential infrastructure and buildings, and food production.

The economic impacts of mining vary depending on the specific phase of the mining project. During mine development, infrastructure investments are at their peak, procurement of goods and services are high, and many workers are needed. When the mine is in operation, economic impacts are mainly generated through procurement spending, employment, community investments, taxes, and other payments to governments. Mine closure and post-mining phases require economic restructuring, characterized by out-migration, reduced government revenues, and a limited need for infrastructure, goods, and services.

Through local procurement, mining organizations can foster employment and raise demand for goods and services. Workers of mining organizations and their suppliers also drive local economic growth by spending their earnings. Long-lasting positive impacts can be generated by capacity building of suppliers, along with training and skill transfer to the community. Mine construction and operation can involve the development of infrastructure, such as roads, railways, and other transport networks, that local communities can use. Production linkages with other sectors can also drive economic diversification and community development.

The extent to which local communities benefit from mining activities depends on their existing development and industrialization levels, their capacity to provide qualified workers to meet new employment opportunities, and the commitment of organizations in the sector to train local workers. The net employment impact of mining also depends on how existing jobs in other sectors are affected and the organization's employment practices (see also topic 14.17 Employment practices). For example, using a fly-in fly-out work arrangement to supply workers can reduce the employment opportunities available to local communities, detracting from the potential economic benefits at the local level. In places where women are traditionally responsible for meeting the subsistence needs of families and jobs are mostly occupied by men, this can result in increased domestic and community-based workload for women [164]. These impacts can exacerbate economic disparities and gender inequalities, especially if benefit-sharing from mining is separated from the local context and community needs (see also topic 14.10 Local communities).

Changes in technology in industrial-scale mining, such as the increased use of automation and robotics, can affect economic impacts and benefit sharing. While these changes can introduce new skills and increase work opportunities for women and other underrepresented groups, they can also reduce the number of workers needed for mining activities.

Additionally, a poorly planned or executed mine closure process can generate legacy impacts with economic consequences for communities and governments (see also topic 14.8 Closure and rehabilitation).

Lasting negative impacts can be mitigated at the local level in consultation with the community. This can be achieved by incorporating inclusive development, benefit-sharing mechanisms, and impact-driven community development programs aimed at the structural transformation of local economies. Mining organizations can also promote economic inclusion by recruiting or using suppliers that recruit workers from less represented or marginalized groups, including women-owned enterprises (see also topic 14.21 Non-discrimination and equal opportunity). Extending skills development to workers who are not employees and the local community can also contribute to positive impacts and promote a just transition after a mine is closed.

Reporting on economic impacts

If the organization has determined economic impacts to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to providing employment, procurement, and training opportunities to local communities.	14.9.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed *Additional sector recommendations* • Report community investments by mine site.	14.9.2
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported *Additional sector recommendations* • Report whether a community needs assessment was conducted to determine the need for infrastructure and services, and how the assessment informed the infrastructure investments and services supported.	14.9.3
	Disclosure 203-2 Significant indirect economic impacts *Additional sector recommendations* • Report the number, total spend, and description of education and skills programs deployed for workers who are not employees.	14.9.4
GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers *Additional sector recommendations* • Report the percentage of the organization's procurement budget spent on local suppliers by mine site.	14.9.5
Additional sector disclosures		
Report the percentage of workers hired from the local community at the mine-site level, broken down by gender, and the organization's definition used for 'local community'.[16]		14.9.6

References and resources

GRI 201: Economic Performance 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on economic impacts by the mining sector are listed in the Bibliography.

16 Workers hired from the local community include those individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the mining operation. The geographical definition of 'local' can include the community surrounding operations, a region within a country, or a country. This additional sector disclosure is based on Disclosure 202-2 Proportion of senior management hired from the local community in *GRI 202: Market Presence 2016*.

Topic 14.10 Local communities

Local communities comprise individuals living or working in areas that are affected or that could be affected by an organization's activities. An organization is expected to conduct community engagement to understand the vulnerabilities and priorities of local communities and how they may be affected by the organization's activities. This topic covers socioeconomic, cultural, health, and human rights impacts on local communities.

Mining activities can create social and economic benefits for local communities through local procurement and employment, taxes and other payments to governments, infrastructure investments and services supported, and community development programs (see also topics 14.9 Economic impacts and 14.23 Payments to governments). However, mining activities can also trigger negative socioeconomic, cultural, health, and human rights impacts on communities near mine sites, including Indigenous Peoples, artisanal and small-scale miners, and other vulnerable groups, throughout the life of a mine and beyond closure (see also topics 14.11 Rights of Indigenous Peoples and 14.13 Artisanal and small-scale mining).

Negative impacts can result from land use requirements that limit the accessibility and availability of land and natural resources, leading to the loss of tradition, culture, or cultural identity (see also topic 14.12 Land and resource rights). Mining activities can damage tangible cultural heritage, including sites and artifacts, as well as intangible forms of culture, such as lifestyles and knowledge. Other negative impacts on community health, safety, and well-being can be caused by:

- exposure to pollution, hazardous substances, and dust (see also topic 14.3 Air emissions);
- contamination of groundwater and surface water (see also topic 14.7 Water and effluents);
- traffic to and from the mine site;
- increased levels of light, noise, and vibration resulting from, for example, blasting and transportation;
- degradation of ecosystem services;
- reduced fishing and agricultural yields; and
- critical incidents such as explosions, fires, mine collapses, spills, and tailings facility failures (see also topic 14.15 Critical incident management).

Women can be disproportionately affected by the negative environmental impacts of mining. For example, the work to collect water and food in many rural communities is most often carried out by women and girls. Women are also frequently excluded from formal community consultations [179].

The influx of workers, job seekers, or others aiming to benefit from the economic activity of a mine can generate social disruption and greater economic inequalities within the local community. This influx can place local services and resources under pressure, induce inflation, and raise housing costs. There can also be an increase in substance abuse, gambling, and prostitution, as well as communicable diseases, which may disrupt the social cohesion of a community. These changes can have disproportionate impacts on vulnerable groups in society, such as the elderly, children, and young people. Women, in particular, are more affected due to the potential rise in sexual violence and trafficking resulting from the gender imbalance of predominantly male workers. Documented cases also show the presence of domestic and gender-based violence on mine sites and in mining-adjacent communities [185].

Mining can also trigger social conflicts, resulting in human rights impacts. When the interests of the mining organization are at odds with the interests of the local community, disagreements or grievances can escalate (see also topic 14.14 Security practices). Conflict can occur, for example, due to negative environmental impacts, inadequate engagement with the local community, uneven distribution of economic benefits, or disputes over land use and natural resources during mining and post-closure.

Mining organizations can assess impacts on communities throughout the life of a mine by undertaking environmental and social impact assessments. This can help ensure that negative impacts are identified, prevented where possible, addressed, and remedied on time. Organizations are expected to provide benefits that contribute to long-term development for local communities to balance the negative impacts of mining. For example, community development agreements often define mining organizations' rights and responsibilities to deliver socio-economic benefits to local communities. These agreements may include obligations related to infrastructure development, land and water use, collaboration with artisanal and small-scale miners, and local procurement and employment [187]. In some cases, these agreements can be confidential.

Meaningful engagement with local communities involves two-way communication that is transparent, proactive, responsive, and ongoing. This approach can help alleviate tensions, improve community relations, and facilitate transparent decision-making processes, which are essential for obtaining and retaining a social license to operate. Meaningful engagement also entails consultation with local communities before making decisions, including by acknowledging the power imbalance of the mining organization with local communities and providing accessible, culturally appropriate, and gender-responsive information in the local language [173]. By including the voices of women, ethnic minorities, and other underrepresented groups in consultations, mining organizations can actively involve them community engagement processes. This ensures that the information gathered reflects local priorities and promotes the equitable distribution of benefits.

Organizations further address their negative impacts by establishing or participating in grievance mechanisms and other remediation processes tailored to community needs.

Reporting on local communities

If the organization has determined local communities to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to identifying stakeholders, including vulnerable groups, within local communities. • Describe the approach to engaging with local communities at each phase of the life of the mine, including: - how the organization seeks to ensure meaningful engagement; - how the organization supports safe and equitable gender participation. • Describe the approach to developing and implementing community development programs, including how engagement with local stakeholders, impact assessments, and community needs assessments have informed the programs.	14.10.1
Topic Standard disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs *Additional sector recommendations* • Report any formal community development agreements made by the organization by mine site.	14.10.2
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities *Additional sector recommendations* • For each mine site, describe impacts on the health and safety of local communities.	14.10.3
Additional sector disclosures		
For each mine site, report: • the number and types of grievances from local communities during the reporting period; • the percentage of grievances that were addressed and resolved during the reporting period; • the percentage of grievances resolved through remediation during the reporting period.		14.10.4

References and resources

GRI 413: Local Communities 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on local communities by the mining sector are listed in the Bibliography.

Topic 14.11 Rights of Indigenous Peoples

Indigenous Peoples are at higher risk of experiencing negative impacts more severely as a result of an organization's activities. Indigenous Peoples have both collective and individual rights, as set out in the United Nations Declaration on the Rights of Indigenous Peoples and other authoritative international human rights instruments. This topic covers impacts on the rights of Indigenous Peoples.

Mining activities can present social and economic opportunities and benefits for Indigenous Peoples through financial payments, employment, procurement, training, and community development programs (see also topic 14.9 Economic impacts). However, they can also disrupt Indigenous Peoples' ties to their lands or natural environments, compromise their rights and well-being, and cause displacement (see also topic 14.12 Land and resource rights). Mining can have impacts on the availability and accessibility of water, which is a key concern for many Indigenous Peoples. Mining activities can further damage cultural heritage consisting of tangible sites and artifacts, along with intangible forms of culture such as traditional lifestyles and cultural knowledge.

An influx of workers from other areas can result in discrimination toward Indigenous Peoples regarding access to jobs and opportunities. It can further undermine social cohesion, well-being, and safety. Indigenous women can be more exposed to risks of prostitution, forced labor, violence, and communicable diseases than Indigenous men (see also topic 14.10 Local communities).

Indigenous Peoples' collective and individual rights are recognized in authoritative intergovernmental instruments. Indigenous Peoples often have a special legal status in national legislation and can be customary or legal owners of lands to which organizations in the mining sector are granted use rights by governments. Organizations are expected to obtain free, prior, and informed consent (FPIC) before and throughout their operations on decisions that could have impacts on land or resources that Indigenous Peoples use or own. The United Nations Declaration on the Rights of Indigenous Peoples recognizes their right to grant or withhold consent at any stage of a project that may affect them or their territories and to negotiate improved conditions [197]. Therefore, mining organizations are responsible for respecting Indigenous Peoples' rights, independent of governments' abilities or willingness to fulfill their own human rights obligation.

Organizations in the sector continue to have disputes and conflicts with Indigenous Peoples over land ownership and rights. Documented cases show an absence of good faith consultations and undue pressure on Indigenous Peoples to accept projects, with opposition to such projects sometimes leading to violence or death [201]. Mining organizations can foster positive relations with Indigenous Peoples through consent-based consultation, mutually beneficial agreements, and transparent engagement practices. Direct benefits, including financial payments, are often registered through benefit-sharing agreements to formalize expectations on both sides. Mining organizations can utilize grievance mechanisms, tailored to community needs, to address concerns and provide remedy.

Reporting on rights of Indigenous Peoples

If the organization has determined rights of Indigenous Peoples to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

<table>
<tr><th>STANDARD</th><th>DISCLOSURE</th><th>SECTOR STANDARD REF #</th></tr>
<tr><td colspan="3">Management of the topic</td></tr>
<tr><td>GRI 3: Material Topics 2021</td><td>Disclosure 3-3 Management of material topics

Additional sector recommendations
• Describe the approach to identifying Indigenous Peoples who are or could be affected by the organization’s activities.
• Describe the approach to engaging with Indigenous Peoples, including:
- how the organization seeks to ensure meaningful engagement;
- how the organization supports safe and equitable gender participation.
• Describe the policies or commitments, and actions taken to respect Indigenous Peoples’ cultural heritage.
• Describe the community development programs in place that are intended to enhance positive impacts for Indigenous Peoples.</td><td>14.11.1</td></tr>
<tr><td colspan="3">Topic Standard disclosures</td></tr>
<tr><td>GRI 411: Rights of Indigenous Peoples 2016</td><td>Disclosure 411-1 Incidents of violations involving rights of Indigenous Peoples

Additional sector recommendations
• Describe the identified incidents of violations involving the rights of Indigenous Peoples.</td><td>14.11.2</td></tr>
<tr><td colspan="3">Additional sector disclosures</td></tr>
<tr><td colspan="2">List the locations of operations and proven reserves where Indigenous Peoples are present and are or may be affected by the activities of the organization.</td><td>14.11.3</td></tr>
<tr><td colspan="2">Report whether the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from Indigenous Peoples for any of the organization’s activities and, if so, report for each case:
• whether the process has been mutually accepted by the organization and the affected Indigenous Peoples;
• whether an agreement has been reached, and if so, if the agreement is publicly available.</td><td>14.11.4</td></tr>
</table>

References and resources

GRI 411: Rights of Indigenous Peoples 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on rights of Indigenous Peoples by the mining sector are listed in the Bibliography.

Topic 14.12 Land and resource rights

Land and resource rights encompass the rights to use, manage and control land, fisheries, forests, and other natural resources. An organization's impacts on the availability and accessibility of these can affect local communities and other users. This topic covers impacts from an organization's use of land and natural resources on human rights and tenure rights, including from resettlement of local communities.

Mining activities require large areas of land for prospecting, exploration, extraction, waste storage, processing, transportation, and distribution. When adjacent to local communities, these activities sometimes restrict access to culturally significant locations and natural resources, lead to involuntary resettlement, and disrupt traditional livelihoods such as agriculture and artisanal mining (see also topic 14.10 Local communities). The impacts on land and resource rights can lead to unemployment, marginalization, food insecurity, increased health risks, and impoverishment. Impacts derived from land use can vary according to the extraction and transportation method, the size and location of the mine, and the processing required. For example, displacement is more often associated with surface mining. In many cases, vulnerable groups are more severely affected, including women, who are often excluded as legal titleholders (see also topic 14.11 Rights of Indigenous Peoples).

Unclear rules regarding tenure rights that regulate access, use, and control of land can lead to disputes, social and economic tensions, and conflict. This can be exacerbated by insufficient consultation with and compensation to affected communities. For example, in areas where formal statutory tenure laws overlap or go against traditional customary rules, conflict can be stoked when there is a lack of clarity or unmet expectations between communities and mining organizations. These disputes can be about compensation, access, or documentation for customary titleholders who might depend on their land for food, culture, and livelihood.

Involuntary resettlement of local communities, including both physical displacement (e.g., relocation or shelter loss) and economic displacement (e.g., loss of access to assets), can result in the loss of social networks, cultural identities, and physical assets, such as schools, places of worship, and cemeteries. Organizations can remediate negative impacts from resettlement by compensating local communities at full replacement cost for land and other assets lost. This can be done by replacing land when possible, providing access to alternative natural resources, or offering monetary compensation for lost assets.

The impacts of resettlement on livelihoods can be more severe for communities engaged in artisanal and small-scale mining due to the often-informal nature of these activities. In the absence of recognized rights to land and minerals, these communities may not be compensated (see also topic 14.13 Artisanal and small-scale mining). In some cases, community members resisting resettlement may face threats and intimidation, as well as violent, repressive, or life-threatening removal from lands.

Addressing impacts related to land and resource rights and resettlement requires extensive and ongoing assessment of impacts. This can ensure that impacts are identified and prevented, for example, by avoiding involuntary resettlement where feasible. Measures such as fair compensation and improvements to living conditions can help mitigate impacts and provide a timely remedy. Ongoing, inclusive, and culturally appropriate engagement with local communities throughout the life of a mine and beyond closure, for example, through consultations and public hearing processes, is essential to ensure the viability and continuity of community livelihoods. This includes ensuring that women and other groups more vulnerable to impacts are sufficiently represented. Organizations can also seek free, prior, and informed consent when mining activities have impacts on land or resources that local communities use or own.

Reporting on land and resource rights

If the organization has determined land and resource rights to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to engaging with stakeholders whose rights to land and resources are or could be affected by the organization's activities, including: - how the organization seeks to ensure meaningful engagement; - how the organization supports safe and equitable gender participation. • Describe the policies, commitments, and plans providing remediation to local communities or individuals subject to involuntary resettlement, and the process for establishing compensation for loss of assets, or other assistance to improve or restore standards of living or livelihoods. • Describe the procedures in place to monitor and evaluate the effectiveness of the actions taken to remediate negative impacts from involuntary resettlement and the corrective actions taken where necessary.[17]	14.12.1
Additional sector disclosures		
List the mine sites where involuntary resettlement is planned, ongoing, or has taken place. For each mine site listed: • report the number of persons who have been or will be displaced, and a breakdown by gender; • describe how peoples' livelihoods and human rights are or could be affected and restored.		14.12.2
List the locations of operations where conflicts or violations of land and resource rights (including customary, collective, and informal tenure rights) occurred, and describe the incidents and the stakeholders whose rights are or could be affected.		14.12.3

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on land and resource rights by the mining sector are listed in the Bibliography.

17 For further guidance, see Requirements 10, 14, and 25 in the IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement [220].

Topic 14.13 Artisanal and small-scale mining

Artisanal and small-scale mining (ASM) refers to mining by individuals, families, or cooperatives with minimal or no mechanization and often operating informally. ASM occurs throughout the world, but is particularly widespread in developing countries where it is an important source of income and livelihood. This topic covers impacts of mining organizations on ASM operators, and impacts mining organizations may be involved with through their business relationships, interactions, or co-location with ASM.

An estimated 45 million people around the world are engaged in artisanal and small-scale mining (ASM). In some regions, the lack of alternative economic opportunities can make ASM an important source of livelihood and employment for local communities, including for women who comprise about 30% of ASM operators [228]. ASM activities can be formal or informal, and are often associated with simplified forms of mining, limited access to technology, and high labor intensity. ASM can include individual operators, families, and cooperatives involving up to hundreds or even thousands of miners. Mining organizations can interact with ASM at the beginning of mining projects when mineral deposits are exposed and ASM operators migrate to mine sites. ASM might also be present before mining organizations commence exploration and extraction.

In some countries, ASM is recognized as a legal and, therefore, formal activity. In contexts where ASM has no legal status, it is regarded as informal. ASM activities can nevertheless be considered legitimate when ASM operators show good faith efforts to operate within the applicable legal framework and engage in formalization opportunities where available. Whether formal or informal, ASM is not considered legitimate when it is characterized by human rights abuses, illicit financial flows, or when it contributes to conflict [232].

When ASM operates without legal status, interactions and co-location with mining organizations can lead to conflicts over land, access and control of mineral deposits, as well as the right to mine (see also topic 14.12 Land and resource rights). Mining organizations may have official mining rights granted by regulatory authorities. However, informal ASM activities may have the support of the local community in accordance with social and cultural traditions or informal customs developed over time (see also topic 14.10 Local communities). In such cases, an organization's use of security personnel to protect assets can lead to human rights violations (see also topic 14.14 Security practices) or exacerbate conflict (see also topic 14.25 Conflict-affected and high-risk areas).

The proximity of mining organizations to informal ASM activities can hinder the effectiveness of mitigation strategies for managing an organization's environmental impacts. For example, efforts to maintain air or water quality may be impeded due to the use of chemicals or heavy metals in ASM. Areas of high biodiversity value that the mining organization has an obligation to protect may also be damaged due to uncontrolled access by ASM operators.

Mining organizations can become involved with negative impacts from ASM when purchasing minerals extracted by ASM operators. These impacts include lower levels of occupational health and safety and the use of mercury, particularly in ASM gold extraction, which is a major concern for the health of workers, local communities, and the environment. ASM can also involve the use of child labor, as children are often engaged in ASM activities to supplement family income (see also topic 14.18 Child labor). Mining organizations can also be involved with occurrences of forced labor through their interaction with ASM.

Mining organizations can undertake community engagement and consultation with ASM operators to build constructive relationships. These would start at the exploration phase to regularly identify, prevent, and mitigate the impacts from interactions and co-location with ASM and those linked by their business relationships, such as security providers. Mining organizations can support the professionalization of informal yet legitimate ASM operators by allocating areas to mine and providing capacity building, resources, and technical assistance. Mining organizations can also invest in local procurement initiatives, foster collaboration through buy-back arrangements, and support formalization through multi-stakeholder collaboration with governments and other relevant parties at regional and national levels.

Reporting on artisanal and small-scale mining

If the organization has determined artisanal and small-scale mining to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to engaging with ASM operators, and the actions taken by the organization to support ASM formalization and professionalization efforts. • Describe the programs in place to enhance positive impacts or mitigate negative impacts involving ASM, including: - whether and how the programs incorporate gender considerations, - how engagement with local authorities and communities has informed the programs. • If sourcing from artisanal and small-scale mining, describe the policies in place and the process used to identify and assess actual and potential negative impacts.	14.13.1
Additional sector disclosures		
List the mine sites where ASM occurs on or in close proximity to the site.		14.13.2
Report the total number and nature of incidents involving ASM and actions taken to address them.[18]		14.13.3

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on artisanal and small-scale mining by the mining sector are listed in the Bibliography.

18 In the context of this disclosure, an ‘incident’ refers to a legal action or complaint registered with the reporting organization or competent authorities through a formal process, or an instance of non-compliance identified by the organization through established procedures (management system audits, formal monitoring programs, or grievance mechanisms).

Topic 14.14 Security practices

The use of security personnel can play an essential role in allowing an organization to operate safely and productively, but also has the potential to lead to human rights violations. This topic covers impacts as a result of the use or presence of security personnel.

Many organizations in the mining sector use security personnel to protect the organizations' assets or ensure workers' safety and security. Organizations can employ their own personnel but more commonly use third-party security providers, such as private security firms, or engage in arrangements with host governments to provide public security. Security personnel can operate on the organization's site or along the supply chain and may be present in mineral processing, transport, storage, or at the point of sale.

Documented cases show human rights violations by security personnel during encounters with local communities or activists, ranging from threats and intimidation to violence. Women are more vulnerable to harassment and sexual and gender-based violence by security personnel.

While security personnel are deployed across geographies, the risk of human rights violations and breaches of international humanitarian law is heightened in areas affected by conflict, where security providers may be connected to military or paramilitary groups (see also topic 14.25 Conflict and high-risk areas). Risks can also be heightened where mining occurs adjacent to Indigenous Peoples and other vulnerable groups (see also topic 14.11 Rights of Indigenous Peoples). Artisanal and small-scale mining (ASM) operators can face higher risks of human rights violations, particularly when concerns exist around ASM activities on mining organizations' concessions (see also topic 14.13 Artisanal and small-scale mining).

Actions taken by security personnel against local community members and human rights defenders can violate the rights to freedom of assembly and speech, and can lead to injuries and loss of life. Incidents of human rights violations associated with the mining sector can be linked to, for example, protest activities by land and environmental defenders against mining or when communities protect their land and resources from mining activities (see also topic 14.12 Land and resource rights) [245]. Human rights defenders are accorded particular rights and protections as outlined in the United Nations Declaration on Human Rights Defenders and other international agreements, but frequently suffer abuses and harassment. Women human rights defenders are often more severely affected.

Organizations in the sector are responsible for ensuring that security practices are consistent with respect to human rights and international humanitarian law [247]. This involves assessing security-related impacts, identifying situations where impacts on human rights are likely to occur, and working with security personnel to ensure that human rights are respected. Impacts can also be mitigated more broadly by a better understanding of the local context, such as the presence of vulnerable groups and the gender composition of the local community.

Reporting on security practices

If the organization has determined security practices to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe how the organization seeks to prevent or mitigate potential negative impacts from the use of public and private security providers. • Report whether the organization is implementing the Voluntary Principles on Security and Human Rights.	14.14.1
Topic Standard disclosures		
GRI 410: Security Practices 2016	Disclosure 410-1 Security personnel trained in human rights policies or procedures	14.14.2

References and resources

GRI 410: Security Practices 2016 lists additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on security practices by the mining sector are listed in the Bibliography.

Topic 14.15 Critical incident management

Critical incident management deals with the prevention and control of incidents that can lead to fatalities, injuries or ill health, environmental impacts, and damage to local communities and infrastructure. This topic covers impacts from such incidents and an organization's approach to managing them.

Critical incidents in the mining sector not only cause damage to the organization's assets but can have catastrophic impacts on workers, local communities, and the environment, for example, through air, soil, and water contamination, ecosystem and habitat degradation, and animal mortality. These impacts can potentially disrupt other economic activities that depend on natural resources, such as agriculture and fishing, affecting livelihoods and compromising food safety and security.

Critical incidents in the mining sector can be related to, for example, the release of hazardous chemicals and gases, rock dump and tailings facility failures (see also topic 14.6 Tailings), stope collapses, ground subsidence, landslides, fires, floods, and vehicle collisions. The transportation, use, and storage of explosives used for blasting can result in injury or the loss of life among workers and local communities. Incidents can be attributed to, for example, improperly used or malfunctioning equipment, human error, mechanical errors, equipment failure (see also topic 14.16 Occupational health and safety), and poor management of waste and hazardous materials (see also topic 14.5 Waste) that can result in fatalities, injuries, or ill health. Incidents can also be attributed to mining-induced seismicity, climatic conditions, and weather events. The likelihood of extreme weather events, such as floods, droughts, fires, and heatwaves, is increasing due to climate change (see also topic 14.2 Climate adaptation and resilience). Critical incidents in the supply chain can involve, for example, contractors performing on-site mining activities or transportation companies involved in highway accidents while dispatching products.

Mining organizations implement critical control management to anticipate incidents and define the controls that must be in place to mitigate or remediate the risk of the incident occurring. Negative impacts from critical incidents can be more effectively prevented and mitigated when an emergency preparedness and response plan is in place. The timely implementation of these measures is essential when critical incidents occur. Mining organizations can enhance readiness for an emergency by establishing effective communication channels and engaging with local communities and other relevant stakeholders about potential health and safety risks associated with mining activities. They can also involve these groups in the remediation process to ensure a comprehensive and collaborative response (see also topic 14.10 Local communities).

Reporting on critical incident management

If the organization has determined critical incident management to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the organization's approach to emergency preparedness and response plans, including frequency of testing the plans, and how engagement with local communities, workers, public sector agencies, first responders, and local authorities and institutions has informed the plans.	14.15.1
Topic Standard disclosures		
GRI 306: Effluents and Waste 2016	Disclosure 306-3 Significant spills[19]	14.15.2
Additional sector disclosures		
Report the number of critical incidents in the reporting period, describe their impacts, and actions taken to remediate them.		14.15.3
Report the percentage of mine sites that have emergency preparedness and response plans in place, and list the sites that do not.		14.15.4

References and resources

GRI 306: Effluents and Waste 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on critical incident management by the mining sector are listed in the Bibliography.

19 The effluents-related content of *GRI 306: Effluents and Waste 2016* has been superseded by *GRI 303: Water and Effluents 2018*, and the waste-related content has been superseded by *GRI 306: Waste 2020*. The spills-related content in *GRI 306: Effluents and Waste 2016* remains in effect.

Topic 14.16 Occupational health and safety

Healthy and safe work conditions are recognized as a human right. Occupational health and safety involves the prevention of physical and mental harm to workers and promotion of workers' health. This topic covers impacts related to workers' health and safety.

The health and safety of workers engaged in mining activities is an ongoing concern for organizations in the sector. Hazards include working with heavy machinery, poor mine structures, and exposure to or handling explosive, flammable, poisonous, or harmful substances. Hazards can be associated with working in confined spaces or isolated locations, long working hours and repetitive tasks. Extraction methods can also determine the severity of hazards, with workers in underground mines often facing higher risks. Additionally, workers in developing countries, especially in remote mine sites, are at a higher risk of workplace injuries and ill health.

Hazards associated with the mining sector can result in high-consequence work-related injuries. Injuries can result from explosives use, the release of gas or dust in confined areas (see also topic 14.3 Air emissions), electrical faults or fires, the collapse of mine structures or facility failures (see also topics 14.15 Critical incident management and 14.6 Tailings), the malfunctioning or misuse of mining equipment, or the lack of adequate personal protective equipment. Transportation accidents frequently occur in the mining sector, particularly among suppliers.

Health hazards can be biological, chemical, ergonomic, or physical. The use of chemicals and exposure to hazardous substances, such as cyanide or mercury, in mineral extraction and processing can lead to long-term health impacts for workers. Exposure to extreme temperatures, harmful radiation, and machinery noise or vibration can result in illness among workers. Health hazards also include poor hygiene, reduced food or water quality in mine sites, and workers' accommodation that can result in diseases. Vulnerable groups, including pregnant women, can be particularly susceptible to health hazards in the sector.

Psychosocial hazards related to common employment practices in the sector include fly-in fly-out work arrangements, long travel times, rotational work, long shifts, night work, irregular working hours, solitary work, living in the workplace, and inadequate rest (see also topic 14.17 Employment practices). These practices can also cause fatigue, increasing the risk of injury. In addition, workplaces characterized by gender imbalance can contribute to increased stress, discrimination, or sexual harassment (see also topic 14.21 Non-discrimination and equal opportunity). Women are often disproportionately affected by remote working environments, inflexible hours, and the prevalence of gender-based violence and harassment fostered by a male-dominated workforce [266].

In the mining sector, the incidence of high-consequence work-related injury tends to be higher for workers who are not employees, such as contractors. This can be attributed to imbalances in occupational health and safety management systems coverage and the application of safety standards, which may not cover contract workers in the same way employees are covered. Contractors might also be less familiar with workplace safety mechanisms and practices or be less committed to them.

Reporting on occupational health and safety

If the organization has determined occupational health and safety to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.16.1
Topic Standard disclosures		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	14.16.2
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation *Additional sector recommendations* • Report how the organization ensures the provision of gender-appropriate personal protective equipment for workers. • Describe the processes used to identify work-related incidents due to sexual and gender-based violence, and to determine corrective actions.	14.16.3
	Disclosure 403-3 Occupational health services	14.16.4
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety *Additional sector recommendations* • Report how the organization seeks to ensure women's participation in formal joint management-worker health and safety committees, and the percentage of women represented in these committees.	14.16.5
	Disclosure 403-5 Worker training on occupational health and safety	14.16.6
	Disclosure 403-6 Promotion of worker health	14.16.7
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	14.16.8
	Disclosure 403-8 Workers covered by an occupational health and safety management system	14.16.9
	Disclosure 403-9 Work-related injuries	14.16.10
	Disclosure 403-10 Work-related ill health	14.16.11

References and resources

GRI 403: Occupational Health and Safety 2018 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on occupational health and safety by the mining sector are listed in the Bibliography.

Topic 14.17 Employment practices

Employment practices refer to an organization's approach to job creation, terms of employment, and working conditions for its workers. This topic also covers the employment and working conditions in an organization's supply chain.

While mining can offer well-paid work opportunities, negative impacts on workers can derive from challenging working conditions and ineffective labor-management consultations. Job insecurity due to closures, fluctuating commodity price cycles, and technological advances provide additional challenges for workers.

Employment practices can vary in relation to remuneration, hours of work, health and safety coverage, training opportunities, social protection, job security, and access to grievance mechanisms. Full-time employees generally have access to benefits that might not be available to part-time employees. Employment terms can vary between local and migrant workers, whereby remuneration for these workers may be unequal, and benefits, such as bonuses, housing allowances, and private insurance plans, may only be offered to high-skilled migrant workers.

Various activities in the mining sector may be outsourced to suppliers. This practice is common during all phases in the life of the mine, such as construction or maintenance, or for specific activities, such as catering, drilling, security, and transportation. Outsourcing activities could allow organizations in the mining sector to reduce their labor costs or bypass collective agreements that are in place for employees, potentially increasing disparities between employees and workers who are not employees (see also topic 14.20 Freedom of association and collective bargaining).

Many jobs in the mining sector have complex shift patterns, often involving long hours and night work to ensure the continuity of operations around the clock. This can cause high levels of fatigue and increase risks related to health and safety. The remote locations of many mine sites might necessitate the use of fly-in fly-out or other transportation arrangements. Workers who are transported to mine sites for several weeks at a time and often required to work irregular shifts can experience negative impacts on their psychosocial health (see also topic 14.16 Occupational health and safety). These working conditions can also act as a barrier to the employment of primary caregivers, most often women [276] (see also topic 14.21 Non-discrimination and equal opportunity).

Transformations in the sector, such as automation, the deployment of new technologies, and the low-carbon transition, are also changing the employment conditions and opportunities in the sector. Mining organizations can support workers, for example, by providing resources for training, education, and the development of long-term skills and capacities.

Reporting on employment practices

If the organization has determined employment practices to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.17.1
Topic Standard disclosures		
GRI 202: Market Presence 2016	Disclosure 202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	14.17.2
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	14.17.3
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	14.17.4
	Disclosure 401-3 Parental leave	14.17.5
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes	14.17.6
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	14.17.7
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	14.17.8
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	14.17.9
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	14.17.10

References and resources

GRI 401: Employment 2016, *GRI 402: Labor/Management Relations 2016*, *GRI 404: Training and Education 2016*, and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on employment practices by the mining sector are listed in the Bibliography.

Topic 14.18 Child labor

Child labor is defined as work that deprives children of their childhood, their potential, and their dignity, and that is harmful to their development, including by interfering with their education. It is a violation of human rights and can lead to lifelong negative impacts. Abolition of child labor is a fundamental principle and right at work.

Children face multiple hazards when working in mining, such as falling rocks, explosions, fires, and the collapse of mine walls. Mining frequently takes place in remote regions with limited access to law enforcement, schools, social services, and family or community support, also making it morally hazardous and psychologically perilous for children engaged in such labor. The International Labour Organization (ILO) considers mining and quarrying as hazardous work and one of the worst forms of child labor, the elimination of which is a priority.

Mining organizations are more likely to become involved with child labor through their suppliers than through their own activities, for example, during the construction of mine sites where work is carried out by suppliers. The specific impacts associated with child labor often depend on gender. For example, girls and young women can be forced into prostitution or provide support services such as washing minerals and cooking. Mining organizations can also become involved with child labor when they purchase minerals extracted by artisanal and small-scale mining (ASM) operators that use child labor (see also topic 14.13 Artisanal and small-scale mining). An estimated one million children between the ages of five and 17 are engaged in ASM and quarrying activities worldwide [285] [286].

Mining organizations can be more exposed to risks of child labor when operating in conflict-affected and high-risk areas (see also topic 14.25). Increased poverty in rural areas due to low employment opportunities and low wages can also drive the incidence of child labor in ancillary or support activities.

To fulfill their responsibility to respect human rights, mining organizations are expected to carry out due diligence to identify activities and suppliers that are at significant risk for incidents of child labor and use their leverage to contribute to the effective abolition of child labor. Several governments have issued legislation requiring public reporting on addressing modern slavery as part of a global effort. Such legislation applies to organizations in the mining sector.

Box 6. Holistic approach to combat child labor

Although the use of child labor has declined globally, increased artisanal and small-scale mining (ASM) activity over the past decades may have resulted in higher levels of children working in mining.

Local economic circumstances and the need for additional family income are key drivers for child labor in mines. Studies have found that disengagement from ASM by mining organizations to avoid the negative impacts of child labor can paradoxically exacerbate the issue and drive ASM to operate in more informal environments with more hazardous working conditions. To holistically address the issue, mining organizations can collaborate with ASMs and local communities to identify child labor activities and the children involved, and cooperate with authorities to promote and sustain economic development [288].

Reporting on child labor

If the organization has determined child labor to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.18.1
Topic Standard disclosures		
GRI 408: Child labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	14.18.2
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	14.18.3

References and resources

GRI 408: Child labor 2016 and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on child labor by the mining sector are listed in the Bibliography.

Topic 14.19 Forced labor and modern slavery

Forced labor is defined as all work or service which is exacted from any person under the menace of penalty and for which a person has not offered themselves voluntarily. Freedom from forced labor is a human right and a fundamental right at work. This topic covers an organization's approach to identifying and addressing forced labor and modern slavery.

It is estimated that 4% of all forced labor happens in mining and quarrying [299]. Forced labor and modern slavery occur in situations of involuntary recruitment through trafficking, difficulty leaving the employer without penalty, violent threats, sexual exploitation, debt bondage, deceptive recruitment, withholding of wages, or the retention of identification documents.

Cases of forced labor and modern slavery are especially prevalent in artisanal and small-scale mining (see also topic 14.13) and in conflict-affected and high-risk areas (see also topic 14.25). Migrant workers in the mining sector are also more likely to work under conditions of coercion. They may be unaware of their legal status, lack valid work permits, and have their passports or identification documents confiscated.

Mining organizations can be involved with incidents of forced labor and modern slavery through their business relationships, such as with suppliers who may operate in countries with low enforcement of human rights. In order to fulfill their responsibility to respect human rights, mining organizations are expected to carry out due diligence to identify mine sites and business relationships that are at significant risk for incidents of forced labor and modern slavery. Organizations can also use leverage in their supply chains to combat forced labor and modern slavery.

As part of a global effort, several governments have introduced legislation requiring public reporting on addressing modern slavery, including forced labor practices. In these jurisdictions, such legislation applies to organizations in the mining sector.

Reporting on forced labor and modern slavery

If the organization has determined forced labor and modern slavery to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.19.1
Topic Standard disclosures		
GRI 409: Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	14.19.2
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	14.19.3

References and resources

GRI 409: Forced or Compulsory Labor 2016 and *GRI 414: Supplier Social Assessment 2016* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on forced labor and modern slavery by the mining sector are listed in the Bibliography.

Topic 14.20 Freedom of association and collective bargaining

Freedom of association and collective bargaining are human rights and fundamental rights at work. They include the rights of employers and workers to form, join, and run their own organizations without prior authorization or interference, and to collectively negotiate working conditions and terms of employment. This topic covers an organization's approach and impacts related to freedom of association and collective bargaining.

Freedom of association and collective bargaining can help improve working conditions in the mining sector, including occupational health and safety, wages, and job security. They address the right of workers to assemble, organize, belong to trade unions or political parties, elect representatives, and strike without interference from their employers.

Many workers in the mining sector have traditionally been represented by trade unions, with jobs covered by collective bargaining agreements. However, some mining activities take place in countries where workers' rights are restricted or not efficiently enforced. Restrictions on effective worker representation might exist even in jurisdictions where unions are legal. Workers who join unions might face intimidation or unfair treatment, harassment, payment cuts, or even employment termination.

Documented cases of interference with freedom of association and collective bargaining in the sector include the detention of managers and other employees, invasion of privacy, non-adherence to collective agreements, and the prevention of trade union access to workplaces to assist workers. Other documented cases include the refusal to bargain in good faith with workers' chosen trade unions. Union members and leaders have been threatened, harassed, kidnapped, beaten, and, in severe cases, even murdered. Unfair dismissal and unilateral cancellation of collective bargaining agreements are other forms of interference with freedom of association and collective bargaining.

There can be disparity in implementing workers' rights due to differing terms and conditions of employment in the sector. Contract workers, for example, are often excluded from the scope of collective bargaining agreements and might receive less favorable employment conditions and lower base salaries or benefits compared to employees. Lack of access to freedom of association and collective bargaining can result in adverse working conditions, such as low wages and long working hours, which exacerbate impacts on those already facing work-related vulnerabilities and isolation (see also topic 14.21 Non-discrimination and equal opportunity).

Trade unions have reported restrictions on temporary workers or workers employed by suppliers accessing the same rights as other employees. In some cases, organizations have hired workers on short-term contracts or outsourced jobs to prevent workers from joining unions. Similarly, migrant workers are also less likely to be covered by collective bargaining agreements or able to join unions.

According to the International Labour Organization (ILO), all workers should enjoy the right to freedom of association and collective bargaining, and organizations should ensure that these rights are not unreasonably affected. Mining organizations can ensure that workers of all employment conditions have access to grievance mechanisms, often facilitated or partly designed by unions, to help resolve stakeholder concerns before they develop into conflicts.

Reporting on freedom of association and collective bargaining

If the organization has determined freedom of association and collective bargaining to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.20.1
Topic Standard disclosures		
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	14.20.2
Additional sector disclosures		
Report the number of strikes and lockouts involving 1,000 or more workers lasting one full shift or longer, and their total duration in worker days idle.[20]		14.20.3

References and resources

GRI 407: Freedom of Association and Collective Bargaining 2016 lists authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on freedom of association and collective bargaining by the mining sector are listed in the Bibliography.

20 Worker days idle is calculated as the product of days idle and number of workers involved.

Topic 14.21 Non-discrimination and equal opportunity

Freedom from discrimination is a human right and a fundamental right at work. Discrimination can impose unequal burdens on individuals or deny fair opportunities on the basis of individual merit. This topic covers impacts from discrimination and practices related to diversity, inclusion, and equal opportunity.

The nature of work in the mining sector, including the conditions, locations, necessary skills, and types of work, can inhibit diversity and equal opportunity for workers. While the barriers to entry in mining can be detrimental to an inclusive workplace, discrimination within mining organizations can also impede job access and career development, leading to disparities in treatment, basic salary, and benefits.

Discrimination can manifest within mining organizations and in their supply chains. Discrimination can occur based on age, gender, race, religion, nationality, sexual orientation, or worker status. Individuals from vulnerable groups often face a higher risk of discrimination. They include Indigenous Peoples, ethnic or other minorities, migrant workers, and workers with HIV/AIDs or other chronic health issues.

The mining sector is characterized by a significant gender imbalance among workers, including senior management. Examples of unequal treatment for women workers include impeded access to jobs, less pay than male counterparts, and discrimination in hiring. Other challenges include the physical demands of mining operations, the effects of fly-in fly-out work arrangements, long hours, and limited parental leave and childcare opportunities. Women at mine sites can also face a lack of gender-appropriate facilities and protective equipment.

In addition, male-dominated work cultures and gendered organizational norms have contributed to the likelihood of sexual harassment in the workplace, documented in fly-in fly-out worker camps. The remoteness of mine sites can also contribute to gender-based discrimination due to having less access to protective services, legal representation, and law enforcement personnel. Mining organizations can promote gender equity and inclusion in the workplace by, for example, recognizing women’s rights at work, providing gender-appropriate facilities and equipment, and ensuring equal opportunities.

Local workers and Indigenous Peoples can experience racial and ethnic discrimination at all organizational levels. Jobseekers from local communities are sometimes excluded from the hiring process or might receive lower pay than expatriate employees recruited for skill-specific roles. Migrant workers, especially when low-skilled or working at the mine site on a temporary basis, can face additional forms of discrimination in employment and treatment (see also topic 14.17 Employment practices). Contract workers can also be more vulnerable to discrimination if organization-wide discrimination policies do not protect their working arrangements.

Alongside accessible and effective grievance mechanisms, understanding how specific groups may be subject to discrimination across different locations of mining activities can help the sector effectively address discriminatory practices. Establishing and supporting transparent workplace policies on inclusion and diversity, such as training workers about cultural sensitivity and non-discrimination, can help foster a respectful workplace and prevent discrimination.

Reporting on non-discrimination and equal opportunity

If the organization has determined non-discrimination and equal opportunity to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.21.1
Topic Standard disclosures		
GRI 202: Market Presence 2016	Disclosure 202-2 Proportion of senior management hired from the local community *Additional sector recommendations* • Report a breakdown of the percentage of senior management hired from the local community by gender.	14.21.2
GRI 401: Employment 2016	Disclosure 401-3 Parental leave	14.21.3
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	14.21.4
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees *Additional sector recommendations* • Report whether the organization has a gender equality or gender equity plan or policy in place and, if so, provide a summary of the plan, and progress made in implementing the plan.	14.21.5
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men *Additional sector recommendations* • Report the ratio of basic salary and remuneration of women to men by mine site. • Report the ratio of basic salary and remuneration by other relevant indicators of diversity by mine site.[21]	14.21.6
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	14.21.7

References and resources

GRI 202: Market Presence 2016, GRI 401: Employment 2016, GRI 404: Training and Education 2016, GRI 405: Diversity and Equal Opportunity 2016, and GRI 406: Non-discrimination 2016 list authoritative intergovernmental instruments relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on non-discrimination and equal opportunity by the mining sector are listed in the Bibliography.

21 Organizations should report the ratio of the basic salary and remuneration for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas (as appropriate based on the organization's local operating context and legal framework).

Topic 14.22 Anti-corruption

Anti-corruption refers to how an organization manages the potential of being involved with corruption. Corruption is practices such as bribery, facilitation payments, fraud, extortion, collusion, money laundering, or the offer or receipt of an inducement to do something dishonest or illegal. This topic covers impacts related to corruption and an organization's approach related to contract and ownership transparency.

Corruption in the mining sector can occur throughout the value chain, irrespective of the country of operation or the country's economic development, location, and political context. Corruption can have several negative impacts, such as the misallocation of resource revenues and harm to the environment and people when mining projects are awarded to unqualified or unethical organizations. Other impacts include the abuse of democracy and human rights, and the potential for political instability.

Corruption can also divert resource revenues to private beneficiaries at the expense of public investments in infrastructure or services. This can be particularly critical in countries with high poverty levels where existing inequalities might be intensified. The risk of corruption is prevalent in conflict-afflicted and high-risk areas since increased pressure on resource availability and instability might be exploited (see also topic 14.25 Conflict-affected and high-risk areas).

Characteristics of the mining sector that increase the likelihood of corruption include frequent interaction between mining organizations and politically exposed persons[22], such as government officials, for licenses and regulatory approvals. Other relevant characteristics include complex financial transactions and the international reach of the sector (see also topic 14.23 Payments to governments).

State-owned enterprises (SOEs) in the mining sector are more exposed to corruption, particularly in the process of awarding permits, procuring goods and services, commodity trading, and non-commercial activities such as social expenditures [325]. SOEs might have less effective internal controls and fewer transparency expectations than public companies and often receive preferential treatment due to their special legal status in a country. Private mining organizations partnering with SOEs are thus more prone to corruption due to their business relationship. In addition to driving profit, SOEs sometimes pursue broader objectives such as community development. However, without adequate oversight, measures for community development might be abused for corrupt purposes.

Corruption has been identified in the mining sector during the process of awarding exploration and production contracts and licenses. This corruption can have the aim of obtaining confidential information, exerting influence on decision-making, or circumventing environmental and local content regulations. Corruption can also occur in the consultation process when seeking consent and when compensating local communities, either directly or through local governments, which might lack transparent financial procedures (see also topic 14.12 Land and resource rights and 14.11 Rights of Indigenous Peoples). Corruption in these processes may result in licenses being awarded to less qualified organizations, jeopardizing public investments, or negatively impacting the environment and local communities.

Corrupt practices can also be aimed at blocking or shaping policies and regulations or influencing their enforcement. This is particularly common to land and resource rights regulations, taxes and other government levies, or environmental protections (see also topic 14.24 Public policy). A lack of transparency in procurement practices can have significant economic impacts on host countries and local economic development (see also topic 14.9 Economic impacts). Examples of this can include paying bribes to have regulations or quality requirements waived, receiving kickbacks for securing contracts at inflated prices, profiting from inflated prices charged by an entity established as a front organization, and favoring companies connected to local regulators.

A lack of transparency on contracts and licensing over mineral resource extraction may obstruct public scrutiny of investments and transactions linked to a project's negative impacts and benefits, including negotiated terms and obligations of organizations. Fair terms for sharing risks and rewarding benefits are particularly relevant because of the long-term time horizons and widespread impacts of mining projects. Contract transparency helps local communities hold governments and organizations accountable for their negotiated terms and obligations. Opaque ownership structures, in turn, can make it difficult to determine who benefits from these financial transactions. Transparency of beneficial ownership has been identified as a vehicle to deter conflicts of interest, corruption, tax avoidance, and evasion.

Stakeholders, the marketplace, and international norms expect organizations in the mining sector to demonstrate their adherence to national laws, integrity, governance, and responsible business practices to combat corruption and prevent the negative impacts that stem from it.

22 Politically exposed person is defined by the Financial Action Taskforce (FATF) as 'an individual who is or has been entrusted with a prominent public function' [323].

Reporting on anti-corruption

If the organization has determined anti-corruption to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe how potential impacts of corruption or risks of corruption are managed in the organization's procurement practices and throughout the supply chain.	14.22.1
Topic Standard disclosures		
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	14.22.2
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	14.22.3
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	14.22.4
Additional sector disclosures		
Describe the approach to contract transparency, including: • whether contracts and licenses are made publicly available and, if so, where they are published; • if contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future.[23]		14.22.5
Report the following information about the organization's beneficial owners, including joint ventures: • name, nationality, and country of residence; • whether they are politically exposed persons; • level of ownership; • how ownership or control is exerted.[24]		14.22.6

References and resources

GRI 205: Anti-corruption 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on anti-corruption by the mining sector are listed in the Bibliography.

23 This additional sector disclosure is based on Requirement 2.4. Contracts in the *EITI Standard 2023*. Definitions for contracts and licenses can be found in the *EITI Standard 2023* [333].

24 This additional sector disclosure is based on Requirement 2.5. Beneficial ownership in the *EITI Standard 2023*. The definition for beneficial ownership can be found in the *EITI Standard 2023*. Publicly listed organizations or wholly-owned subsidiaries or a publicly listed organization are exempt from reporting information about the beneficial owners of their joint ventures [333].

Topic 14.23 Payments to governments

Lack of transparency about payments to governments can contribute to inefficient management of public funds, illicit financial flows, and corruption. This topic covers impacts from an organization's practices related to payments to governments and the organization’s approach to transparency of such payments.

The mining sector can have significant impacts on national incomes, fiscal revenues, and foreign exchange revenues by means of various payments to governments (see also topic 14.9 Economic impacts). These payments include commodity trading revenues, exploration and production licensing fees, taxes and royalties, and signature, discovery, and production bonuses.

Organizations that engage in aggressive tax practices or tax non-compliance can diminish national tax revenues to the detriment of the public good. Avoidance of taxes and other payments to governments can be facilitated by tax minimization practices such as transfer pricing or illicit financial flows, which include the cross-border movement of money that is illegally earned, transferred, or used [341].

Mining organizations can receive financial assistance from governments in the form of tax relief, subsidies, grants, or financial incentives. This can potentially hinder government revenue collection and reduce the financial benefits of mining which create economic development. These risks are more prevalent in developing countries as well as conflict-affected and high-risk areas, where the need for public revenue is often higher.

Reporting on payments to governments can highlight the economic importance of the mining sector to countries, enable public debate, and inform government decision-making. It can also provide insights into the terms of contracts, increase accountability, and strengthen revenue collection and management. On the other hand, a lack of transparency by mining organizations can impede the detection of potentially misallocated revenues and corruption (see also topic 14.22 Anti-corruption).

When disclosing information on payments to governments, organizations in the mining sector often report aggregate payments at an organizational level. However, this can provide limited insight into payments made in each country or related projects. Reporting country-by-country and by project (or mine site) allows for comparisons of the payments made to those stipulated in fiscal, legal, and contractual terms. It also allows for an assessment of the financial contribution of mining activities to host countries and communities. Full disclosure enables governments to address tax avoidance and evasion, correct information asymmetry, and level the playing field for governments when negotiating contracts.

Reporting on payments to governments

If the organization has determined payments to governments to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	14.23.1
Topic Standard disclosures		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	14.23.2
	Disclosure 201-4 Financial assistance received from government *Additional sector recommendations* For state-owned organizations (SOEs): • Report the financial relationship between the government and the SOE.[25]	14.23.3
GRI 207: Tax 2019	Disclosure 207-1 Approach to tax	14.23.4
	Disclosure 207-2 Tax governance, control, and risk management	14.23.5
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	14.23.6
	Disclosure 207-4 Country-by-country reporting *Additional sector recommendations* • Report a breakdown of the organization's corporate income tax paid and accrued in profit/loss, and other payments to governments, levied at the project-level, by project, and by material revenue stream.[26] • Report any thresholds[27] that have been applied and any other contextual information necessary to understand how the project-level payments to governments reported have been compiled.	14.23.7
Additional sector disclosures		
For minerals purchased from the state or from third parties appointed by the state to sell on their behalf, report: • volumes and types of minerals purchased; • full names of the selling entity and the recipient of the payment; • payments made for the purchase.[28]		14.23.8

25 This additional sector recommendation is based on Requirement 2.6 State participation in the *EITI Standard 2023* [344].

26 This additional sector recommendation is based on Requirement 4.1 Comprehensive disclosure of taxes and revenues and Requirement 4.7. Level of disaggregation in the *EITI Standard 2023.* EITI considers payments and revenues material if their omission or misstatement could significantly affect the comprehensiveness of the disclosures. A definition for project can be found in the *EITI Standard* 2023 [344].

27 The *EITI Standard 2023* specifies that in countries implementing the EITI, the multi-stakeholder group for the country agrees which payments and revenues are material, including appropriate materiality definitions and thresholds [344]. The organization can use the relevant threshold set by the EITI multi-stakeholder group. If there is no relevant threshold set, the organization can use a threshold equivalent to that established for the European Union, which specifies that 'Payments, whether a single payment or a series of related payments, below EUR 100,000 within the reporting period can be excluded' [335].

28 This additional sector disclosure is based on Requirement 4.2 Sale of the state's share of production or other revenues collected in kind in the *EITI Standard 2023* [344] and *EITI Reporting Guidelines for companies buying oil, gas and minerals from governments,* 2020 [345].

References and resources

GRI 201: Economic Performance 2016 and *GRI 207: Tax 2019* list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on payments to governments by the mining sector are listed in the Bibliography.

Topic 14.24 Public policy

An organization can participate in public policy development, directly or through an intermediary organization, by means of lobbying or making financial or in-kind contributions to political parties, politicians, or causes. While an organization can encourage the development of public policy that benefits society, participation can also be associated with corruption, bribery, undue influence, or an imbalanced representation of the organization's interests. This topic covers an organization's approach to public policy advocacy and the impacts that can result from the influence an organization exerts.

Organizations in the mining sector can influence public policy development through lobbying and advocacy at local, regional, and national levels. These measures can allow access to government representatives and increase organizations' influence over public policy decisions affecting the mining sector. Advocacy and lobbying can be carried out directly by the organization or through industry groups and other associations supported by the mining organization.

The sector can use its influence to advance responsible sector practices by safeguarding existing jobs, assisting in community development, and fostering foreign investment in a country. However, public policy and lobbying activities can also be used to secure mining license approvals, influence legislation on environmental and social assessments, and lower taxes and other government levies (see also topic 14.23 Payments to governments). These activities can ultimately shape environmental policies and obstruct sustainable development. For example, mining organizations are under increasing scrutiny for links to industry groups that advocate for policies inconsistent with the organizations' own publicly stated positions and the goals of the Paris Agreement [349].

Mining organizations can also influence public policy at local levels to have mining developments approved, for example, by colluding with local leaders while excluding the wider community from decision-making processes (see also topic 14.10 Local communities).

In some cases, direct contributions to political parties or through intermediaries can be used to gain favor for private sector interests. These contributions can be linked to corruption, especially in areas where regulations on political donations and lobbying are weak (see also topic 14.22 Anti-corruption). Mining organizations can also employ former government representatives to acquire sensitive or insider knowledge about future policies to gain a commercial advantage.

Increased transparency about lobbying activities and political contributions made by mining organizations and affiliated industry groups can facilitate scrutiny by accountability organizations, the general public, and the media. This transparency enables stakeholders to assess whether mining organizations, directly or through their affiliations with industry groups, have improperly influenced legislative decisions, policy-making, and regulatory approvals.

Reporting on public policy

If the organization has determined public policy to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Report whether the organization is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying, including: - the nature of this contribution; - any differences between the organization's stated policies, goals, or other public positions on significant issues and the positions of the representative associations or committees.[29]	14.24.1
Topic Standard disclosures		
GRI 415: Public Policy 2016	Disclosure 415-1 Political contributions	14.24.2

References and resources

GRI 415: Public Policy 2016 lists authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on public policy by the mining sector are listed in the Bibliography.

29 These additional sector recommendations are based on reporting recommendations 1.2.1 and 1.2.2 in *GRI 415: Public Policy 2016*. Please see Disclosure 2-28 in *GRI 2: General Disclosures 2021* for further guidance on membership associations.

Topic 14.25 Conflict-affected and high-risk areas

When operating in or sourcing from conflict-affected and high-risk areas, organizations are more likely to be involved in human rights and legal violations and be implicated in corruption and financial flows contributing to conflict. This topic covers an organization's approach and impacts related to operating in or sourcing from conflict-affected and high-risk areas.

Many mining organizations operate in or have business relationships with entities that have activities in conflict-affected and high-risk areas.[30] In these areas, there is a heightened risk of serious human rights abuses and violations of law, including international humanitarian law.[31] Operating in and sourcing from conflict-affected and high-risk areas requires heightened due diligence of mining organizations on an ongoing basis. This allows for a better contextual understanding of the conflict and the interactions the organization may have with business relationships to identify, prevent, or mitigate potential negative impacts, including contributing to conflict [362].

While armed conflict and widespread violence can occur independent of mining activities, the presence of these activities can also exacerbate conflict. The circumstances of extraction, trade, or handling of minerals by their nature have higher risks of significant negative impacts, such as financing conflict or fueling and facilitating conditions of conflict. Specific abuses related to these activities include torture; cruel, inhuman and degrading treatment; forced or compulsory labor; worst forms of child labor; widespread sexual violence; and war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide [358]. Weak governance structures and the presence of armed groups can also inhibit the implementation of standards and regulations needed to mitigate the environmental impacts of mining.

In conflict-affected and high-risk areas, armed groups or their affiliates often illegally control mine sites, transportation routes, or points where minerals are traded. Armed groups may illegally tax or extort money and minerals, use forced labor, or commit other human rights abuses. Profits from these activities are often used to finance armed conflict. Mining organizations are expected to conduct due diligence to avoid involvement with armed groups or their affiliates through, for example, procuring minerals from, making payments to, or providing logistical assistance or equipment to these groups [358].

Although the security practices commonly used by mining organizations safeguard mine workers and assets in conflict-affected and high-risk areas, security personnel may sometimes be associated with human rights abuses. ASM operators, Indigenous Peoples, and human rights defenders, particularly women, are often severely affected by violence and harassment by security providers in these areas (see also topic 14.14 Security practices)

Organizations are also more likely to be implicated in corrupt practices, such as bribery and money laundering, in conflict-affected and high-risk areas. Where financial flows such as taxes, fees, and royalties paid to governments are not disclosed and remain opaque, these payments can end up financing conflict (see also topics 14.22 Anti-corruption and 14.23 Payments to governments).

30 According to Organisation for Economic Co-operation and Development (OECD), conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence [358].

31 International humanitarian law (IHL) is a set of rules that aim to limit the effects of armed conflict and protect individuals who are not or are no longer participating in the hostilities. IHL binds and provides a framework of standards for state and non-state actors, including organizations whose activities are linked to armed conflict, that is distinct from that established under human rights law.

Reporting on conflict-affected and high-risk areas

If the organization has determined conflict-affected and high-risk areas to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the mining sector.

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics *Additional sector recommendations* • Describe the approach to ensuring adherence to international humanitarian law when operating in conflict-affected and high-risk areas.	14.25.1
Additional sector disclosures		
List the locations of operations in conflict-affected or high-risk areas and how these were identified.[32]		14.25.2
Describe the due diligence process applied for operations in, or when sourcing from, conflict-affected and high-risk areas and whether it aligns with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.		14.25.3
For operations in conflict-affected or high-risk areas, report the potential negative impacts on workers and local communities, including actions to prevent or mitigate the impacts.		14.25.4

References and resources

The authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on conflict-affected and high-risk areas by the mining sector are listed in the Bibliography.

32 For further guidance, including definitions for terms used in the additional sector disclosure, see Organisation for Economic Co-operation and Development (OECD), *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, 2016 [358].

Glossary

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

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

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

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

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

benefit
direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

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

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

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

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

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

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

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

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

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

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

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

circularity measures
measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

close call
work-related incident where no injury or ill health occurs, but which has the potential to cause these

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: A 'close call' might also be referred to as a 'near-miss' or 'near-hit'.

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

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

community development program
plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

conflict of interest
situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities

corruption
'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

Source: Transparency International, *Business Principles for Countering Bribery*, 2011

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

direct (Scope 1) GHG emissions
greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

Examples: CO_2 emissions from fuel consumption

Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

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

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

disposal
any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC)

Note: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

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

energy indirect (Scope 2) GHG emissions
greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization

exposure
quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

financial assistance
direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred

Note: The provider of financial assistance does not expect a direct financial return from the assistance offered.

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

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

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

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

formal joint management–worker health and safety committee
committee composed of management and worker representatives, whose function is integrated into an organizational structure, and which operates according to agreed written policies, procedures, and rules, and helps facilitate worker participation and consultation on matters of occupational health and safety

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

freshwater
water with concentration of total dissolved solids equal to or below 1,000 mg/L

Source: Environmental management — Water footprint — Principles, requirements and guidelines. Geneva: ISO, 2014; modified
United States Geological Survey (USGS), Water Science Glossary of Terms, *water.usgs.gov/edu/dictionary.html*, accessed on 1 June 2018; modified
World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017; modified

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

hazardous waste
waste that possesses any of the characteristics contained in Annex III of the Basel Convention,

or that is considered to be hazardous by national legislation

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

high-consequence work-related injury
work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indicator of diversity
indicator of diversity for which the organization gathers data

Examples: age, ancestry and ethnic origin, citizenship, creed, disability, gender

indigenous peoples
Indigenous Peoples are generally identified as:

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

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

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

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

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

local supplier

organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no transnational payments are made to a local supplier)

Note: The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

occupational health and safety management system
set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001

other indirect (Scope 3) GHG emissions
indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

parental leave
leave granted to men and women employees on the grounds of the birth of a child

preparation for reuse
checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC); modified

recovery
operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

Examples: preparation for reuse, recycling

Note: In the context of waste reporting, recovery operations do not include energy recovery.

recycling
reprocessing of products or components of products that have become waste, to make new materials

Sources: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

reduction of greenhouse gas (GHG) emissions
decrease in greenhouse gas (GHG) emissions or increase in removal or storage of GHG from the atmosphere, relative to baseline emissions

Note: Primary effects will result in GHG reductions, as will some secondary effects. An initiative's total GHG reductions are quantified as the sum of its associated primary effect(s) and any significant secondary effects (which may involve decreases or countervailing increases in GHG emissions).

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

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

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

remuneration
basic salary plus additional amounts paid to a worker

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

renewable energy source
energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

Examples: biomass, geothermal, hydro, solar, wind

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

runoff
part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), *UNESCO International Glossary of Hydrology*, 2012; modified

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

security personnel
individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

services supported
services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organization's own employees

Note: Public benefit can also include public services.

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

significant air emission
air emission regulated under international conventions and/or national laws or regulations

Note: Significant air emissions include those listed on environmental permits for the organization's operations.

significant operational change
alteration to the organization's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organization's activities

Examples: closures, expansions, mergers, new openings, outsourcing of operations, restructuring, sale of all or part of the organization, takeovers

spill
accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future

generations to meet their own needs

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

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

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste
anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

water consumption
sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water discharge

sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stress
ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal
sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

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

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

worker consultation
seeking of workers' views before making a decision

Note 1: Worker consultation might be carried out through workers' representatives.

Note 2: Consultation is a formal process, whereby management takes the views of workers into account when making a decision. Therefore, consultation needs to take place before the decision is made. It is essential to provide timely information to workers or their representatives in order for them to provide meaningful and effective input before decisions are made. Genuine consultation involves dialogue.

Note 3: Worker participation and worker consultation are two distinct terms with specific meanings. See definition of 'worker participation'.

worker participation
workers' involvement in decision-making

Note 1: Worker participation might be carried out through workers' representatives.

Note 2: Worker participation and worker consultation are two distinct terms with specific meanings. See definition of 'worker consultation'.

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

- a trade union representative, namely, a representative designated or elected by trade unions or by members of such unions; or
- an elected representative, namely, a representative who is freely elected by the workers of the undertaking in accordance with provisions of national laws, regulations, or collective

agreements, whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned.

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

work-related hazard
source or situation with the potential to cause injury or ill health

Source: International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems,* 2001; modified
International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified
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Note: Hazards can be:
- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

work-related incident
occurrence arising out of or in the course of work that could or does result in injury or ill health

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified
Definitions that are based on or come from the ISO 14046:2014 and ISO 45001:2018 standards are reproduced with the permission of the International Organization for Standardization, ISO. Copyright remains with ISO.

Note 1: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 2: An incident that results in injury or ill health is often referred to as an 'accident'. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near-miss', or 'near-hit'.

work-related injury or ill health
negative impacts on health arising from exposure to hazards at work

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001; modified

Note 1: 'Ill health' indicates damage to health and includes diseases, illnesses, and disorders. The terms 'disease', 'illness', and 'disorder' are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 2: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 3: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities 'in the interest of the employer'. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining 'work-relatedness', see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/ oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 4: The terms 'occupational' and 'work-related' are often used interchangeably.

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GRI 101: Biodiversity 2024

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2026.

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 101: Biodiversity 2024 contains disclosures for organizations to report information about their biodiversity-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains three disclosures, which provide information about how the organization manages its biodiversity-related impacts.
- Section 2 contains five disclosures, which provide information about the organization's biodiversity-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard, as well as resources that the organization can consult.
- The Appendix includes criteria for identifying ecologically sensitive areas, methods to measure or estimate ecosystem condition, and examples of templates for presenting information for Disclosures 101-5, 101-6, 101-7, and 101-8.

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

Background on the topic

This Standard addresses the topic of biodiversity.

Biodiversity encompasses the variability of organisms living in terrestrial, marine, and aquatic ecosystems, as well as the ecological complexes they form. It comprises the genetic diversity within species, the variety of species in an area, and the distinct features of entire ecosystems. Biodiversity is an essential characteristic of nature, which comprises all living and non-living elements on Earth.

The activities of an organization can exacerbate the direct drivers of biodiversity loss, such as land and sea use change, exploitation of natural resources, climate change, pollution, and the introduction of invasive alien species. Direct drivers have impacts on species and ecosystems while affecting people who rely on ecosystem services for their livelihood.

An organization can have impacts on biodiversity through its activities, the activities of its business relationships, or a combination of both. These impacts can also extend beyond the geographic locations of the organization's activities.

The Kunming-Montreal Global Biodiversity Framework of the Convention on Biological Diversity sets goals and targets to halt and reverse the continued loss of biodiversity. The UN adopted the Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development. These goals include key targets for halting biodiversity loss and promoting the sustainable use of natural resources under SDG 14: Life below water and SDG 15: Life on land.

See references [2] and [3] in the Bibliography.

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

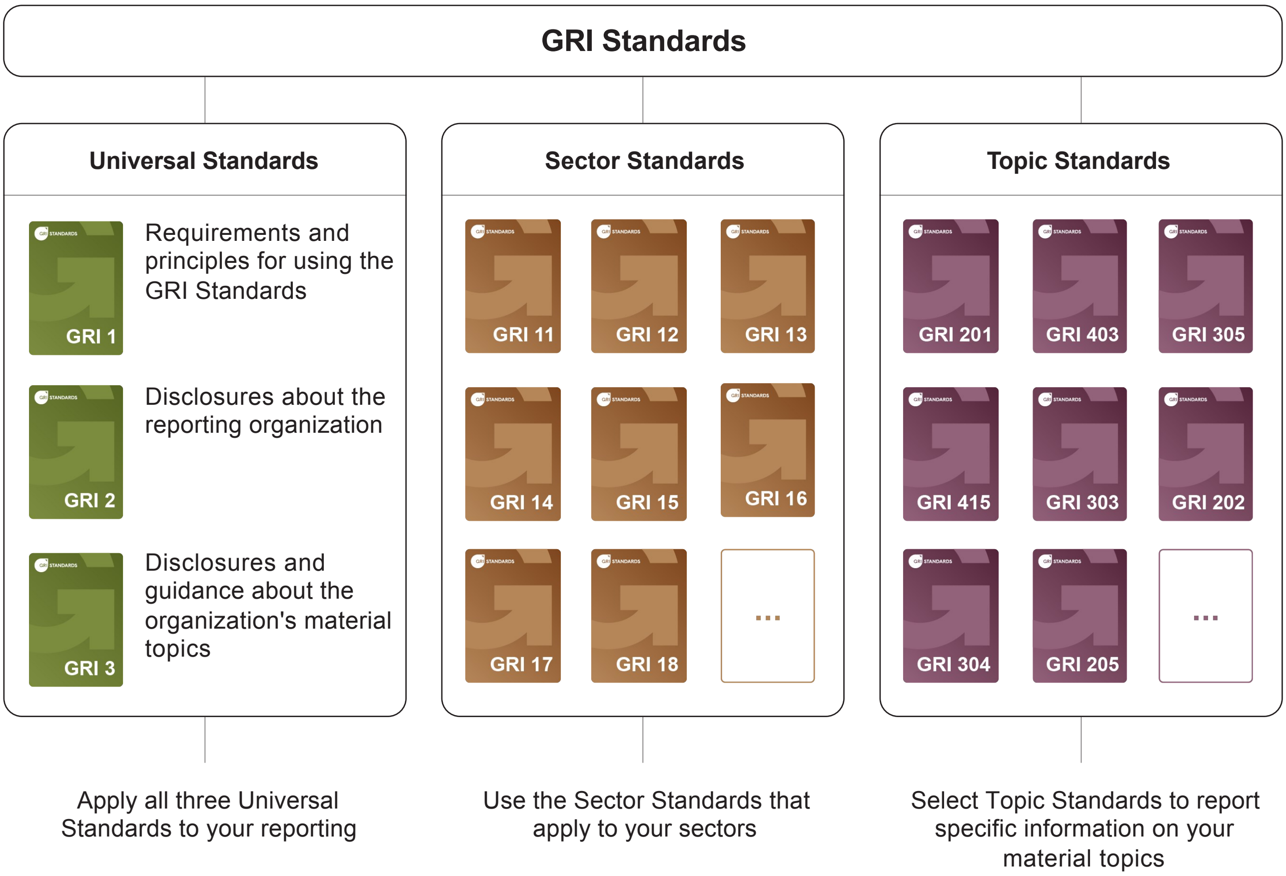
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

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

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

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its biodiversity-related impacts. In addition to this Standard, disclosures that relate to this topic can be found in:

- *GRI 303: Water and Effluents 2018*
- *GRI 305: Emissions 2016*
- *GRI 306: Effluents and Waste 2016* (Disclosure 306-3 Significant spills)
- *GRI 411: Rights of Indigenous Peoples 2016*
- *GRI 413: Local Communities 2016*

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined biodiversity to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021*.
- Any disclosures from this Topic Standard that are relevant to the organization's biodiversity-related impacts (Disclosure 101-1 through Disclosure 101-8).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

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

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined biodiversity to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021*. The organization is also required to report any disclosures from this section (Disclosure 101-1 through Disclosure 101-3) that are relevant to its biodiversity-related impacts.

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

Disclosure 101-1 Policies to halt and reverse biodiversity loss

REQUIREMENTS

The organization shall:

a. describe its policies or commitments to halt and reverse biodiversity loss, and how these are informed by the 2050 Goals and 2030 Targets in the Kunming-Montreal Global Biodiversity Framework;

b. report the extent to which these policies or commitments apply to the organization's activities and to its business relationships;

c. report the goals and targets to halt and reverse biodiversity loss, whether they are informed by scientific consensus, the base year, and the indicators used to evaluate progress.

GUIDANCE

The Convention on Biological Diversity adopted the Kunming-Montreal Global Biodiversity Framework (hereafter the Global Biodiversity Framework). The Global Biodiversity Framework lays out its 2050 vision of a world 'living in harmony with nature' where 'biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people'.

The Global Biodiversity Framework recognizes the need to reduce or reverse the drivers of biodiversity loss. The framework proposes the 2050 Goals, together with the related 2030 Targets. The goals with the related targets are designed to stimulate efforts in three key areas:

- reducing the threats to biodiversity;
- meeting people's needs through sustainable use and benefit-sharing; and
- providing tools and solutions for implementing and integrating practices that conserve and sustainably use biodiversity.

See reference [3] in the Bibliography.

Guidance to 101-1-a

The organization can provide a high-level description of its policies or commitments to halt and reverse biodiversity loss. For example, the organization can describe that it has implemented a policy in line with Target 5 of the Global Biodiversity Framework to source from suppliers that take appropriate measures to prevent exporting species that are alien and invasive to the buying country.

If the policies or commitments to halt and reverse biodiversity loss are not informed by the 2050 Goals and 2030 Targets in the Global Biodiversity Framework, a brief statement of this fact is sufficient to comply with the requirement. The organization can explain if it intends to do so and, if so, by which timeframe.

If the organization has described its policies or commitments to halt and reverse biodiversity loss under Disclosure 2-23 in *GRI 2: General Disclosures 2021* or under 3-3-c in GRI 3: Material Topics 2021, it can provide a reference to this information under 101-1-a and does not need to repeat the information.

Guidance to 101-1-b

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

If the policies or 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) or to some of its business relationships (e.g., they apply only to suppliers), then the organization should report to which activities and business relationships the policies or commitments apply. It can also explain why the policies or commitments are limited to these activities and business relationships.

The organization should also explain whether its business relationships are obligated to abide by the policies or commitments, or are encouraged (but not obligated) to do so. When its business relationships are encouraged to abide by the policies or commitments, the organization can describe how it encourages adoption and what incentives or support it provides.

Guidance to 101-1-c

To halt and reverse biodiversity loss, the organization may have goals and targets to achieve net positive impact, no net loss and net gain of biodiversity, or to contribute to nature positive goals. In such a case, the organization should explain how it has defined these concepts and list the sources used to inform its definition.

When reporting on goals and targets, the organization should report how the goals and targets are set. For example, it can use the *Science Based Targets Network (SBTN) target-setting tools and guidance* [37] or the *SBTN and the Taskforce on Nature-related Financial Disclosures (TNFD) Guidance for corporates on science-based targets for nature* [40].

The organization should report how scientific consensus informed its goals and targets. For example, it can use national biodiversity strategies and action plans developed in the context of the Convention on Biological Diversity, or independent assessments of the ecological status of an area.

The organization should also report the baseline for the goals and targets and the timeline for achieving the goals and targets.

When reporting progress toward the goals and targets and assessing if the progress is satisfactory, the organization can, for example, report that it sourced 60% of deforestation-free products in 2023. It can further report that it is on track to achieve its target of sourcing 100% deforestation-free products by 31 December 2030.

See references [37] and [40] in the Bibliography.

Disclosure 101-2 Management of biodiversity impacts

REQUIREMENTS

The organization shall:

a. report how it applies the mitigation hierarchy by describing:

- **i. actions taken to avoid negative impacts on biodiversity;**
- **ii. actions taken to minimize negative impacts on biodiversity that were not avoided;**
- **iii. actions taken to restore and rehabilitate affected ecosystems, including the goals of the restoration and rehabilitation, and how stakeholders are engaged throughout the restoration and rehabilitation actions;**
- **iv. actions taken to offset residual negative impacts on biodiversity;**
- **v. transformative actions taken and additional conservation actions taken;**

b. with reference to 101-2-a-iii, report for each site with the most significant impacts on biodiversity:

- **i. the size in hectares of the area under restoration or rehabilitation;**
- **ii. the size in hectares of the area restored or rehabilitated;**

c. with reference to 101-2-a-iv, report for each offset:

- **i. the goals;**
- **ii. the geographic location;**
- **iii. whether and how principles of good offset practices are met;**
- **iv. whether and how the offset is certified or verified by a third party;**

d. list which of its sites with the most significant impacts on biodiversity have a biodiversity management plan and explain why the other sites do not have a management plan;

e. describe how it enhances synergies and reduces trade-offs between actions taken to manage its biodiversity and climate change impacts;

f. describe how it ensures that the actions taken to manage its impacts on biodiversity avoid and minimize negative impacts and maximize positive impacts for stakeholders.

GUIDANCE

This disclosure provides information on the actions taken by the organization to manage its most significant impacts on biodiversity, including impacts in its supply chain. This disclosure covers the most significant impacts at the sites and for the products and services in the supply chain identified under Disclosure 101-4. The organization can manage its negative impacts by managing the contribution to the direct drivers of biodiversity loss reported under Disclosure 101-6 (e.g., avoid pollution or minimize greenhouse gas emissions). The organization should also report actions taken to manage impacts downstream in its value chain.

Organizations are expected to apply the mitigation hierarchy to manage their negative impacts on biodiversity and ecosystem services. The mitigation hierarchy consists of steps, including avoidance, minimization, restoration and rehabilitation, and offset. An organization should prioritize actions to avoid negative impacts and minimize those impacts when avoidance is not possible. Restoration and rehabilitation measures should be implemented when negative impacts cannot be avoided or minimized. After applying all other measures, offsetting measures can also be applied to residual negative impacts to achieve no net loss or net gain. Building on the mitigation hierarchy, the *Science Based Targets Network (SBTN) Initial Guidance for Business* [38] includes an additional step to cover transformative actions, which aim to change the socio-economic systems in which organizations are embedded. Additional conservation actions can be taken to create a positive impact on biodiversity beyond the management of the organization’s negative impacts.

For more information on the mitigation hierarchy, see the *Cross Sector Biodiversity Initiative (CSBI) A cross-sector guide for implementing the Mitigation Hierarchy* [15] and the *International Finance Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources* [25].

This disclosure covers actions taken at the site level and at the organizational level (e.g., a ban on sourcing a certain product across the entire organization).

The organization should describe the traceability mechanisms it uses to identify the origin of products and entities in its supply chain. The organization should also describe actions taken to improve traceability. The organization should explain whether it sources products certified by a third party and specify the certification schemes or standards used. Third-party certification can provide information on whether the products sourced adhere to sustainable management practices. The organization should explain how these certification schemes or standards help manage impacts on biodiversity, as they use different criteria related to biodiversity conservation. The organization can also report the percentage of certified products sourced.

The organization should describe how it works with its suppliers to manage their negative impacts on biodiversity, for example, by providing them with financial or technical support to change their practices.

The organization should describe how it works with other organizations and stakeholders to manage cumulative impacts. For example, an organization can describe how it works with other organizations and the local community to reduce their combined water withdrawal to mitigate the negative impact on biodiversity. The organization's activities may facilitate other organizations and stakeholders to cause impacts on biodiversity. In such a case, the organization should describe how it works with other organizations and stakeholders to manage these impacts. For example, consider an organization that has constructed an access road to a new site. This access road also becomes a pathway to previously inaccessible areas for individuals engaged in hunting. In this example, the organization can describe how it works with the government to limit the use of this road.

Where applicable, the organization should also describe actions taken to ensure the conservation and sustainable use of marine resources in areas beyond national jurisdictions.

See references [9], [15], [25] and [38] in the Bibliography.

Guidance to 101-2-a-i
Avoidance actions aim to anticipate and prevent negative impacts on biodiversity before actions or decisions leading to such impacts are taken. Impacts can be avoided by finding alternative locations for the activities (e.g., relocating the site), changing the timing of the activities (e.g., timing activities when they do not interfere with a species' breeding or migration), or by deciding not to undertake activities when they generate irremediable biodiversity losses (e.g., deciding against expanding the site). Organizations are expected to prioritize avoidance as the primary step in the mitigation hierarchy.

The organization should explain if it avoids activities in or near ecologically sensitive areas, such as protected areas and Key Biodiversity Areas. See Disclosure 101-5 and Table 1 in the Appendix for more information on ecologically sensitive areas.

See references [7] and [15] in the Bibliography.

Guidance to 101-2-a-ii
Actions taken to minimize negative impacts on biodiversity aim to reduce the duration, intensity, and extent of impacts that cannot be completely avoided. The organization should explain why the impacts could not be avoided.

Examples of minimization measures include preventing the spread of invasive alien species, designing ecological corridors to minimize ecosystem fragmentation, or locating sites to areas that are less sensitive to an organization's activities.

See references [11], [15] and [25] in the Bibliography.

Guidance to 101-2-a-iii
This requirement covers the actions taken to restore or rehabilitate ecosystems that are affected by the organization's activities. Actions taken outside of the area affected by the organization's activities are reported as offsets under 101-2-a-iv or as additional conservation actions under 101-2-a-v. Restoration is the process of assisting the recovery of an ecosystem that has been degraded, damaged, or destroyed. Rehabilitation is the process of stabilizing the terrain,

ensuring public safety, enhancing aesthetics, and restoring the land to a purpose deemed useful within the regional context. Actions taken to restore and rehabilitate affected ecosystems aim to return the environment to its original state or to a state where it has a healthy and functioning ecosystem.

The organization should specify if the restoration and rehabilitation actions are implemented while the organization's activities are ongoing or after the activities have ended (e.g., restoration actions taken after the closure of a site). The organization should also report the stage of its restoration and rehabilitation actions. Examples of stages of restoration and rehabilitation are as follows:

- planning and design;
- implementation;
- monitoring, documentation, evaluation, and reporting;
- ongoing activities and maintenance.

The UN Decade on Ecosystem Restoration has identified principles that detail best practices for restoring degraded land, freshwater, and marine ecosystems.

The organization should provide information on the species and ecosystems targeted through the restoration and rehabilitation actions. The organization should also explain how these actions support species recovery.

When reporting on the goals of the restoration and rehabilitation, the organization can report to what extent the actions are proportional, viable, and measurable. ‘Proportional’ means that the area targeted for restoration or rehabilitation is equivalent in size to the area that has been affected. ‘Viable’ means that no known constraints can hinder the successful implementation of the restoration or rehabilitation in the short, medium, and long term, and the set goals are attainable based on the current ecological assessment results. An example of short, medium and long term restoration and rehabilitation is that the land ownership is not limited in time. ’Measurable’ means that objectives have been defined and are regularly monitored.

Stakeholder engagement can include co-design, co-management, co-governance, and regular and inclusive reporting and communication of activities.

Organizations are expected to obtain free, prior, and informed consent (FPIC) before and throughout restoration and rehabilitation activities that could have impacts on land or resources that Indigenous Peoples use or own. Organizations are also expected to seek FPIC when restoration and rehabilitation activities have impacts on land or resources that local communities use or own.

See references [8], [9] and [19] in the Bibliography.

Guidance to 101-2-a-iv
Offsets are management interventions in areas not affected by the organization’s activities. These can include the restoration or rehabilitation of degraded ecosystems or actions taken to halt and reverse biodiversity loss.

The organization should report the types of offsets used. Examples of biodiversity offsets include averted loss, restoration, and one-off offsets.

The organization should report the phases that the offset projects are in, for example, design, implementation, or completion. It should also report the delivery deadlines and the conservation goals.

The organization should also report the co-benefits and trade-offs associated with the offsets, and how those trade-offs are managed. Examples of co-benefits include the capture and storage of carbon and social or cultural benefits. An example of a trade-off would be replacing non-native trees with native trees, while the local community preferred the non-native species for the purpose of firewood.

See reference [55] in the Bibliography.

Guidance to 101-2-a-v
Transformative actions contribute to systemic change inside and outside the organization's value chain to generate positive impacts on biodiversity. They address the drivers of biodiversity loss through technological, economic, institutional, and social factors, emphasizing the importance of underlying values and behavioral changes. Transformative actions can happen before, during, and after other avoidance, minimization, restoration and rehabilitation, and offset actions. Transformative actions include actions taken with third parties (e.g., experts, governments, local communities), and actions that enable other organizations to generate positive impacts on biodiversity.

The organization can describe how it ensures that its business model is compatible with the transition to halt and reverse biodiversity loss or the steps taken to transition to a circular economy. The organization can also describe actions that advance the sustainable use of biodiversity, for example, promoting farming practices that support biodiversity.

Additional conservation actions aim to have a positive impact on biodiversity and should not be used to manage the organization's negative impacts. They include actions taken to conserve or restore biodiversity in collaboration with third parties, such as scientific experts, non-governmental organizations, or local communities. For example, joint research projects, technical and scientific cooperation, capacity-building, training, or knowledge sharing.

See reference [38] in the Bibliography.

Guidance to 101-2-b
Requirement 101-2-b provides information about the size of the area under restoration or rehabilitation and the size of the area restored or rehabilitated for each site with the most significant impacts on biodiversity. The sites with the most significant impacts are those reported under 101-5-a. This information can be compared to the size of the ecosystem affected by the organization's activities reported under 101-7-a-ii. It can also be compared to the size of the site reported under 101-5-a. These comparisons provide insight into how much of the affected area is under restoration and rehabilitation and how much has been restored and rehabilitated.

See references [15] and [25] in the Bibliography.

Guidance to 101-2-c-i
An offset aims to deliver or contribute to no net loss or net gain goals for a site, a species, or other biodiversity features. The organization can report the delivered outcomes in the case an offset has been finalized.

The organization should report how the goal to achieve no net loss or net gain is demonstrated and verified. The organization should provide information on the species and ecosystems targeted through the actions to offset its residual negative impacts.

The organization can also report the residual negative impacts of its activities. It can apply a no net loss and loss-gain calculation as described in the *Business and Biodiversity Offsets Programme (BBOP) Resource Paper: No Net Loss and Loss-Gain Calculations in Biodiversity Offsets* [10].

See references [10], [15] and [55] in the Bibliography.

Guidance to 101-2-c-iii
The organization should explain whether it identifies, designs, and manages offsets according to applicable national legislation or principles of good offset practices, such as the *BBOP Standard on Biodiversity Offsets* [11] or the *International Union for Conservation of Nature (IUCN) Policy on Biodiversity Offsets* [26]. The *Organisation for Economic Cooperation and Development (OECD) Biodiversity Offsets: Effective Design and Implementation* [33] also provides lessons learned and insights on good practices, such as additionality, ecological equivalence, and permanence.

'Additionality' is a property of a biodiversity offset, where the conservation outcomes are demonstrably new and additional and would not have resulted without the offset (e.g., weed control measures required by legislation cannot contribute to an offset). As no two areas are ecologically identical, 'ecological equivalence' means that the biodiversity gains from the offset must be equivalent to the residual impacts. 'Permanence' means that the offsets must provide biodiversity gains that correspond to the duration of the biodiversity loss from the residual impacts.

See references [11], [26] and [33] in the Bibliography.

Guidance to 101-2-d
Requirement 101-2-d provides information about which sites with the most significant impacts on biodiversity have a biodiversity management plan. The sites with the most significant impacts are those reported under 101-5-a.

A biodiversity management plan describes how the actions to manage biodiversity impacts are implemented within a particular site. It includes a monitoring plan, a time schedule, milestones, and targets. The plans to manage biodiversity impacts may be integrated into broader site environmental management plans.

Guidance to 101-2-e
Synergies include actions taken to protect biodiversity that contribute to climate change mitigation or adaptation. Actions can also improve the capacity of species or ecosystems to adapt to unavoidable climate change impacts. For example, planting mangroves can protect biodiversity by increasing the wildlife population and contribute to climate change mitigation and adaptation by capturing and storing carbon and controlling floods.

In contrast, trade-offs include climate change mitigation or adaptation actions that result in biodiversity loss. For example, foresting an area with non-native species may contribute to climate change mitigation and adaptation by absorbing greenhouse gases and controlling erosion. However, it may also result in the loss of biodiversity and ecosystem services that flow from the affected ecosystems.

If the organization does not enhance synergies or reduce trade-offs between actions taken to manage its biodiversity and climate change impacts, a brief statement of this fact is sufficient to comply with the requirement.

Guidance to 101-2-f
Actions taken to manage impacts on biodiversity may lead to negative impacts on stakeholders. For example, when an organization's offset measures form a new protected area restricting the local community from using the area and accessing natural resources.

The organization should report which stakeholders are affected or potentially affected and explain how it identifies, addresses, and monitors the negative and positive impacts on stakeholders. The organization should explain how it engages with stakeholders to identify and avoid negative impacts that are considered unacceptable and cannot be mitigated or compensated for. It should also describe the actions taken to achieve equitable social outcomes. For example, a privately owned protected area invests part of its revenue from tourism in local energy and healthcare projects, but it restricts local communities from utilizing the land for agricultural purposes. The organization should also explain how it engages with stakeholders and describe any conflict resolution or grievance mechanisms it has implemented. For more information on good practice principles to generate positive social outcomes while mitigating biodiversity impacts, see reference [8] in the Bibliography.

Disclosure 101-3 Access and benefit-sharing

REQUIREMENTS

The organization shall:

a. describe the process to ensure compliance with access and benefit-sharing regulations and measures;

b. describe voluntary actions taken to advance access and benefit-sharing that are additional to legal obligations or when there are no regulations and measures.

GUIDANCE

This disclosure provides information on how the organization complies with access and benefit-sharing (ABS) regulations and measures regarding access to genetic resources and associated traditional knowledge held by Indigenous Peoples and local communities. These regulations and measures also establish the rules on fair and equitable benefit-sharing arising from the utilization of genetic resources and the associated traditional knowledge. It also provides information on the voluntary actions taken by the organization to advance access and fair and equitable benefit-sharing.

This disclosure is relevant for organizations that use genetic resources to conduct research and development on the genetic or biochemical composition of resources, including through the application of biotechnology. It also applies to organizations that use traditional knowledge associated with genetic resources. These organizations are active in cosmetics, pharmaceuticals, and agriculture, among other sectors.

The fair and equitable sharing of benefits arising from the utilization of genetic resources is one of the objectives of the Convention on Biological Diversity. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (hereafter the Nagoya Protocol) further advances this objective.

The organization can consult the ABS Clearing-House [13] for more information on ABS. The platform intends to provide information on national regulations and measures for accessing genetic resources and associated traditional knowledge. In addition, national focal points might be established to provide information on ABS on the national level.

When countries lack ABS regulations and measures, an organization can still take action to share the benefits arising from its use of genetic resources and associated traditional knowledge fairly and equitably. These actions are referred to as voluntary actions.

The Nagoya Protocol does not cover ABS of genetic resources and associated traditional knowledge found in areas of the sea that are beyond national jurisdiction. Under the UN Convention on the Law of the Sea, an agreement has been adopted to conserve and sustain marine biological diversity in areas beyond national jurisdiction. This agreement covers access and benefit-sharing of marine genetic resources, including the digital genetic sequence information of resources located in areas beyond national jurisdiction. If an organization has activities on the sea beyond national jurisdiction, it can report if it implements processes and actions to ensure access and fair and equitable benefit-sharing of marine genetic resources.

See references [1], [2], [4] and [13] in the Bibliography.

Guidance to 101-3-a
Where ABS regulations and measures apply, the organization should describe:
- how it allocates responsibility to ensure compliance with ABS regulations and measures across different levels within the organization;
- how it identifies which provider countries have access and benefit-sharing regulations and measures;
- how it integrates ABS regulations and measures into organizational strategies, operational policies, and operational procedures;
- what training it provides on implementing the ABS regulations and measures.

When the organization has identified significant instances of non-compliance with laws and regulations related to ABS, these are reported under Disclosure 2-27 in GRI 2: General Disclosures 2021.

Guidance to 101-3-b
Examples of voluntary actions include joint research projects, training, or knowledge sharing related to using genetic resources or associated traditional knowledge in research and innovation. The ABS Clearing-House [13] includes examples of good practices, codes of conduct, guidelines, and standards. The *UN Nagoya Protocol* [4] lists examples of monetary and non-monetary benefits, which can inform the organization's voluntary actions.

The organization can report how engagement with stakeholders, particularly Indigenous Peoples and local communities, has informed its voluntary actions.

If the organization has not taken any voluntary actions to advance access and fair and equitable benefit-sharing, a brief statement of this fact is sufficient to comply with the requirement.

See references [4] and [13] in the Bibliography.

2. Topic disclosures

An organization reporting in accordance with the GRI Standards is required to report any disclosures from this section (Disclosure 101-4 through Disclosure 101-8) that are relevant to its biodiversity-related impacts.

Disclosure 101-4 Identification of biodiversity impacts

REQUIREMENTS

The organization shall:

a. explain how it has determined which of its sites and which products and services in its supply chain have the most significant actual and potential impacts on biodiversity.

GUIDANCE

This disclosure enables the organization to explain how it has determined which of its sites and which products and services in its supply chain have the most significant actual and potential impacts on biodiversity. It covers products and services from suppliers throughout the organization's supply chain, including from suppliers beyond the first tier. This provides an understanding of where in the supply chain, potentially many tiers removed from the organization, the most significant impacts on biodiversity are. The organization can additionally report the information for entities downstream in its value chain.

The activities undertaken by the organization in its sites can have impacts on biodiversity. Sites include sites owned, leased, or managed by the organization and locations where it conducts its activities. Examples are a mine site owned by an organization or a fishing ground where an organization operates. Sites also include those for which future operations have been announced but not yet started, as well as those no longer active. Sites include subsurface infrastructures under the land or seabed surface, such as underground mining tunnels, cables, and pipelines.

The organization may also be involved with negative impacts on biodiversity as a result of its business relationships with suppliers. Suppliers are entities upstream from the organization, which provide products or services used to develop the organization's own products or services. The activities undertaken by the suppliers to develop their products or services can have impacts on biodiversity. Suppliers that provide products to the organization can provide raw materials, semi-manufactured goods, or final products.

Guidance to 101-4-a

The organization should describe the methods used and the assumptions made to determine which of its sites and which products and services in its supply chain have the most significant actual and potential impacts on biodiversity.

It is up to the organization to set the threshold to determine which sites and which products and services in its supply chain have the most significant impacts on biodiversity. For example, the organization can determine that all of its sites have the most significant impacts on biodiversity, except for its headquarters. An organization that sources many products or services can determine to prioritize the products or services in its supply chain that are likely to have the most significant impacts on biodiversity and of which it sources a high volume or on which it spends a large amount.

The organization should describe any limitations or exclusions, for example, whether it has excluded certain parts of its supply chain when identifying the impacts.

The organization should describe the sources and the evidence it has used to identify the impacts. It should also explain whether and how it engages with stakeholders to identify impacts on biodiversity.

The organization should explain which information draws on primary, secondary, or modeled data. When reporting secondary or modeled data, the organization should report which datasets it has used and if it plans to improve the accuracy of data.

Most significant impacts on biodiversity

The following provides guidance for organizations on how to identify the most significant impacts on biodiversity. The organization is not required to comply with this guidance.

Locating where impacts are most likely to be present and significant

The organization should identify impacts on biodiversity across its sites, and products and services in its supply chain. In some cases, the organization might be unable to identify actual and potential negative impacts across all its sites, and products and services in its supply chain. This could be, for example, because the organization has diverse or multiple global operations or because its supply chain comprises many entities. In such cases, the organization may carry out an initial assessment or scoping exercise to identify general areas across its sites and products and services in its supply chain (e.g., product lines, suppliers located in specific geographic locations) where negative impacts are most likely to be present and significant.

Once the organization has conducted the initial assessment or scoping exercise, it can identify and assess actual and potential negative impacts for these general areas.

Activities undertaken by organizations lead or could lead to direct drivers of biodiversity loss (hereafter direct drivers). These direct drivers can in turn lead to impacts on biodiversity and related ecosystem services. To identify which activities in its operations and supply chain are likely to have the most significant impacts on biodiversity, the organization can use the following:

- The ENCORE tool and the SBTN Materiality Screening Tool[1] provide ratings of materiality for direct drivers associated with different activities.
- The SBTN High Impact Commodity List[2] shows the direct drivers commonly associated with the production of the high-impact commodities on the list.

The organization can also prioritize products that are or contain threatened species listed in the IUCN Red List of Threatened Species or species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices.[3]

Activities that occur in different geographic locations can have different impacts on biodiversity, depending on factors such as the sensitivity of the local ecosystem, the presence of threatened species, or people's reliance on a natural resource. Information on the location of the organization's sites, and its suppliers' activities and their proximity to ecologically sensitive areas, helps understand where these activities could be particularly harmful to biodiversity.

The organization should assess which of its sites are in or near ecologically sensitive areas. If the organization has information about the location of its suppliers, it can also assess which of those suppliers are in or near ecologically sensitive areas. See Disclosure 101-5 and Table 1 in the Appendix for more information on ecologically sensitive areas.

The organization can refer to the Scoping and Locate phases of the *Taskforce on Nature-related Financial Disclosures (TNFD) Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41] for more guidance on locating where impacts are most likely to be present and significant.

Identification of the most significant impacts

To identify and assess the significance of its impacts on biodiversity, the organization should identify and measure the direct drivers associated with the activities in its operations and its

1 The scores generated by the SBTN Materiality Screening Tool are calculated using the ENCORE impact materiality database. The scores reflect a high-level understanding of impacts at a global or non-spatially explicit level and are expressed as a sectoral average or typical impact profile of an organization in the given sector.

2 SBTN defines high-impact commodities as raw and value-added materials used in economic activities that are known to have material links to the key drivers of biodiversity loss, resource depletion, and ecosystem degradation.

3 Species+ contains information on all species that are listed in the CITES Appendices.

supply chain, as well as identify and measure the changes to the state of biodiversity. It can also identify changes in the provision of ecosystem services.

If no primary data is available, the organization can estimate the direct drivers and changes to the state of biodiversity. The indicators in Disclosure 101-6 can be used to measure the direct drivers (e.g., the size of the natural ecosystem converted, or the quantity of the pollutants generated). See Disclosure 101-7 for more information on changes to the state of biodiversity.

To determine which of the impacts are most significant, the organization should assess the severity and likelihood of the impacts. The severity of a negative impact is determined by the following characteristics:

- Scale: how grave the impact is.
- Scope: how widespread the impact is, for example, the number of species affected or the extent of ecosystem damage.
- Irremediable character: how hard it is to counteract or make good the resulting harm.

Any of the three characteristics (scale, scope, and irremediable character) can make an impact severe.

The contribution to the direct drivers, the proximity to ecologically sensitive areas, and the changes to the state of biodiversity can make the severity and likelihood of an impact on biodiversity greater. For example, when a site or supplier is in or near an ecologically sensitive area, it can increase the likelihood of an impact on biodiversity. When a site or supplier is in or near an ecosystem close to a tipping point, or where threatened species are present, it can increase the severity of an impact on biodiversity, for example, because the impact would result in irremediable harm.

See section 1 in *GRI 3: Material Topics 2021* for more guidance on assessing the significance of impacts. For more guidance on how to identify biodiversity impacts, the organization can use the following sources:

- Aligning accounting approaches for nature (Align) Recommendations and implementation guidance;
- Natural Capital Protocol from the Natural Capital Coalition;
- Science Based Targets Network (SBTN) Technical Guidance: Step 1: Assess;
- The Locate and Evaluate phases of the TNFD LEAP approach.

Methodologies

Where possible, the organization should use primary data to identify its sites and products and services in its supply chain with the most significant impacts on biodiversity (e.g., using data collected through field or supplier surveys or derived from satellite imagery).

The organization can use secondary or modeled data when primary data is unavailable (e.g., data layers on ecosystem extent and condition, life cycle impact assessments). For example, the organization can use secondary data to identify and measure changes to the state of biodiversity. In such a case, geospatial data layers can be overlaid with geographic location data to reflect the size and condition of ecosystems or identify species that may be present at specific sites. For example, the WWF Biodiversity Risk Filter[4] [57] provides information on the ecosystem condition in different locations and the direct drivers most likely to be present and significant for an organization's or its suppliers' activities.

Secondary data may be appropriate to gain initial information about an organization's impacts on biodiversity across its sites and products and services in its supply chain. Once the sites and products and services in its supply chain with the most significant impacts have been identified, the organization may collect primary data for those sites and products and services in its supply chain.

The organization should use precise locations to assess the proximity to ecologically sensitive areas and to assess the changes to the state of biodiversity.

4 The WWF Biodiversity Risk Filter includes over 50 global datasets on biodiversity, which provide information on a sector's potential contributions to direct drivers of biodiversity loss, proximity to ecologically sensitive areas, and the state of biodiversity (species and ecosystems).

For products and services in its supply chain, the organization can use sourcing regions or countries if it does not know the precise locations of its suppliers. The organization can also use life cycle assessment tools, pressure or impact assessment tools, and global trade datasets to make assumptions about likely locations, which are usually countries associated with its supply chain (e.g., the soy used in its products is likely to come from the United States, Brazil, or Argentina).

The organization can use the data it has collected on the direct drivers, the proximity to ecologically sensitive areas, and the changes to the state of biodiversity to identify its impacts on biodiversity for reporting the information required under Disclosures 101-5 to 101-8.

See references [14], [20], [27], [32], [35], [36], [39], [41], [47], [48], [49], [51] and [57] in the Bibliography.

Disclosure 101-5 Locations with biodiversity impacts

REQUIREMENTS

The organization shall:

a. report the location and size in hectares of its sites with the most significant impacts on biodiversity;

b. for each site reported under 101-5-a, report whether it is in or near an ecologically sensitive area, the distance to these areas, and whether these are:

i. areas of biodiversity importance;
ii. areas of high ecosystem integrity;
iii. areas of rapid decline in ecosystem integrity;
iv. areas of high physical water risks;
v. areas important for the delivery of ecosystem service benefits to Indigenous Peoples, local communities, and other stakeholders;

c. report the activities that take place in each site reported under 101-5-a;

d. report the products and services in its supply chain with the most significant impacts on biodiversity and the countries or jurisdictions where the activities associated with these products and services take place.

GUIDANCE

This disclosure provides information about the locations of the organization's sites with the most significant impacts on biodiversity. It also provides information on the location of the activities associated with the products and services in its supply chain with the most significant impacts on biodiversity. The sites and products and services with the most significant impacts on biodiversity are identified under Disclosure 101-4. These sites and products and services are the focus of Disclosure 101-2 and Disclosures 101-5 to 101-8 of this Standard.

If available, the organization can additionally report the information for entities downstream in its value chain with the most significant impacts on biodiversity.

For an example of how to present information on requirements in Disclosure 101-5, see Tables 3 and 4 in the Appendix.

Guidance to 101-5-a
The organization should use polygon outlines or maps to report on the location of its sites with the most significant impacts on biodiversity. A polygon is a geographic feature defined by a series of grid references, points, or vertices connected to form an enclosed shape. If available, the organization should also report the names and coordinates of its sites.

Providing the coordinates for the sites of transport and fishing activities may not be possible. In these cases, the organization can report departure and arrival locations and transport routes for transport activities. For fishing activities, it can report FAO major fishing areas and subareas.

See reference [17] in the Bibliography.

Guidance to 101-5-b
The Taskforce on Nature-related Financial Disclosures (TNFD) defines ecologically sensitive areas as areas of biodiversity importance, areas of high ecosystem integrity, areas of rapid decline in ecosystem integrity, areas of high physical water risks, and areas important for the delivery of ecosystem service benefits to Indigenous Peoples, local communities, and other stakeholders.

The organization can consult the criteria listed in Table 1 in the Appendix to identify ecologically sensitive areas. An area is ecologically sensitive when it meets one or more criteria.

For more guidance and examples of tools to identify ecologically sensitive areas, see the *TNFD Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41], pages 57-63.

A site is in an ecologically sensitive area when it is completely or partially located in the ecologically sensitive area. A site is near an ecologically sensitive area when the ecologically sensitive area falls within the area affected or potentially affected (sometimes referred to as the area of influence) or within the radius set by the organization. The organization can use a radius if it cannot identify the area affected or potentially affected by its activities. If the organization uses a radius, it should explain this and report the distance of the radius used.

The organization is required to report the distance only in cases where the site is near an ecologically sensitive area.

The organization should report the size in hectares of the ecologically sensitive areas within its sites.

The organization can also report polygon outlines, or maps of the ecologically sensitive areas and overlay them with the polygon outlines or maps of its sites.

The organization can also report the percentage of sites in or near ecologically sensitive areas. This information provides a high-level understanding of the significance of biodiversity across the organization's operations.

The percentage of sites in or near ecologically sensitive areas is calculated using the following formula:

$$\text{Percentage of sites in or near ecologically sensitive areas} = \frac{\text{Number of sites in or near ecologically sensitive areas}}{\text{Total number of sites}} \times 100$$

See reference [41] in the Bibliography.

Guidance to 101-5-b-i
The organization should specify whether the areas of biodiversity importance are:

- protected through legal or other effective means;
- scientifically recognized for their importance to biodiversity;
- important for species;
- important for ecosystems; or
- important for ecological connectivity.

See Table 1 in the Appendix for more information on areas of biodiversity importance.

Guidance to 101-5-d
Where possible, the organization should also report the location within the country or jurisdiction (e.g., state, city, Exclusive Economic Zone) or a precise location, such as polygon outlines or maps. The organization can report departure and arrival locations and transport routes for transport activities. For fishing activities, it can report FAO major fishing areas and subareas.

For each product and service with the most significant impacts on biodiversity, the organization should describe the level of traceability in place, for example, whether the product or service can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms). The organization can also report the volume sourced or the amount spent on each product and service.

If available, the organization should also report the information on ecologically sensitive areas required by 101-5-b for the products and services in its supply chain with the most significant impacts on biodiversity.

If the products in its supply chain are or contain high-impact commodities[5], the organization can report the quantity of each high-impact commodity sourced (e.g., tons of avocado) and the

5 SBTN defines high-impact commodities as raw and value-added materials used in economic activities that are known to have material links to the key drivers of biodiversity loss, resource depletion, and ecosystem degradation.

proportion of total high-impact commodities sourced. This information provides a high-level understanding of the significance of biodiversity across products in the organization’s supply chain. The organization can use the SBTN High Impact Commodity List to identify whether it sources products that are or contain high-impact commodities.

The proportion of total high-impact commodities sourced is calculated using the following formula:

$$\text{Proportion of total high-impact commodities sourced} = \frac{\text{Quantity of high-impact commodity sourced}}{\text{Quantity of total high-impact commodities sourced}}$$

See references [17] and [35] in the Bibliography.

Disclosure 101-6 Direct drivers of biodiversity loss

REQUIREMENTS

The organization shall:

a. for each site reported under 101-5-a where its activities lead or could lead to land and sea use change, report:

  i. the size in hectares of natural ecosystem converted since a cut-off or reference date, the cut-off date or reference date, and the type of ecosystem before and after conversion;
  ii. the size in hectares of land and sea converted from one intensively used or modified ecosystem to another during the reporting period, and the type of ecosystem before and after conversion;

b. for each site reported under 101-5-a where its activities lead or could lead to the exploitation of natural resources, report:

  i. for each wild species harvested, the quantity, the type, and extinction risk;
  ii. water withdrawal and water consumption in megaliters;

c. for each site reported under 101-5-a where its activities lead or could lead to pollution, report the quantity and the type of each pollutant generated;

d. for each site reported under 101-5-a where its activities lead or could lead to the introduction of invasive alien species, describe how invasive alien species are or may be introduced;

e. for each product and service in its supply chain reported under 101-5-d, report the information required under 101-6-a, 101-6-b, 101-6-c, and 101-6-d, with a breakdown by country or jurisdiction;

f. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used.

GUIDANCE

This disclosure provides an understanding of the direct drivers of biodiversity loss (hereafter the direct drivers) leading to the most significant impacts. The organization should additionally report the information on the direct drivers for its downstream value chain.

According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), direct drivers are the drivers that 'unequivocally influence biodiversity and ecosystem processes'. Direct drivers are sometimes referred to as 'pressures' or 'impact drivers'. The IPBES global assessment has identified land and sea use change and the exploitation of natural resources as the main direct drivers, followed by climate change, pollution, and the introduction of invasive alien species. These direct drivers can also lead to the fragmentation and degradation of ecosystems. See Box 1 for more information on direct drivers of biodiversity loss.

Information on the direct drivers informs decisions on prioritizing actions to manage biodiversity-related impacts by applying the mitigation hierarchy. See Disclosure 101-2 for more information on the mitigation hierarchy. The organization's actions to mitigate direct drivers are reported under Disclosure 101-2.

Through its activities, an organization can use natural resources for its production processes (e.g., sand used in a construction project) or produce non-product outputs (e.g., pollutants or greenhouse gas emissions). These activities, responsible for the direct drivers of biodiversity loss, can have negative impacts on biodiversity.

The organization needs to report only the information for the direct drivers relevant to its activities and its supply chain. Direct drivers can vary by location. For example, an organization has activities in site A that lead to pollution. It also has activities in site B that lead to the exploitation of natural resources. In this case, the organization only needs to report the information on pollution for site A and on the exploitation of natural resources for site B.

For an example of how to present information on requirements in Disclosure 101-6, see Tables

3 and 4 in the Appendix. See references [32], [43] and [44] in the Bibliography.

Box 1. Direct drivers of biodiversity loss

Land and sea use change

Land and sea use change refers to how humans use and manage land and seascapes, which may lead to a change in land and sea cover. These are changes to terrestrial and aquatic ecosystems, including freshwater and marine ecosystems. Examples of changes in the use of freshwater ecosystems are the construction of a hydropower dam in a river or the drainage of a wetland for urban settlements. Land and sea use change results from the conversion of natural, intensively used, or other modified ecosystems into another ecosystem.

Exploitation of natural resources

The exploitation of natural resources encompasses the harvest of wild organisms (animal, fungi, and plant species) and the exploitation of water.

The exploitation of wild species can lead to their extinction. Some of the most exploited species include marine fish, invertebrates, and trees. Various species are hunted for bushmeat and harvested for use in the medicinal or pet trade. Unsustainable water use can lead to loss, fragmentation, and degradation of species habitats, reduce the availability of food and water for species, as well as disrupt the functioning of ecosystems.

Climate change

Climate change is a direct driver as it alters species' distribution, functioning, and interactions, reducing ecosystems' capacity to adapt. Climate change leads to changes in temperatures and weather patterns that, in turn, can affect species (e.g., by reducing habitats and food supply, and altering migration patterns and breeding seasons). Sea level rise and ocean acidification also negatively affect marine organisms.

The greenhouse gas (GHG) emissions from a particular site may not lead to biodiversity loss in the direct vicinity of the site but contribute to climate change that drives biodiversity loss. Therefore, an organization's GHG emissions and those from other organizations contribute to climate change as a global direct driver of biodiversity loss.

This disclosure does not require information on climate change. An organization's GHG emissions can be reported under Disclosures 305-1, 305-2, and 305-3 in GRI 305: Emissions 2016.

Pollution

Air, water, and soil pollutants include substances (e.g., heavy metals, pesticides, solid waste) and other pollutants such as heat, light, noise, or vibrations.

Emission of pollutants can affect ecosystems and species. The toxicity and persistence of some pollutants can affect species' health (e.g., with immune, reproductive, neurotoxic, or carcinogenic effects). Pesticides and insecticides lead to the decline of pollinators and other species. Waste not properly disposed of can lead to leaks of hazardous substances into the environment, while plastic litter accumulates in soil and affects marine species through entanglement and ingestion. Light and noise can disrupt wildlife species' breeding or migration behavior, resulting in a population decline.

Invasive alien species

Invasive alien species are animals, plants, and other organisms that are introduced, accidentally or deliberately by humans, to an area outside of their natural geographical range and cause negative impacts on local biodiversity. Invasive alien species negatively affect biodiversity as they often lack predators in their new environment, allowing them to spread, become established and abundant. They can carry diseases, outcompete or prey on native species, alter food chains, and change ecosystems by, for example, altering soil composition or creating habitats that are vulnerable to wildfires. These impacts can lead to the extinction of species.

Guidance to 101-6-a
The organization should report which ecosystem classification it uses to identify the types of ecosystems converted. The organization can report ecosystem types using the biomes or ecosystem functional groups in the IUCN Global Ecosystem Typology.[6] Alternatively, the organization can report according to another global classification, national classification, or register. If the organization cannot use ecosystem classifications, it can utilize land use classifications (e.g., Globio land use categories).

See reference [28] in the Bibliography.

Guidance to 101-6-a-i
The Accountability Framework initiative defines a natural ecosystem as an ecosystem that substantially resembles – in terms of species composition, structure, and ecological function – one that is or would be found in a given area without major human impacts. It includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present. Natural ecosystem conversion is the human-induced change of a natural ecosystem to another use or profound change in an ecosystem's species composition, structure, or function. It can include severe degradation or introducing management practices that lead to substantial and sustained change in the ecosystem's former species composition, structure, or function.

Natural ecosystem conversion is measured from a cut-off date[7] associated with an organization’s policy related to natural ecosystem conversion (e.g., deforestation-free policy). If the organization does not have such a policy in place, it should select a reference date to measure natural ecosystem conversion. For instance, if 2015 has been set as a cut-off date or reference date, the organization reports the size of the ecosystem converted from 2015 until the reporting period. Common cut-off dates apply to organizations operating in the same or similar context. They support the monitoring, verification, and management of natural ecosystem conversion, including in supply chains. Cut-off dates can, therefore, be selected based on sector-wide or regional cut-off dates (e.g., the 2008 cut-off date from the Brazil Soy Moratorium) or those specified in certification programs (e.g., Forest Stewardship Council), legislation (e.g., EU regulation on deforestation-free products), or voluntary initiatives (e.g., Science Based Targets for Nature). Cut-off dates may differ between commodities and regions. More guidance can be found in the *Accountability Framework initiative Operational Guidance on Cutoff Dates* [6].

The organization should explain why it has determined the cut-off or reference dates as appropriate.

See references [5] and [6] in the Bibliography.

Guidance to 101-6-a-ii
Intensively used and other modified ecosystems are ecosystems where human activity has substantially modified an area’s primary ecological functions and species composition to ecosystems dominated by agriculture, urban, and other industrial activities. Intensively used ecosystems are those covered by the intensive land-use systems biome (T7) in the IUCN Global Ecosystem Typology. Other modified ecosystems include anthropogenic subterranean freshwaters (SF2), artificial freshwaters (F3), anthropogenic marine systems (M4), and anthropogenic shorelines (MT3).

See reference [28] in the Bibliography.

Guidance to 101-6-b-i
Harvesting wild species involves gathering, catching, or hunting wild organisms (animal, fungi, and plant species) by the organization, including those incidentally taken.

6 Other ecosystem classifications are aligned with the IUCN Global Ecosystem Typology. These include the SEEA Ecosystem Type Reference Classification [54] and the TNFD list of environmental assets [42].

7 The Accountability Framework initiative defines cut-off date as the date after which natural ecosystem conversion, which may include deforestation, renders a given area or production unit non-compliant with no-conversion or no-deforestation commitments. A reference date is defined as the date from which natural ecosystem conversion associated with a given area or supply chain is measured or managed.

The organization can report if the species are listed in one of the CITES Appendices. It can also report if the species are harvested from ecologically sensitive areas (e.g., from a Key Biodiversity Area, which aims to protect or conserve the harvested species).

To report on the extinction risk of a species, the organization can use information from the IUCN Red List of Threatened Species.

See references [14] and [27] in the Bibliography.

Guidance to 101-6-b-ii
The organization should use information reported under Disclosures 303-3 Water withdrawal and 303-5 Water consumption in *GRI 303: Water and Effluents 2018*[8] to report water withdrawal and water consumption for each site.

Guidance to 101-6-c
The organization is only required to report the type and quantity of pollutants that lead or could lead to the most significant impacts on biodiversity.

To report on air pollution, the organization should use, where relevant, information reported under Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions in *GRI 305: Emissions 2016* for:

- NO_x;
- SO_x;
- Persistent organic pollutants (POP);
- Volatile organic compounds (VOCs);
- Hazardous air pollutants (HAP);
- Particulate matter (PM);
- Other standard categories of air emissions from relevant regulations.

To report on water and soil pollution, the organization should use, where relevant, information reported under:

- Disclosure 303-4 Water discharge in *GRI 303: Water and Effluents 2018* to have information on priority substances of concern that may cause water pollution (e.g., those leading to eutrophication).
- Disclosure 306-3 Significant spills in *GRI 306: Effluents and Waste 2016*.

For heat, light, noise, or vibration pollution, the organization should report instances that do not comply with legal requirements for permitted pollution levels.

Guidance to 101-6-d
Non-invasive alien species are not required to be reported under 101-6-d.

Invasive alien species can be introduced accidentally (e.g., transport, discharge of ballast waters) or on purpose (e.g., for pest control, horticulture, pets, zoological gardens, and aquaria). The organization should report the species that are or may be introduced. For example, an organization imports ornamental plants to new areas, which may threaten local biodiversity. A maritime shipping organization may introduce shellfish, crustaceans, and other species to new areas through contaminated ballast water or encrusted organisms on ships. It can also inadvertently introduce other species, such as insects and rodents, through the transport of goods.

National regulations define which species are considered invasive alien species in a particular country. The Global Invasive Species Database and Global Register of Introduced and Invasive Species also provide information on invasive alien species.

The organization can also describe how those species affect or may affect surrounding species and ecosystems.

See references [21] and [22] in the Bibliography.

8 The disclosures in *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*, and *GRI 306: Effluents and Waste 2016* (Disclosure 306-3 Significant spills) do not require information to be reported by site; they require aggregate information. The organization can refer to the original data sources used to compile the information for these disclosures to obtain the data by site.

Guidance to 101-6-e
It may not be feasible for the organization to obtain primary data on direct drivers from suppliers. In such a case, the organization can estimate the direct drivers using multi-regional input-output models and lifecycle impact assessments in combination with data on the volume or amount spent on products and services. Multi-regional input-output models can provide estimates of the environmental inputs (e.g., water use) and outputs (e.g., air emissions) associated with the products and services in its supply chain. See *Aligning accounting approaches for nature (Align) Measuring and valuing biodiversity across supply chains* [47] for more information on the methodologies and data to measure direct drivers in supply chains.

If the organization cannot report the size of the natural ecosystem converted for the products in its supply chain, it can report, for each product, the percentage of sourced volume determined to be deforestation- or conversion-free and describe the assessment methods used. For example, out of 100 tons of soy sourced, an organization has determined that 90% is deforestation-free. Assessment methods can include monitoring, certification, sourcing from low-risk jurisdictions with no or negligible recent conversion, or sourcing from verified suppliers. To be deemed conversion- or deforestation-free, products must be assessed as not causing or contributing to natural ecosystem conversion, including deforestation, after an appropriate cut-off date.

See reference [47] in the Bibliography.

Guidance to 101-6-f
The organization should use primary data to report information on the direct drivers where possible. When primary data is unavailable, the organization can use secondary or modeled data (e.g., lifecycle impact assessments). However, such data are less accurate and may not reflect the effectiveness of actions to manage the organization’s impacts.

The organization should explain which information draws on primary, secondary, or modeled data, as well as any limitations of methodologies and data used. When reporting secondary or modeled data, the organization should report which datasets it used and if it plans to improve the accuracy of data.

Disclosure 101-7 Changes to the state of biodiversity

REQUIREMENTS

The organization shall:

a. for each site reported under 101-5-a, report the following information on affected or potentially affected ecosystems:

i. the ecosystem type for the base year;
ii. the ecosystem size in hectares for the base year;
iii. the ecosystem condition for the base year and the current reporting period;

b. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used.

GUIDANCE

This disclosure provides information about the changes in the condition of the ecosystem affected or potentially affected by the organization.

The state of biodiversity is the holistic quality of the components of biodiversity (genes, species, and ecosystems), and is a function of the condition and size of its components. This disclosure focuses on the condition and size of affected ecosystems. By reporting this information for the base year and the current reporting period, the organization provides information about the ecosystem's overall health over time.

Changes in the state of biodiversity may reflect the cumulative impacts of the organization's activities and the activities of others, such as governments, local communities, or other organizations. It is not always possible to determine how much of the change in the state of biodiversity is due to the activities of the organization or others. However, the information reported under this disclosure, together with Disclosure 101-6, helps to understand the organization's actual and potential impacts on biodiversity and can inform the management of these impacts.

The organization should report information on changes to the state of biodiversity for each product and service reported under 101-5-d by country or jurisdiction. It should also report this information for its downstream value chain.

The organization can organize the information on the state of biodiversity into structured biodiversity accounts. Biodiversity accounts enable more accurate monitoring of gains and losses of biodiversity over time. A core component of biodiversity accounts is the compilation of an asset inventory for each ecosystem type so that gains in one type do not compensate for losses in another. They are also useful in tracking progress against targets to halt and reverse biodiversity loss. See the *Endangered Wildlife Trust Biological Diversity Protocol* [16] for more information on biodiversity accounts.

For an example of how to present information on requirements in Disclosure 101-7, see Table 3 in the Appendix.

See references [16] and [54] in the Bibliography.

Guidance to 101-7-a
When reporting information on the affected or potentially affected ecosystems, the organization should consider all ecosystem types in the area that is or could be affected by its activities, including beyond its sites, if relevant. The state of the overall ecosystem, which extends beyond the areas affected by the organization, is not required for reporting. For example, an organization that owns a soy plantation in the Amazon is required to report information on the type, size, and condition of the affected part of the ecosystem rather than reporting on the entire Amazon region.

The base year is when the organization collects baseline information on the ecosystem type, size, and condition. The base year may be the start of an organization's activities, the date from which it owned, leased, or managed a particular site, or when it committed to halt and reverse biodiversity loss.

Baseline information can be collected through environmental impact assessments, which provide information on the condition of and trends in biodiversity in a particular area before an organization's activities start. For more information on best practices to conduct baseline studies, see references [23] and [25] in the Bibliography.

The organization should report the base year. It should report how it has determined the base year and baseline information under 101-7-b.

The size and condition of an affected ecosystem can be combined into one unit: condition-adjusted area. This is the size of the ecosystem adjusted for its condition, and the unit (e.g., equivalent hectares) represents the residual condition within that area. The organization can also report impacts on affected ecosystems using condition-adjusted hectares. See *Align Measuring Ecosystem Condition – A primer for business* [50] and the *Endangered Wildlife Trust Biological Diversity Protocol* [16] for more information on condition-adjusted areas.

See references [16], [23], [25] and [50] in the Bibliography.

Guidance to 101-7-a-i
The organization should report which ecosystem classification it uses to identify the types of ecosystems. The organization can report ecosystem types using the biomes or ecosystem functional groups in the IUCN Global Ecosystem Typology.[9] Alternatively, the organization can report according to another global classification, national classification, or register. If the organization cannot use ecosystem classifications, it can use land use classifications (e.g., Globio land use categories) instead.

See reference [28] in the Bibliography.

Guidance to 101-7-a-ii
Ecosystem size, also referred to as ecosystem extent, is the area coverage of the ecosystem that is affected or potentially affected by the organization's activities. This is a fixed area over which the condition of the ecosystem is measured over time.

See reference [49] in the Bibliography.

Guidance to 101-7-a-iii
Ecosystem condition is the quality of an ecosystem measured by its living and non-living characteristics against a reference condition.[10] Living and non-living characteristics include:
- the ecosystem's composition, function, and structure;
- the landscape characteristics (e.g., connectivity); and
- the physical and chemical state characteristics (e.g., soil structure and soil nutrient levels).

Ecosystem condition can also provide information on the ecosystem's capacity to supply ecosystem services now and in the future.

The activities of an organization may degrade the condition of affected ecosystems through the direct drivers of biodiversity loss (hereafter direct drivers). For example, the emission of pollutants, partial deforestation, or water withdrawal in an area with water stress, may affect the ecosystem's structure, composition, or function. If land and sea use change is the primary direct driver of biodiversity loss, the activities of an organization lead to the conversion of an ecosystem into a different type of ecosystem. In this case, the conversion of the ecosystem results in a complete reduction in ecosystem condition.

Methods to measure ecosystem condition should reflect the relevant characteristics of the ecosystem. The organization can use methods that directly measure characteristics or estimate ecosystem conditions based on direct drivers. These methods can be specific to certain types of ecosystems (e.g., types of wetlands or forests) or applicable to different ecosystem types (i.e., applicable across terrestrial, freshwater, or marine realms). See Table 2 in the Appendix for

9 Other ecosystem classifications are aligned with the IUCN Global Ecosystem Typology. These include the SEEA Ecosystem Type Reference Classification [54] and the TNFD list of environmental assets [42].

10 A reference condition is used to calibrate the measurement of ecosystem condition over time. It differs from a baseline, which is the condition of the ecosystem for the base year. See *Align Measuring Ecosystem Condition – A primer for business* [50] for more information on reference condition.

examples of methods to measure or estimate ecosystem condition. See *Align Measuring Ecosystem Condition – A primer for business* [50] and *Taskforce on Nature-related Financial Disclosures (TNFD) Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41] for more information on how to measure ecosystem condition.

If the organization monitors the condition of affected or potentially affected ecosystems at a frequency different from its sustainability reporting frequency, it should report the most recent information and does not need additional measurement to meet the requirement.

See references [41], [49], [50] and [54] in the Bibliography.

Guidance to 101-7-b
The organization should use primary data to report on direct drivers where possible (e.g., data collected through field surveys, eDNA, or derived from satellite imagery).

When primary data is unavailable, the organization can use secondary or modeled data (e.g., data layers on ecosystem extent and condition, life cycle impact assessments). Modeled data are issued from models that quantify how the different direct drivers affect the state of biodiversity. These models use globally collected data, and the results are applied locally to estimate how the organization's activities can lead to ecosystem changes. They include geospatial data layers that can be used to identify changes in the size and condition of ecosystems, such as the level of habitat fragmentation and connectivity, or identify species that may be present at specific sites.

The organization should explain which information draws on primary, secondary, or modeled data, as well as any limitations of methodologies and data used. When reporting secondary or modeled data, the organization should report which datasets it has used and if it plans to improve the accuracy of data.

Guidance to 101-7
The organization should additionally report information on affected or potentially affected species for the sites reported under 101-5-a. The organization can report the species, its extinction risk, and population size for the baseline and current reporting period.

The extinction risk measures the threat status of a species and how an organization's activities may affect the threat status. The global, regional, and national IUCN Red Lists can be used to determine the species extinction risk (i.e., Critically Endangered, Endangered, Vulnerable, Near Threatened, and Least Concern). Change in the available species habitat can potentially be used as a proxy to measure impact on local or global extinction risk, noting that other factors can drive extinction risk (e.g., hunting, climate change).

Population size measures the number of individuals of a species within an area. It can be measured by the number of mature individuals or the number of breeding pairs. When the population size is unavailable, trends in relative population abundance or in species area of habitat can be used as a proxy.

The organization can report information for the following species:
- Species whose local or overall populations have or could be changed significantly.
- Species that are legally protected by local, national, or international laws and conventions (e.g., species listed in one of the CITES Appendices).
- Species that are recognized as a priority species at the local, national, or international level (e.g., species listed as threatened on the international IUCN Red List or species that trigger a Key Biodiversity Area designation).
- Species that have a critical role in the ecosystem (e.g., keystone species).
- Species that have a significant cultural or economic role for stakeholders (e.g., hunting, harvesting, pollination).

See references [27] and [49] in the Bibliography.

Disclosure 101-8 Ecosystem services

REQUIREMENTS

The organization shall:

a. for each site reported under 101-5-a, list the ecosystem services and beneficiaries affected or potentially affected by the organization's activities;

b. explain how the ecosystem services and beneficiaries are or could be affected by the organization's activities.

GUIDANCE

Ecosystem services occur through an ecosystem's normal functioning and can fall into one or more of the following categories:
- provisioning services;
- regulating and maintenance services; and
- cultural services.

Provisioning services contribute to benefits extracted or harvested from ecosystems. Examples are timber in a forest, freshwater from a river, and subsistence hunting. Regulating and maintenance services result from the ability of ecosystems to regulate biological processes and influence climate, hydrological, and biochemical cycles, thereby maintaining environmental conditions beneficial to people. An example is the role of forests in preventing soil erosion. Cultural services are the non-material benefits people (beneficiaries) obtain from ecosystems through spiritual enrichment, cognitive development, reflection, recreation, and aesthetic experiences. Examples are the recreational value of a forest and the cultural importance of a heritage landscape for a local community.

Biodiversity plays an important role in maintaining the quality, quantity, and resilience of ecosystem service flows, and it provides ecosystem services that beneficiaries rely upon now and into the future. The diversity of genes, species, and ecosystems provides a greater range of ecosystem service and higher overall quantity, quality, and resilience of ecosystem services and improves the capacity of ecosystems to function effectively. A change in the state of biodiversity can lead to changes in ecosystem services. This, in turn, can have an impact on the beneficiaries of these ecosystem services. For example, a decline in the number of bees caused by the organization's activities can lead to decreased pollination services. If the crops are not properly pollinated by the bees, the quality and quantity of the crops produced may be affected, reducing the available food for the local community that grows the crops.

This disclosure gives insight into the ecosystem services and beneficiaries affected or potentially affected by the organization's activities. The organization should also list the ecosystem services and beneficiaries affected or potentially affected by its suppliers' activities for each country or jurisdiction reported under 101-5-d and those affected or potentially affected by the activities of its downstream entities.

For an example of how to present information on requirements in Disclosure 101-8, see Table 3 in the Appendix.

See references [31] and [54] in the Bibliography.

Guidance to 101-8-a
Beneficiaries can include Indigenous Peoples, local communities, and other organizations. The reporting organization can also be one of the beneficiaries. The organization can report the number of beneficiaries when disclosing information for this requirement (e.g., 50 farmers located in the area).

The organization should describe the approach used to identify the ecosystem services reported under 101-8-a. The organization can explain if it engages with stakeholders to identify the ecosystem services and beneficiaries affected. It can also use the following methodologies and tools to identify ecosystem services:
- the ENCORE tool;
- the Natural Capital Protocol from the Natural Capital Coalition;

- the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP approach, which draws on the UN SEEA Ecosystem Accounting;
- the World Resources Institute (WRI) Corporate Ecosystem Services Review.

See references [20], [32], [41], [54] and [56] in the Bibliography.

Guidance to 101-8-b

The organization’s activities may lead to an increase or decrease in the quality and quantity of ecosystem services. For example, the organization can explain that cutting trees in the forest has decreased food provisioning services, which has a negative impact on the local community that needs to find an alternative food source. In another example, the organization can explain that switching to agroforestry has resulted in an increase in soil erosion control services, which has a positive impact on the local community that will face fewer risks from flooding.

Glossary

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

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

base year
historical datum (such as year) against which a measurement is tracked over time

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

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

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

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

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

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

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

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

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

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

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

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

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

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

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

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

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

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

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

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

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

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

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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

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

Note 2: The value chain includes the supply chain.

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

social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste
anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

water consumption
sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water stress
ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal
sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

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

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

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Appendix

Table 1. Criteria for identifying ecologically sensitive areas

Area	Criteria*
Biodiversity importance	**Areas protected through legal or other effective means** Geographically defined areas that are designated or regulated and managed to achieve specific conservation objectives. They include: • Protected areas [53]** (terrestrial, freshwater, and marine) according to local, national, regional, or international conventions and agreements. • Areas conserved through other effective area-based conservation measures (OECMs) [52]. Examples of protected areas and OECMs are Natural and mixed World Heritage sites [45], Wetlands designated under the Ramsar Convention on Wetlands of International Importance [34], and areas protected under regional seas agreements.
	Areas scientifically recognized for their importance to biodiversity • Key Biodiversity Areas (KBAs) [29]** – sites significantly contributing to global biodiversity in terrestrial, freshwater, and marine ecosystems. KBAs include Alliance for Zero Extinction sites, Important Bird and Biodiversity Areas, and Important Plant Areas. • Ecologically or Biologically Significant Marine Areas (EBSAs) [12] – special areas in the ocean supporting the healthy functioning of oceans and the many services they provide. • Important Marine Mammal Areas [30].
	Areas important for species Areas important for species include areas with: • threatened species [27]** (critically endangered, endangered, and vulnerable at global, national, or regional levels); • congregatory species; • migratory species; • range-restricted species; • endemic species.
	Areas important for ecosystems Areas important for ecosystems contain ecosystems that are rare or very localized, highly threatened, important for ecosystem connectivity, or associated with key evolutionary processes. For example, coastal upwellings and seamounts.
	Areas important for ecological connectivity Areas important for ecological connectivity include important ecological corridors, areas and routes important for seasonal migratory patterns, and areas that provide adaptive space for species to spread across a landscape in the face of changing environmental conditions.
High ecosystem integrity	Areas of high ecosystem integrity, both on a global scale and in comparison to the surrounding landscape, contain significant opportunities for preserving environmental assets and sustaining local and global ecosystem services.
Rapid decline in integrity	Areas of rapid decline in integrity are areas with declining resilience of ecosystem service provision, and that are potentially at risk of ecological tipping points. This could include areas that have declined to a low state of integrity.
Ecosystem service delivery importance	Examples of areas important for the delivery of ecosystem service benefits to Indigenous Peoples, local communities, and other stakeholders include: • areas in which healthy ecosystems and biodiversity support local livelihoods; • areas that have been traditionally owned, occupied, or otherwise used or acquired by Indigenous Peoples and local communities;

Ecosystem service delivery importance (continued)	• areas of biocultural importance to Indigenous Peoples and local communities; • areas in which healthy ecosystems and biodiversity support recreational and cultural services. Examples of areas of importance to Indigenous Peoples and local communities are: • Indigenous Peoples and Community Conserved Territories and Areas (ICCAs) [46]; • areas under customary management by Indigenous Peoples and local communities or subject to customary harvest; • FAO Globally Important Agricultural Heritage Systems [18] are agroecosystems inhabited by communities that have intricate relationships with their territory.
Water physical risk	Areas of known high physical water risk are areas with limited water availability, flooding, poor quality of water, and marine areas with high levels of land-based pollution.

* Criteria for identifying ecologically sensitive areas are defined by the *TNFD Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41]. The WWF Biodiversity Risk Filter [57] can be used to identify ecologically sensitive areas. The TNFD provides guidance on additional datasets that can be used to identify these areas.

** The World Database on Protected Areas, the World Database of Key Biodiversity Areas, and the IUCN Red List of Threatened Species can be accessed through the Integrated Biodiversity Assessment Tool (IBAT) [24] for identifying protected areas, KBAs, and areas with threatened species respectively.

Table 2. Methods to measure or estimate ecosystem condition

Methods	Ecosystem type-specific methods	Methods applicable to different types of ecosystems
Direct measurement of ecosystem condition	Live coral cover Forest canopy density Water quality maintenance	Measured Mean Species Abundance Species diversity Primary productivity of an ecosystem
Estimation of ecosystem condition	Forest Landscape Integrity Index	Ecosystem Integrity Index Mean Species Abundance Potentially Disappeared Fraction

Source: *Align Measuring Ecosystem Condition – A primer for business* [50]

Table 3. Example template for presenting information related to an organization's sites for Disclosures 101-5, 101-6, 101-7, and 101-8

Table 3 offers an example of how to present information related to an organization's sites for Disclosures 101-5, 101-6, 101-7, and 101-8. The organization can amend the table according to its practices.

					Site 1	Site N
Sites (101-5-a, 101-5-c)				Location*		
				Size (Ha)		
				Activities		
Ecologically sensitive areas in or near the sites (101-5-b)				Whether the site is in or near an ecologically sensitive area		
				Distance**		
				Type***		
Direct drivers of biodiversity loss****	Land and sea use change	Natural ecosystem conversion (101-6-a-i)		Size of ecosystem converted (Ha)		
				Cut-off date or reference date		
				Ecosystem type before conversion		
				Ecosystem type after conversion		
		Conversion from one intensively used or modified ecosystem to another (101-6-a-ii)		Size of ecosystem converted (Ha)		
				Ecosystem type before conversion		
				Ecosystem type after conversion		
	Exploitation of natural resources	Wild species (101-6-b-i)	Wild species 1 [insert type]	Quantity*****		
				Species extinction risk		
			Wild species 2 [insert type]	Quantity*****		
				Species extinction risk		
		Water (101-6-b-ii)		Water withdrawal (ML)		
				Water consumption (ML)		
	Pollution (101-6-c)	Pollutant 1 [insert type]		Quantity*****		
		Pollutant 2 [insert type]		Quantity*****		

	Invasive alien species (101-6-d)	How invasive alien species are or may have been introduced			
State of biodiversity	**Ecosystem 1 [insert type]** **(101-7-a-i)**	**Ecosystem size (Ha)** **(101-7-a-ii)**			
		Ecosystem condition **(101-7-a-iii)**	**Base year**		
			Reporting period		
	Ecosystem 2 [insert type] **(101-7-a-i)**	**Ecosystem size (Ha)** **(101-7-a-ii)**			
		Ecosystem condition **(101-7-a-iii)**	**Base year**		
			Reporting period		
Ecosystem services	**Ecosystem services (101-8-a)**				
	Beneficiaries (101-8-a)				

* If the organization uses polygon outlines or maps to report on the location of its sites, it can include a reference to the polygon outlines or maps in the 'Location' row.

** The organization is required to report the distance only in cases where the ecologically sensitive areas are near its sites.

*** The types of ecologically sensitive areas are: areas of biodiversity importance, areas of high ecosystem integrity, areas of rapid decline in ecosystem integrity, areas of high physical water risks, and areas important for the delivery of ecosystem service benefits to Indigenous Peoples, local communities, and other stakeholders.

**** The organization needs to report the information only for the direct drivers of biodiversity loss relevant to its activities.

***** The organization should specify the unit of measurement used.

Table 4. Example template for presenting information related to an organization’s supply chain for Disclosures 101-5 and 101-6

Table 4 offers an example of how to present information related to an organization’s supply chain for Disclosures 101-5 and 101-6. The organization can amend the table according to its practices.

Products and services **(101-5-d)**	**Products and services**				Product 1 [insert name]		Service 1 [insert name]	
	Countries or jurisdictions				Country or jurisdiction 1 [insert name]	Country or jurisdiction N [insert name]	Country or jurisdiction 1 [insert name]	Country or jurisdiction N [insert name]
Direct drivers of biodiversity loss* **(101-6-e)**	**Land and sea use change**	**Natural ecosystem conversion**		**Size of ecosystem converted (Ha)**				
				Cut-off date or reference date				
				Ecosystem type before conversion				
				Ecosystem type after conversion				
		Conversion from one intensively used or modified ecosystem to another		**Size of ecosystem converted (Ha)**				
				Ecosystem type before conversion				
				Ecosystem type after conversion				
	Exploitation of natural resources	**Wild species**	**Wild species 1** **[insert type]**	**Quantity****				
				Species extinction risk				
			Wild species 2 **[insert type]**	**Quantity****				
				Species extinction risk				
		Water		**Water withdrawal (ML)**				

			Water consumption (ML)				
	Pollution	**Pollutant 1** **[insert type]**	**Quantity****				
		Pollutant 2 **[insert type]**	**Quantity****				
	Invasive alien species	**How invasive alien species are or may have been introduced**					

* The organization needs to report the information only for the direct drivers of biodiversity loss relevant to its supply chain.

** The organization should specify the unit of measurement used.

GRI 201: Economic Performance 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

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Content

Introduction

GRI 201: Economic Performance 2016 contains disclosures for organizations to report information about their economic performance-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its economic performance-related impacts.
- Section 2 contains four disclosures, which provide information about the organization's economic performance-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

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

Background on the topic

This Standard addresses the topic of economic performance. This includes the economic value generated and distributed (EVG&D) by an organization, its defined benefit plan obligations, the financial assistance it receives from any government, and the financial implications of climate change.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

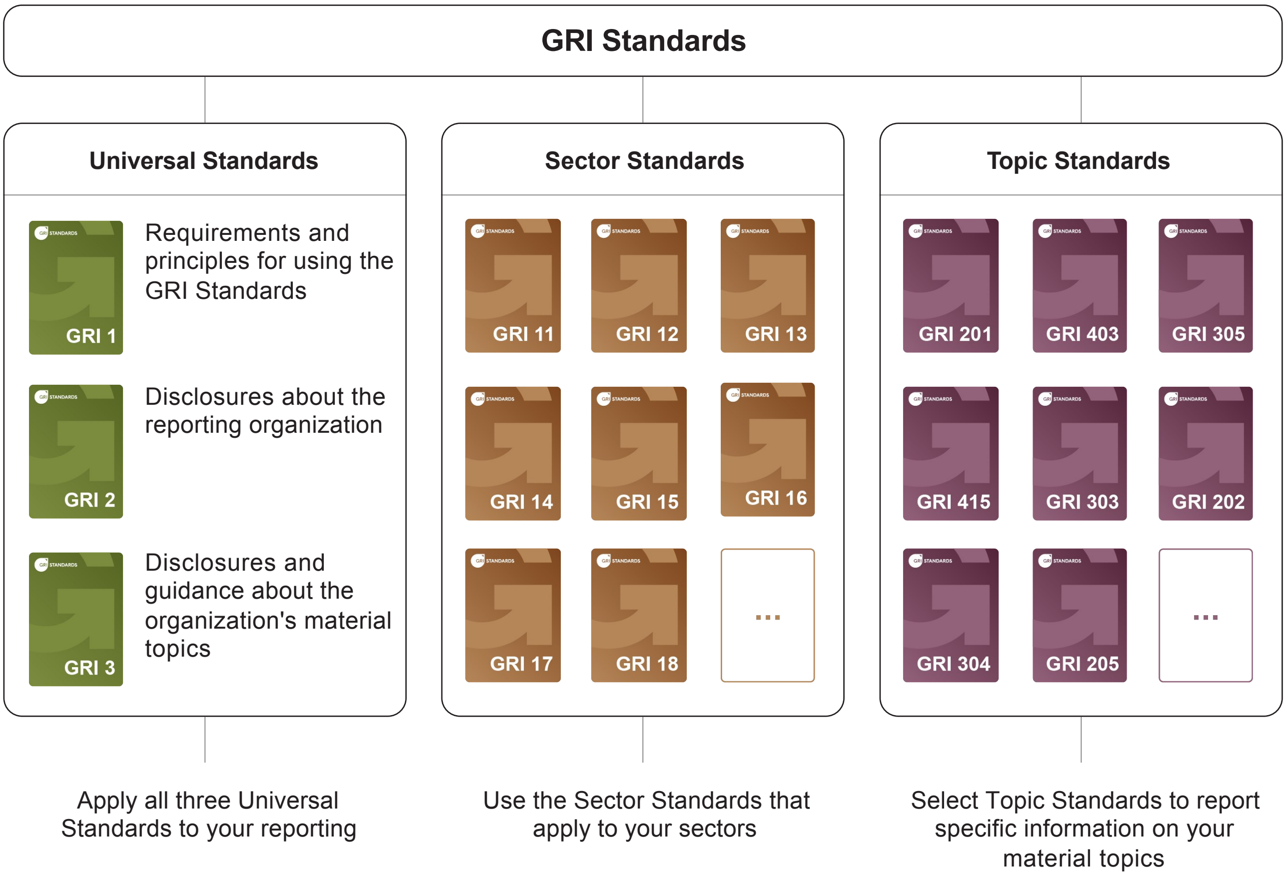
Sector Standards

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

Topic Standards

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its economic performance-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined economic performance to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's economic performance-related impacts (Disclosure 201-1 through Disclosure 201-4).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined economic performance to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

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

REQUIREMENTS

1.1 The reporting organization shall report how it manages economic performance using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 201-1 Direct economic value generated and distributed

REQUIREMENTS

The reporting organization shall report the following information:

a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

i. Direct economic value generated: revenues;
ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.

b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

Compilation requirements

2.1 When compiling the information specified in Disclosure 201-1, the reporting organization shall, if applicable, compile the EVG&D from data in the organization's audited financial or profit and loss (P&L) statement, or its internally audited management accounts.

GUIDANCE

Background
Information on the creation and distribution of economic value provides a basic indication of how an organization has created wealth for stakeholders. Several components of the economic value generated and distributed (EVG&D) also provide an economic profile of an organization, which can be useful for normalizing other performance figures.

If presented in country-level detail, EVG&D can provide a useful picture of the direct monetary value added to local economies.

Guidance for Disclosure 201-1
Revenues
An organization can calculate revenues as net sales plus revenues from financial investments and sales of assets.

Net sales can be calculated as gross sales from products and services minus returns, discounts, and allowances.

Revenues from financial investments can include cash received as:
- interest on financial loans;
- dividends from shareholdings;
- royalties;

- direct income generated from assets, such as property rental.

Revenues from sale of assets can include:
- physical assets, such as property, infrastructure, and equipment;
- intangibles, such as intellectual property rights, designs, and brand names.

Operating costs
An organization can calculate operating costs as cash payments made outside the organization for materials, product components, facilities, and services purchased.

Services purchased can include payments to self-employed persons, temporary placement agencies and other organizations providing services. Costs related to workers who are not employees working in an operational role are included as part of services purchased, rather than under employee wages and benefits.

Operating costs can include:
- property rental;
- license fees;
- facilitation payments (since these have a clear commercial objective);
- royalties;
- payments for contract workers;
- training costs, if outside trainers are used;
- personal protective clothing.

The use of facilitation payments is also addressed in *GRI 205: Anti-corruption 2016*.

Employee wages and benefits
An organization can calculate employee wages and benefits as total payroll (including employee salaries and amounts paid to government institutions on behalf of employees) plus total benefits (excluding training, costs of protective equipment or other cost items directly related to the employee's job function).

Amounts paid to government institutions on behalf of employees can include employee taxes, levies, and unemployment funds.

Total benefits can include:
- regular contributions, such as to pensions, insurance, company vehicles, and private health;
- other employee support, such as housing, interest-free loans, public transport assistance, educational grants, and redundancy payments.

Payments to providers of capital
An organization can calculate payments to providers of capital as dividends to all shareholders, plus interest payments made to providers of loans.

Interest payments made to providers of loans can include:
- interest on all forms of debt and borrowings (not only long-term debt);
- arrears of dividends due to preferred shareholders.

Payments to government
An organization can calculate payments to governments as all of the organization's taxes plus related penalties paid at the international, national, and local levels. Organization taxes can include corporate, income, and property.

Payments to government exclude deferred taxes, because they may not be paid.

If operating in more than one country, the organization can report taxes paid by country, including the definition of segmentation used.

Community investments
Total community investments refers to actual expenditures in the reporting period, not commitments. An organization can calculate community investments as voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the organization. Voluntary donations and investment of funds in the broader community where

the target beneficiaries are external to the organization can include:

- contributions to charities, NGOs and research institutes (unrelated to the organization's commercial research and development);
- funds to support community infrastructure, such as recreational facilities;
- direct costs of social programs, including arts and educational events.

If reporting infrastructure investments, an organization can include costs of goods and labor, in addition to capital costs, as well as operating costs for support of ongoing facilities or programs. An example of support for ongoing facilities or programs can include the organization funding the daily operations of a public facility.

Community investments exclude legal and commercial activities or where the purpose of the investment is exclusively commercial (donations to political parties can be included, but are also addressed separately in more detail in *GRI 415: Public Policy 2016*).

Community investments also exclude any infrastructure investment that is driven primarily by core business needs, or to facilitate the business operations of an organization. Infrastructure investments driven primarily by core business needs can include, for example, building a road to a mine or a factory. The calculation of investment can include infrastructure built outside the main business activities of the organization, such as a school or hospital for workers and their families.

See references [5], [6], [7] and [9] in the Bibliography.

Disclosure 201-2 Financial implications and other risks and opportunities due to climate change

REQUIREMENTS

The reporting organization shall report the following information:

a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:

i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;
ii. a description of the impact associated with the risk or opportunity;
iii. the financial implications of the risk or opportunity before action is taken;
iv. the methods used to manage the risk or opportunity;
v. the costs of actions taken to manage the risk or opportunity.

Compilation requirements

2.2 When compiling the information specified in Disclosure 201-2, if the reporting organization does not have a system in place to calculate the financial implications or costs, or to make revenue projections, it shall report its plans and timeline to develop the necessary systems.

RECOMMENDATIONS

2.3 When compiling the information specified in Disclosure 201-2, the reporting organization should report the following additional characteristics for the identified risks and opportunities:

2.3.1 A description of the risk or opportunity driver, such as a particular piece of legislation, or a physical driver, such as water scarcity;
2.3.2 The projected time frame in which the risk or opportunity is expected to have substantive financial implications;
2.3.3 Direct and indirect impacts (whether the impact directly affects the organization, or indirectly affects the organization via its supply chain or entities downstream from it);
2.3.4 The potential impacts generally, including increased or decreased:
2.3.4.1 capital and operational costs;
2.3.4.2 demand for products and services;
2.3.4.3 capital availability and investment opportunities;
2.3.5 Likelihood (the probability of the impact on the organization);
2.3.6 Magnitude of impact (if occurring, the extent to which the impact affects the organization financially).

GUIDANCE

Guidance for Disclosure 201-2

Risk and opportunities due to climate change can be classified as:
- physical
- regulatory
- other

Physical risks and opportunities can include:
- the impact of more frequent and intense storms;
- changes in sea level, ambient temperature, and water availability;
- impacts on workers – such as health effects, including heat-related illness or disease, and the need to relocate operations.

Other risks and opportunities can include the availability of new technologies, products, or services to address challenges related to climate change, as well as changes in customer behavior.

Methods used to manage the risk or opportunity can include:
- carbon capture and storage;
- fuel switching;
- use of renewable and lower carbon footprint energy;

- improving energy efficiency;
- flaring, venting, and fugitive emission reduction;
- renewable energy certificates;
- use of carbon offsets.

Background
Climate change presents risks and opportunities to organizations, their investors, and their other stakeholders.

As governments move to regulate activities that contribute to climate change, organizations that are directly or indirectly responsible for emissions face regulatory risks and opportunities. Risks can include increased costs or other factors impacting competitiveness. However, limits on greenhouse gas (GHG) emissions can also create opportunities for organizations as new technologies and markets are created. This is especially the case for organizations that can use or produce energy and energy-efficient products more effectively.

See references [2], [3] and [4] in the Bibliography.

Disclosure 201-3 Defined benefit plan obligations and other retirement plans

REQUIREMENTS

The reporting organization shall report the following information:

a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.

b. If a separate fund exists to pay the plan's pension liabilities:

- **i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;**
- **ii. the basis on which that estimate has been arrived at;**
- **iii. when that estimate was made.**

c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.

d. Percentage of salary contributed by employee or employer.

e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.

RECOMMENDATIONS

2.4 When compiling the information specified in Disclosure 201-3, the reporting organization should:

2.4.1 calculate the information in accordance with the regulations and methods for relevant jurisdictions, and report aggregated totals;

2.4.2 use the same consolidation techniques as those applied in preparing the financial accounts of the organization.

GUIDANCE

Guidance for Disclosure 201-3

The structure of retirement plans offered to employees can be based on:

- defined benefit plans;
- defined contribution plans;
- other types of retirement benefits.

Different jurisdictions, such as countries, have varying interpretations and guidance regarding calculations used to determine plan coverage.

Note that benefit pension plans are part of the International Accounting Standards Board (IASB) *IAS 19 Employee Benefits*, however IAS 19 covers additional topics.

See reference [7] in the Bibliography.

Background

When an organization provides a retirement plan for its employees, these benefits can become a commitment that members of the schemes plan on for their long-term economic well-being.

Defined benefit plans have potential implications for employers in terms of the obligations that need to be met. Other types of plans, such as defined contribution plans, do not guarantee access to a retirement plan or the quality of the benefits. Thus, the type of plan chosen has implications for both employees and employers. Conversely, a properly funded pension plan can help to attract and maintain employees and support long-term financial and strategic planning on the part of the employer.

Disclosure 201-4 Financial assistance received from government

REQUIREMENTS

The reporting organization shall report the following information:

a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:

  i. tax relief and tax credits;
  ii. subsidies;
  iii. investment grants, research and development grants, and other relevant types of grant;
  iv. awards;
  v. royalty holidays;
  vi. financial assistance from Export Credit Agencies (ECAs);
  vii. financial incentives;
  viii. other financial benefits received or receivable from any government for any operation.

b. The information in 201-4-a by country.

c. Whether, and the extent to which, any government is present in the shareholding structure.

Compilation requirements

2.5 When compiling the information specified in Disclosure 201-4, the reporting organization shall identify the monetary value of financial assistance received from government through consistent application of generally accepted accounting principles.

GUIDANCE

Background

This disclosure provides a measure of governments' contributions to an organization.

The significant financial assistance received from a government, in comparison with taxes paid, can be useful for developing a balanced picture of the transactions between the organization and government.

See reference [8] in the Bibliography.

Glossary

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

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

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

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

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

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

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

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

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

defined benefit plan
post-employment benefit plan other than a defined contribution plan

defined contribution plan
post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods

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

financial assistance
direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred

Note: The provider of financial assistance does not expect a direct financial return from the assistance offered.

full coverage
plan assets that meet or exceed plan obligations

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

human rights

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

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

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

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

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

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

Bibliography

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

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Additional references:

2. Carbon Disclosure Project (CDP), *Guidance for companies responding to the Investor CDP Information Request,* updated annually.
3. Climate Disclosure Standards Board (CDSB), *Climate Change Reporting Framework – Edition 1.1*, October 2012.
4. Climate Disclosure Standards Board (CDSB), *Climate Change Reporting Framework Boundary Update*, June 2012.
5. International Accounting Standards Board (IASB), *IAS 12 Income Taxes*, 2001.
6. International Accounting Standards Board (IASB), *IAS 18 Revenues*, 2001.
7. International Accounting Standards Board (IASB), *IAS 19 Employee Benefits*, 2001.
8. International Accounting Standards Board (IASB), *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*, 2001.
9. International Accounting Standards Board (IASB), *IFRS 8 Operating Segments*, 2006.

GRI STANDARDS

GRI 202: Market Presence 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 202: Market Presence 2016 contains disclosures for organizations to report information about their market presence-related impacts and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its market presence-related impacts.
- Section 2 contains two disclosures, which provide information about the organization's market presence-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

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

Background on the topic

This Standard addresses the topic of an organization's market presence, covering its contribution to economic development in the local areas or communities where it operates. For example, this can include the organization's approaches to remuneration or local hiring.

System of GRI Standards

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

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

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

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

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

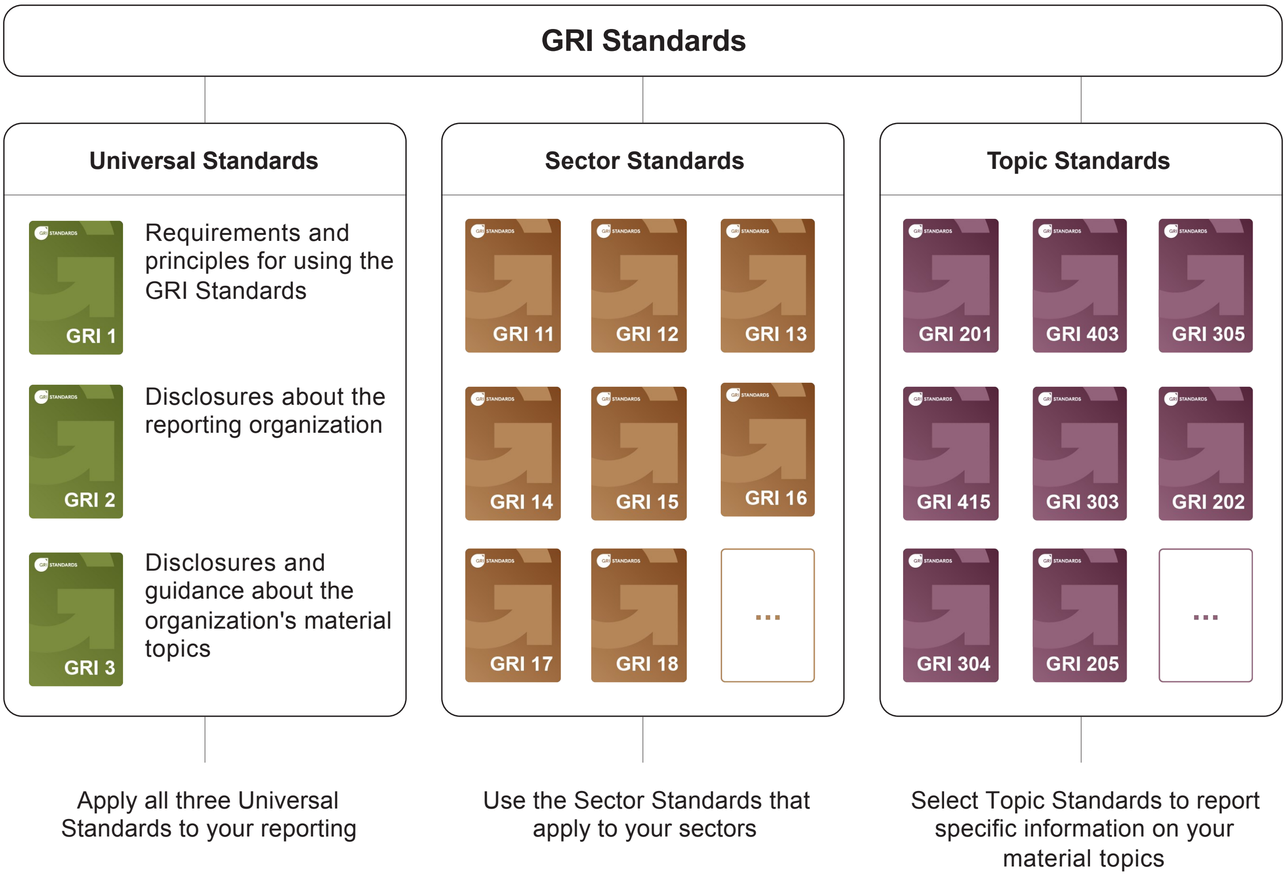
Sector Standards

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

Topic Standards

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its market presence-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined market presence to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization’s market presence-related impacts (Disclosure 202-1 through Disclosure 202-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined market presence to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

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

REQUIREMENTS

1.1 The reporting organization shall report how it manages market presence using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

REQUIREMENTS

The reporting organization shall report the following information:

a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.

b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.

c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.

d. The definition used for 'significant locations of operation'.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 202-1-b, the reporting organization should:

2.1.1 use the data from Disclosure 2-8 in *GRI 2: General Disclosures 2021* to identify the total number of workers who are not employees and whose work is controlled by the organization;
2.1.2 if applicable, convert the entry level wage to the same units used in the minimum wage (e.g., hourly or monthly basis);
2.1.3 when a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.

GUIDANCE

Background

This disclosure applies to those organizations in which a substantial portion of their employees, and workers (excluding employees) performing the organization's activities, are compensated in a manner or scale that is closely linked to laws or regulations on minimum wage.

Providing wages above the minimum wage can help contribute to the economic well-being of workers performing the organization's activities. The impacts of wage levels are immediate, and they directly affect individuals, organizations, countries and economies. The distribution of wages is crucial for eliminating inequalities, such as wage gap differences between women and men, or nationals and migrants.

Also, entry level wages paid compared to local minimum wages show the competitiveness of an organization's wages and provide information relevant for assessing the effect of wages on the local labor market. Comparing this information by gender can also be a measure of an organization's approach to equal opportunity in the workplace.

Disclosure 202-2 Proportion of senior management hired from the local community

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of senior management at significant locations of operation that are hired from the local community.

b. The definition used for 'senior management'.

c. The organization's geographical definition of 'local'.

d. The definition used for 'significant locations of operation'.

Compilation requirements

2.2 When compiling the information specified in Disclosure 202-2, the reporting organization shall calculate this percentage using data on full-time employees.

GUIDANCE

Senior management hired from the local community includes those individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of 'local' can include the community surrounding operations, a region within a country, or a country.

Background
Including members from the local community in an organization's senior management demonstrates the organization's positive market presence. Including local community members in the management team can enhance human capital. It can also increase the economic benefit to the local community, and improve an organization's ability to understand local needs.

Glossary

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

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

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

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

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

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

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

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

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

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

entry level wage
full-time wage in the lowest employment category

Note: Intern or apprentice wages are not considered entry level wages.

full-time employee
employee whose working hours per week, month, or year are defined according to national law or practice regarding working time

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on

their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

local minimum wage
minimum compensation for employment per hour, or other unit of time, allowed under law

Note: Some countries have numerous minimum wages, such as by state or province or by employment category.

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

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

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

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

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

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

Bibliography

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

Authoritative instruments:

1. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.

GRI 203: Indirect Economic Impacts 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-100-6

Content

Introduction

GRI 203: Indirect Economic Impacts 2016 contains disclosures for organizations to report information about their indirect economic impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its indirect economic impacts.
- Section 2 contains two disclosures, which provide information about the organization's indirect economic impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.

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

Background on the topic

This Standard addresses an organization's indirect economic impacts, including impacts of an organization's infrastructure investments and services supported.

An economic impact can be defined as a change in the productive potential of the economy that has an influence on a community's or stakeholder's well-being and longer-term prospects for development. Indirect economic impacts are the additional consequences of the direct impact of financial transactions and the flow of money between an organization and its stakeholders.

Indirect economic impacts can be monetary or non-monetary, and are particularly important to assess in relation to local communities and regional economies.

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

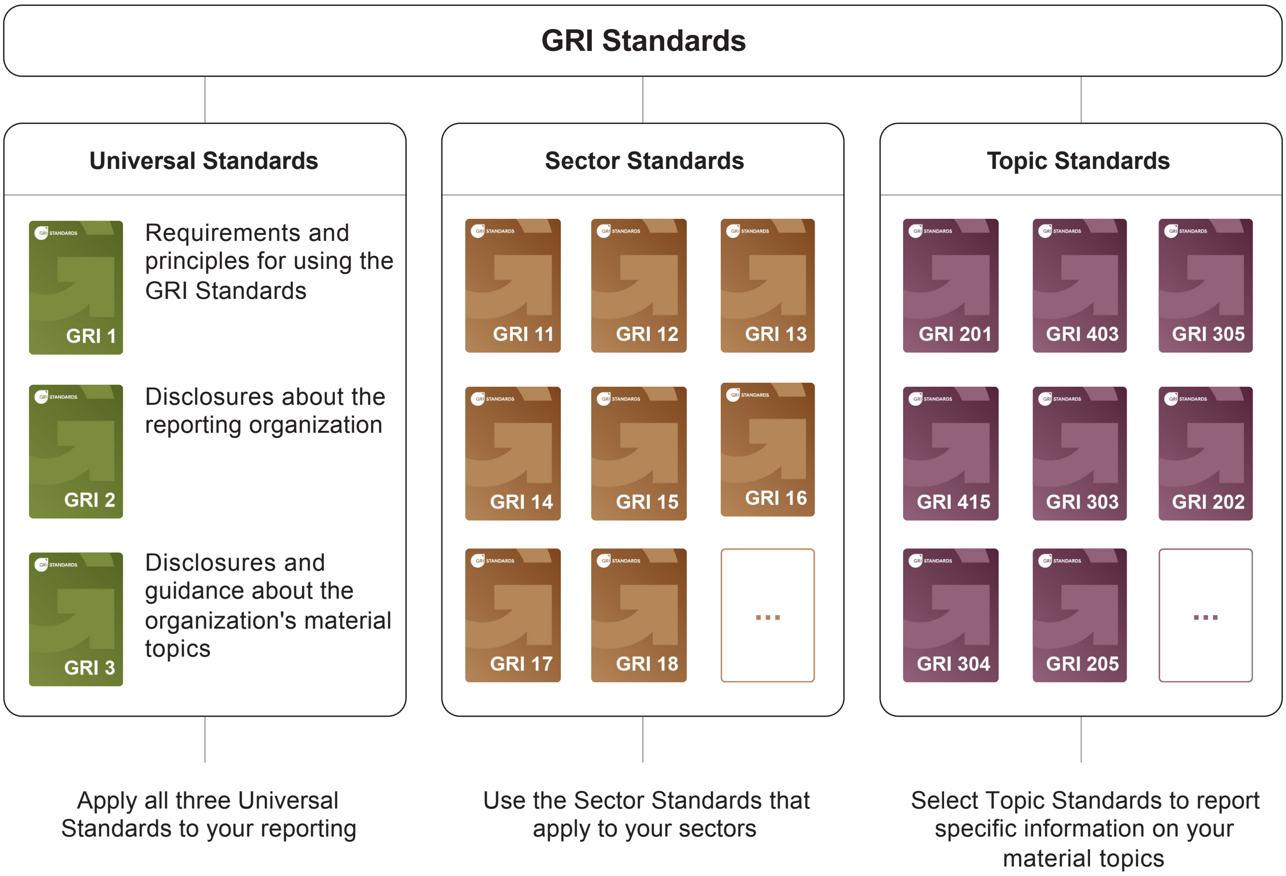
Sector Standards

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

Topic Standards

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its indirect economic impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined indirect economic impacts to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's indirect economic impacts (Disclosure 203-1 through Disclosure 203-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined indirect economic impacts to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

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

REQUIREMENTS

1.1 The reporting organization shall report how it manages indirect economic impacts using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

RECOMMENDATIONS

1.2 The reporting organization should:

1.2.1 describe work undertaken to understand indirect economic impacts at the national, regional, or local level;

1.2.2 explain whether it conducted a community needs assessment to determine the need for infrastructure and other services, and describe the results of the assessment.

2. Topic disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 203-1 Infrastructure investments and services supported

REQUIREMENTS

The reporting organization shall report the following information:

a. Extent of development of significant infrastructure investments and services supported.

b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.

c. Whether these investments and services are commercial, in-kind, or pro bono engagements.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 203-1, the reporting organization should disclose:

2.1.1 the size, cost and duration of each significant infrastructure investment or service supported;
2.1.2 the extent to which different communities or local economies are impacted by the organization’s infrastructure investments and services supported.

GUIDANCE

Background

This disclosure concerns the impact that an organization’s infrastructure investments and services supported have on its stakeholders and the economy.

The impacts of infrastructure investment can extend beyond the scope of an organization’s own operations and over a longer timescale. Such investments can include transport links, utilities, community social facilities, health and welfare centers, and sports centers. Along with investment in its own operations, this is one measure of the organization’s capital contribution to the economy.

Disclosure 203-2 Significant indirect economic impacts

REQUIREMENTS

The reporting organization shall report the following information:

a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.

b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.

GUIDANCE

Guidance for Disclosure 203-2

This disclosure concerns the spectrum of indirect economic impacts that an organization can have on its stakeholders and the economy.

Examples of significant indirect economic impacts, both positive and negative, can include:

- changes in the productivity of organizations, sectors, or the whole economy (such as through greater adoption of information technology);
- economic development in areas of high poverty (such as changes in the total number of dependents supported through the income of a single job);
- economic impacts of improving or deteriorating social or environmental conditions (such as changing job market in an area converted from small farms to large plantations, or the economic impacts of pollution);
- availability of products and services for those on low incomes (such as preferential pricing of pharmaceuticals, which contributes to a healthier population that can participate more fully in the economy; or pricing structures that exceed the economic capacity of those on low incomes);
- enhanced skills and knowledge in a professional community or in a geographic location (such as when shifts in an organization's needs attract additional skilled workers to an area, who, in turn, drive a local need for new learning institutions);
- number of jobs supported in the supply or distribution chain (such as the employment impacts on suppliers as a result of an organization's growth or contraction);
- stimulating, enabling, or limiting foreign direct investment (such as when an organization changes the infrastructure or services it provides in a developing country, which then leads to changes in foreign direct investment in the region);
- economic impacts from a change in operation or activity location (such as the impact of outsourcing jobs to an overseas location);
- economic impacts from the use of products and services (such as economic growth resulting from the use of a particular product or service).

Glossary

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

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

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

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

services supported
services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organization's own employees

Note: Public benefit can also include public services.

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

GRI 204: Procurement Practices 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-101-3

Content

Introduction

GRI 204: Procurement Practices 2016 contains disclosures for organizations to report information about their procurement practice-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its procurement practice-related impacts.
- Section 2 contains one disclosure, which provides information about the organization's procurement practice-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.

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

Background on the topic

This Standard addresses the topic of procurement practices. This covers an organization's support for local suppliers or those owned by women or members of vulnerable groups. It also covers how the organization's procurement practices (such as the lead times it gives to suppliers, or the purchasing prices it negotiates) cause or contribute to negative impacts in the supply chain.

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

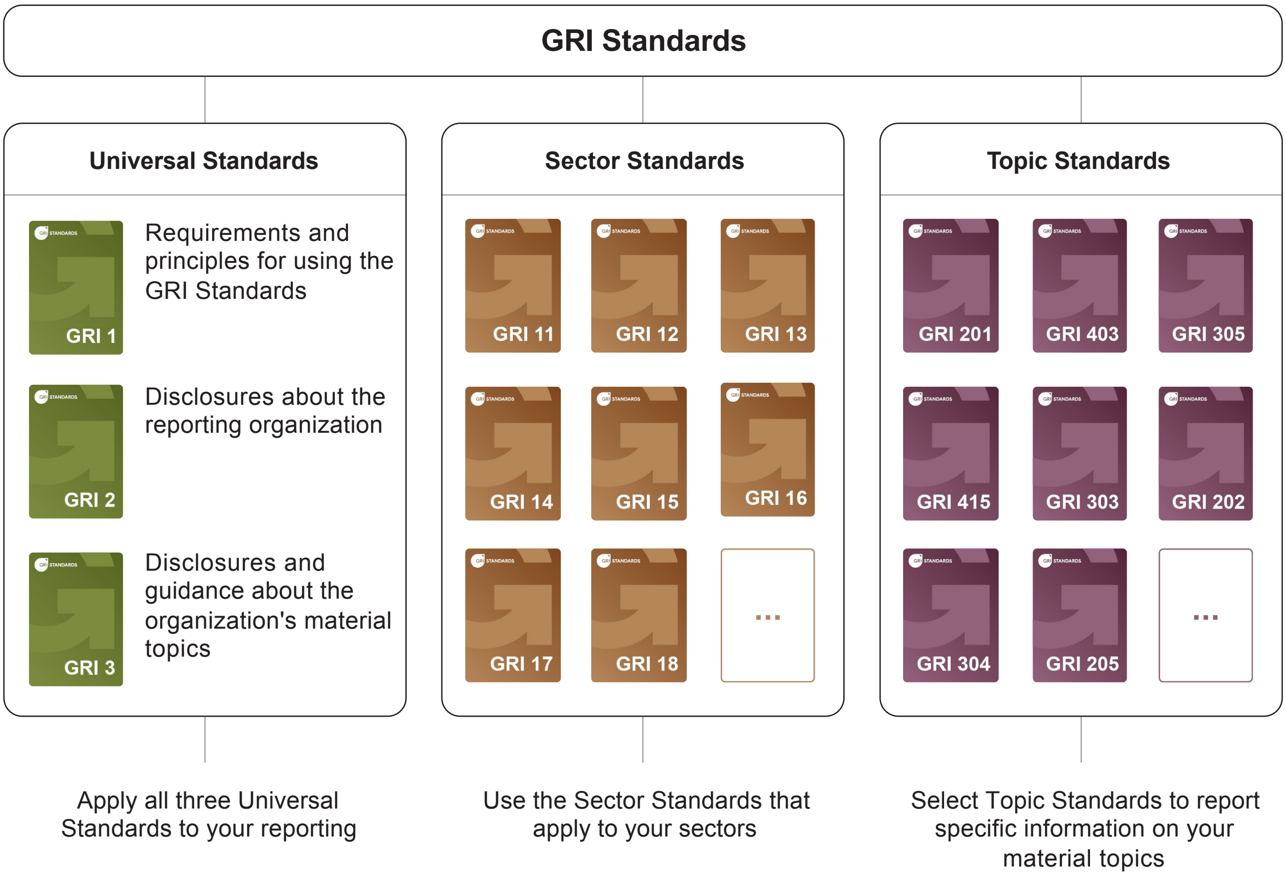
Sector Standards

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

Topic Standards

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its procurement practice-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined procurement practices to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's procurement practice-related impacts (Disclosure 204-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined procurement practices to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

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

REQUIREMENTS

1.1 The reporting organization shall report how it manages procurement practices using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also:

- describe actions taken to identify and adjust the organization's procurement practices that cause or contribute to negative impacts in the supply chain, including:
  - how dialogue with suppliers is used to identify procurement practices that cause or contribute to negative impacts in the supply chain;
  - actions taken to adjust payment policies and procedures;
- describe policies and practices used to select locally-based suppliers, either organization-wide or for specific locations;
- explain the rationale and methodology for tracing the source, origin, or production conditions of raw materials and production inputs purchased, if applicable;
- describe policies and practices used to promote economic inclusion when selecting suppliers.

Procurement practices that cause or contribute to negative impacts in the supply chain can include:

- stability or length of relationships with suppliers;
- lead times;
- ordering and payment routines;
- purchasing prices;
- changing or cancelling orders.

Forms of economic inclusion can include:

- small and medium-sized suppliers;
- suppliers owned by women;
- suppliers which are owned by or recruit workers from members of vulnerable, marginalized, or under-represented social groups.

2. Topic disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 204-1 Proportion of spending on local suppliers

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).

b. The organization's geographical definition of 'local'.

c. The definition used for 'significant locations of operation'.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 204-1, the reporting organization should calculate the percentages based on invoices or commitments made during the reporting period, e.g, using accruals accounting.

GUIDANCE

Guidance for Disclosure 204-1

Local purchases can be made either from a budget managed at the location of operation or at an organization's headquarters.

Background

By supporting local suppliers, an organization can indirectly attract additional investment to the local economy. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and maintain community relations.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

local supplier
organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no transnational payments are made to a local supplier)

Note: The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

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

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

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

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

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

GRI 205: Anti-corruption 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 205: Anti-corruption 2016 contains disclosures for organizations to report information about their corruption-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its corruption-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's corruption-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

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

Background on the topic

This Standard addresses the topic of anti-corruption. In this Standard, corruption is understood to include practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust. It can also include practices such as embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstructing justice.

Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and responsible business practices.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development and the United Nations: see the Bibliography.

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

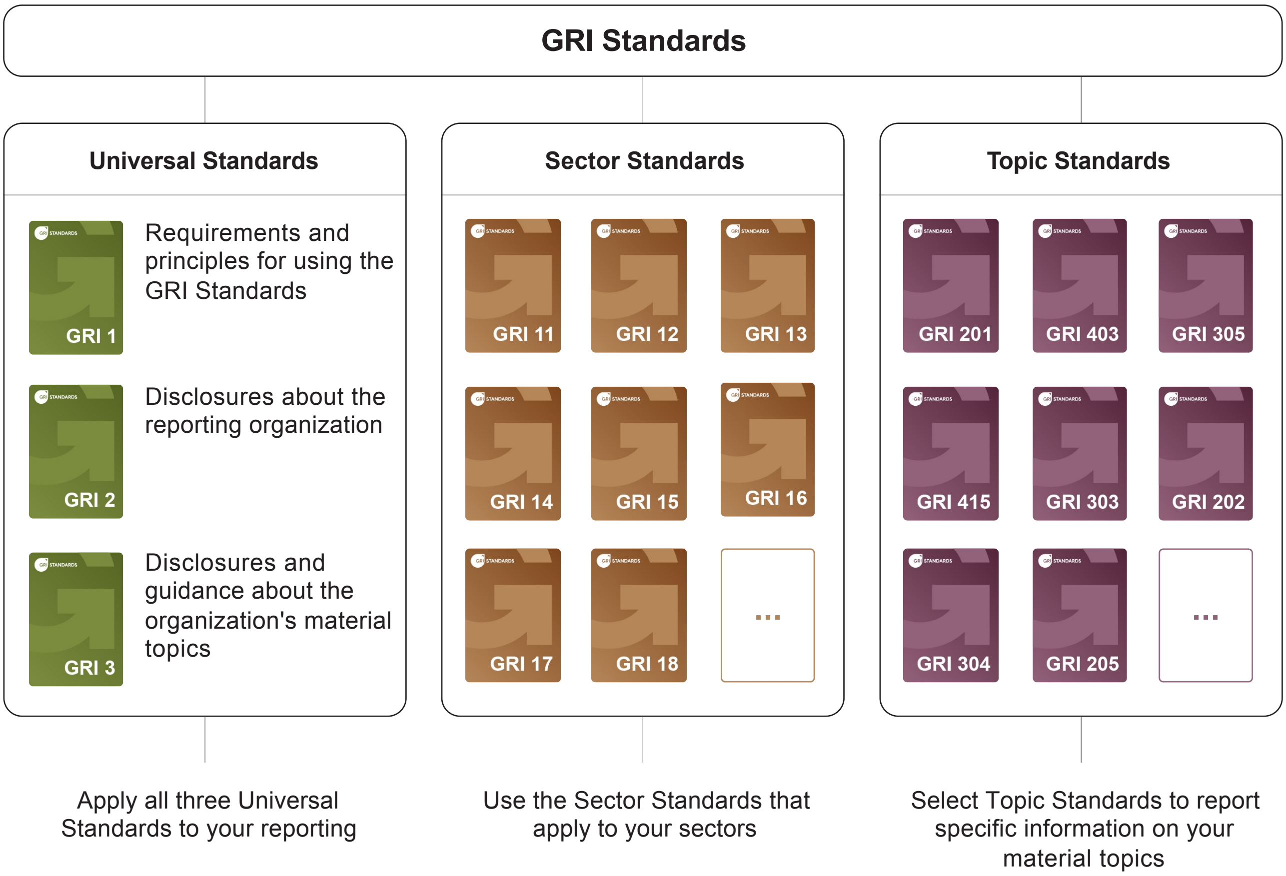
Sector Standards

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

Topic Standards

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its corruption-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined anti-corruption to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's corruption-related impacts (Disclosure 205-1 through Disclosure 205-3).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined anti-corruption to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

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

REQUIREMENTS

1.1 The reporting organization shall report how it manages anti-corruption using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

RECOMMENDATIONS

1.2 The reporting organization should disclose the following information:

1.2.1 The organization's risk assessment procedures for corruption, including the criteria used in the risk assessment, such as location, activity, and sector;
1.2.2 How the organization identifies and manages conflicts of interest that employees or persons linked to the organization's activities, products, or services may have. Conflicts of interest for the highest governance body are covered in Disclosure 2-15 of *GRI 2: General Disclosures 2021*;
1.2.3 How the organization ensures that charitable donations and sponsorships (financial and in-kind) that are made to other organizations are not used as a disguised form of bribery. Recipients of charitable donations and sponsorships (financial and in-kind) can include not-for-profit organizations, religious organizations, private organizations, and events;
1.2.4 The extent to which communication and training on anti-corruption is tailored to those governance body members, employees, business partners, and other persons that have been identified as having a high risk of incidents of corruption;
1.2.5 At which stage the training on anti-corruption for governance body members, employees, business partners and other persons that have been identified as having a high risk of incidents of corruption is provided (e.g., when new employees join the organization or when relationships with new business partners are established); and the frequency of the training (e.g., annually or biannually);
1.2.6 Whether the organization participates in collective action to combat corruption, including:
1.2.6.1 the strategy for the collective action activities;
1.2.6.2 a list of the collective action initiatives in which the organization participates;
1.2.6.3 a description of the main commitments of these initiatives.

GUIDANCE

Guidance for clauses 1.2.4 and 1.2.5
In the context of this GRI Standard, the term 'business partners' includes, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

2. Topic disclosures

Disclosure 205-1 Operations assessed for risks related to corruption

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number and percentage of operations assessed for risks related to corruption.

b. Significant risks related to corruption identified through the risk assessment.

GUIDANCE

Guidance for Disclosure 205-1
This disclosure can include a risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.

The term 'operation' refers to a single location used by the organization for the production, storage and/or distribution of its goods and services, or for administrative purposes. Within a single operation, there can be multiple production lines, warehouses, or other activities. For example, a single factory can be used for multiple products or a single retail outlet can contain several different retail operations that are owned or managed by the organization.

Background
This disclosure measures the extent of the risk assessment's implementation across an organization. Risk assessments can help to assess the potential for incidents of corruption within and related to the organization, and help the organization to design policies and procedures to combat corruption.

Disclosure 205-2 Communication and training about anti-corruption policies and procedures

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.

b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.

c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.

d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.

e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 205-2, the reporting organization should:

2.1.1 draw from the information used for Disclosure 405-1 in *GRI 405: Diversity and Equal Opportunity 2016* to identify:

2.1.1.1 the governance bodies that exist within the organization, such as the board of directors, management committee, or similar body for non-corporate organizations;

2.1.1.2 the total number of individuals and/or employees who comprise these governance bodies;

2.1.1.3 the total number of employees in each employee category, excluding governance body members;

2.1.2 estimate the total number of business partners.

GUIDANCE

Guidance for Disclosure 205-2

In the context of this GRI Standard, the term 'business partners' includes, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

Background

Communication and training build the internal and external awareness and the necessary capacity to combat corruption.

Disclosure 205-3 Confirmed incidents of corruption and actions taken

REQUIREMENTS

The reporting organization shall report the following information:

a. **Total number and nature of confirmed incidents of corruption.**

b. **Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.**

c. **Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.**

d. **Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.**

GUIDANCE

Guidance for Disclosure 205-3

For stakeholders, there is an interest in both the occurrence of incidents and an organization's response to the incidents. Public legal cases regarding corruption can include current public investigations, prosecutions, or closed cases.

Guidance for Disclosure 205-3-c

In the context of this GRI Standard, the term 'business partners' includes, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

collective action to combat corruption
voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture, in order to combat corruption

Examples: proactive collaboration with civil society organizations, governments and the wider public sector, peers, trade unions

confirmed incident of corruption
incident of corruption that has been found to be substantiated

Note: Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.

conflict of interest

situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities

corruption
'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

Source: Transparency International, *Business Principles for Countering Bribery*, 2011

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

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

employee category
breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

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

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

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

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

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

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

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

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

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

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

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

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

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

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

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

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

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

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

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

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

Note 2: The value chain includes the supply chain.

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

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

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

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

Bibliography

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

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD) Convention, 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions', 1997.
2. Organisation for Economic Co-operation and Development (OECD), *Good Practice Guidance on Internal Controls, Ethics, and Compliance*, 2010.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
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Additional references:

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9. United Nations Global Compact and Transparency International, *Reporting Guidance on the 10th Principle Against Corruption*, 2009.
10. World Bank, Worldwide Governance Indicators (WGI), Control of Corruption, http://info.worldbank.org/governance/wgi/index.aspx#home, accessed on 1 September 2016.

GRI 206: Anti-competitive Behavior 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
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Content

Introduction

GRI 206: Anti-competitive Behavior 2016 contains disclosures for organizations to report information about their anti-competitive behavior-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its anti-competitive behavior-related impact.
- Section 2 contains one disclosure, which provides information about the organization's anti-competitive behavior-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

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

Background on the topic

This Standard addresses the topic of anti-competitive behavior, including anti-trust and monopoly practices.

Anti-competitive behavior refers to actions of an organization or its employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographic quotas, and allocating customers, suppliers, geographic areas, or product lines.

Anti-trust and monopoly practices are actions of an organization that can result in collusion to erect barriers for entry to the sector, or to otherwise prevent competition. This can include unfair business practices, abuse of market position, cartels, anti-competitive mergers, and price-fixing.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

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

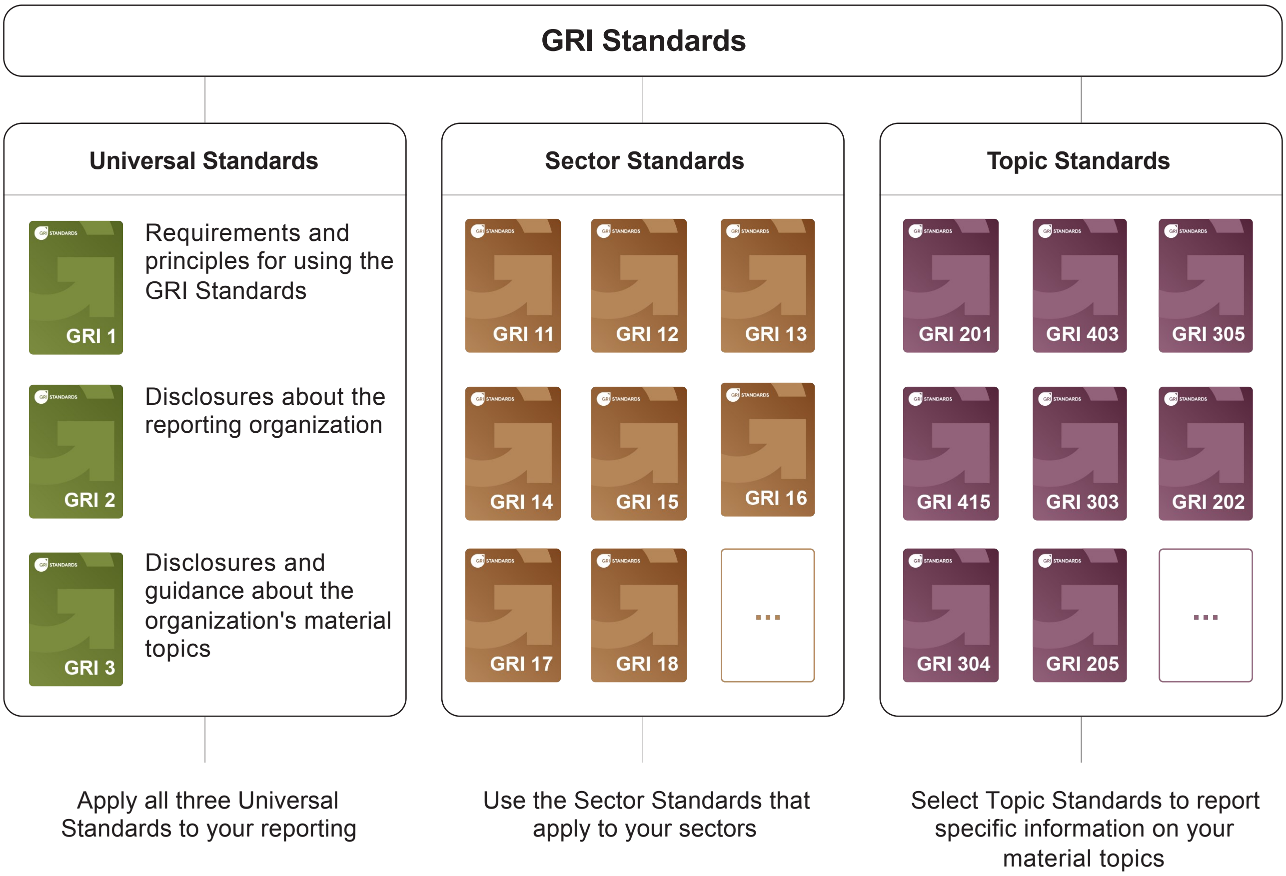
Sector Standards

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

Topic Standards

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

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



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its anti-competitive behavior-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined anti-competitive behavior to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's anti-competitive behavior-related impacts (Disclosure 206-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

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

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

Requirements, guidance and defined terms
The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

An organization that has determined anti-competitive behavior to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

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

REQUIREMENTS

1.1 The reporting organization shall report how it manages anti-competitive behavior using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

REQUIREMENTS

The reporting organization shall report the following information:

a. **Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.**

b. **Main outcomes of completed legal actions, including any decisions or judgements.**

GUIDANCE

Background

This disclosure pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behavior, anti-trust, or monopoly practices.

Anti-competitive behavior, anti-trust, and monopoly practices can affect consumer choice, pricing, and other factors that are essential to efficient markets. Legislation introduced in many countries seeks to control or prevent monopolies, with the underlying assumption that competition between enterprises also promotes economic efficiency and sustainable growth.

Legal action indicates a situation in which the market actions or status of an organization have reached a sufficient scale to merit concern by a third party. Legal decisions arising from these situations can carry the risk of significant disruption of market activities for the organization as well as punitive measures.

Glossary

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

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

anti-competitive behavior
action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

Examples: allocating customers, suppliers, geographic areas, and product lines; coordinating bids; creating market or output restrictions; fixing prices; imposing geographic quotas

anti-trust and monopoly practice
action of the organization that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition

Examples: abuse of market position, anti-competitive mergers, cartels, price-fixing, unfair business practices

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

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

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

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

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

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

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

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

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

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

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

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

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

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

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

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

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

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

GRI 207: Tax 2019

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2021

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 207: Tax 2019 contains disclosures for organizations to report information about their tax-related impacts, and how they manage these impacts. The disclosures enable an organization to provide information on how it manages tax, and information about its revenue, tax, and business activities on a country-by-country basis.

The Standard is structured as follows:
- Section 1 contains three disclosures, which provide information about how the organization manages its tax-related impacts.
- Section 2 contains one disclosure, which provides information about the organization's tax-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of tax.

Taxes are important sources of government revenue and are central to the fiscal policy and macroeconomic stability of countries.

They are acknowledged by the United Nations to play a vital role in achieving the Sustainable Development Goals.[1] They are also a key mechanism by which organizations contribute to the economies of the countries in which they operate.

Taxes paid by an organization reflect that profitability depends on many factors external to the organization, including access to workers, markets, public infrastructure and services, natural resources, and a public administration.

Organizations have an obligation to comply with tax legislation, and a responsibility to their stakeholders to meet expectations of good tax practices. If organizations seek to minimize their tax obligation in a jurisdiction, they might deprive the government of revenue. This could lead to reduced investment in public infrastructure and services, increase in government debt, or shifting of the tax obligation onto other tax payers.

Perceptions of tax avoidance by an organization could also undermine tax compliance more broadly, by driving other organizations to engage in aggressive tax planning based on the view that they might otherwise be at a competitive disadvantage. This can lead to increasing costs associated with tax regulation and enforcement.

Public reporting on tax increases transparency and promotes trust and credibility in the tax practices of organizations and in the tax systems. It enables stakeholders to make informed judgments about an organization's tax positions. Tax transparency also informs public debate and supports the development of socially desirable tax policy.

Country-by-country reporting

Country-by-country reporting involves the reporting of financial, economic, and tax-related information for each jurisdiction in which an organization operates. This indicates the organization's scale of activity and the contribution it makes through tax in these jurisdictions.

In combination with the topic management disclosures, country-by-country reporting gives insight into the organization's tax practices in different jurisdictions. It can also signal to stakeholders any potential reputational and financial risks in the organization's tax practices.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

1 United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015. (See in particular Target 17.1: 'Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection,' under Goal 17: 'Strengthen the means of implementation and revitalize the global partnership for sustainable development.')

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

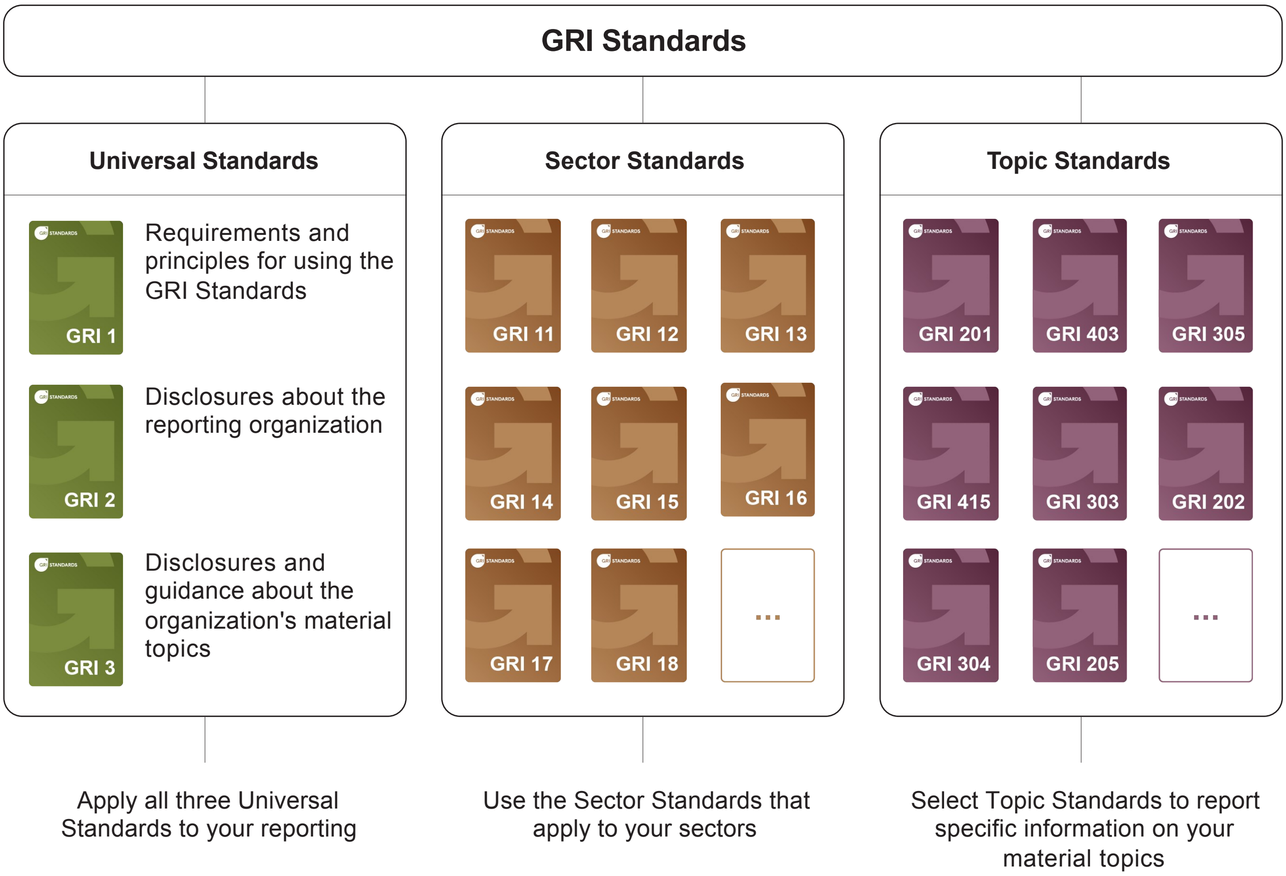
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its tax-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined tax to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);

- Any disclosures from this Topic Standard that are relevant to the organization's tax-related impacts (Disclosure 207-1 through Disclosure 207-4).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined tax to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section). The organization is also required to report any disclosures from this section (Disclosure 207-1 through Disclosure 207-3) that are relevant to its tax-related impacts.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages tax using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

Disclosure 207-1 Approach to tax

REQUIREMENTS

The reporting organization shall report the following information:

a. A description of the approach to tax, including:

i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available;
ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review;
iii. the approach to regulatory compliance;
iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.

GUIDANCE

Background
An organization's approach to tax defines how the organization balances tax compliance with business activities and ethical, societal, and sustainable development-related expectations. It can include the organization's tax principles, its attitude to tax planning, the degree of risk the organization is willing to accept, and the organization's approach to engaging with tax authorities.

An organization's approach to tax is often described in a tax strategy, but it could also be described in equivalent documents, such as policies, standards, principles, or codes of conduct.

Guidance for Disclosure 207-1-a
The reporting organization can illustrate its approach to tax by providing examples drawn from its tax practices. For example, the organization can provide an overview of its use of tax havens, the types of tax incentive it uses, or its approach to transfer pricing. These examples help demonstrate the organization's risk appetite and the tax practices deemed acceptable and unacceptable by the organization and its highest governance body.

Guidance for Disclosure 207-1-a-i
If the organization has a tax strategy but the strategy is not publicly available, the organization can provide an abstract or summary of the strategy.

If the organization has a tax strategy that applies to a smaller number of entities or tax jurisdictions than reported in Disclosure 207-4, the organization may report this strategy and list the entities or tax jurisdictions to which the strategy applies.

In addition to the overall strategy, if the organization has tax strategies that apply to individual entities or tax jurisdictions, the organization can explain any relevant differences between these strategies.

Guidance for Disclosure 207-1-a-iii
When describing its approach to regulatory compliance, the organization can describe any statements in its tax strategy or equivalent documents regarding its intention with respect to the tax laws in the jurisdictions in which it operates. For example, the organization can describe whether it seeks to comply with the letter and the spirit of the law. That is, whether the organization takes reasonable steps to determine and follow the intention of the legislature.[2]

Guidance for Disclosure 207-1-a-iv
When describing how its approach to tax is linked to its business strategy, the organization can explain how its tax planning is aligned with its commercial activities. The description can include any relevant statements from its tax strategy or equivalent documents.

When describing how its approach to tax is linked to its sustainable development strategy, the organization can explain the following:
- Whether it considered the economic and social impacts of its approach to tax when developing its tax strategy.
- Any organizational commitments to sustainable development in the jurisdictions in which it operates and whether its approach to tax is aligned with these commitments.

2 Organisation for Economic Co-operation and Development (OECD), 'Taxation', *OECD Guidelines for Multinational Enterprises*, pp. 60-63, 2011.

Disclosure 207-2 Tax governance, control, and risk management

REQUIREMENTS

The reporting organization shall report the following information:

a. A description of the tax governance and control framework, including:

i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy;
ii. how the approach to tax is embedded within the organization;
iii. the approach to tax risks, including how risks are identified, managed, and monitored;
iv. how compliance with the tax governance and control framework is evaluated.

b. A description of the mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax.

c. A description of the assurance process for disclosures on tax including, if applicable, a link or reference to the external assurance report(s) or assurance statement(s).

GUIDANCE

Background
Having robust governance, control, and risk management systems in place for tax can be an indication that the reported approach to tax and tax strategy are well embedded in an organization and that the organization is effectively monitoring its compliance obligations. Reporting this information reassures stakeholders that the organization's practices reflect the statements it has made about its approach to tax in its tax strategy or equivalent documents.

Guidance for Disclosure 207-2-a
When describing the tax governance and control framework, the reporting organization can provide examples of effective implementation of its tax governance, control, and risk management systems.

Guidance for Disclosure 207-2-a-i
If the highest governance body in an organization is accountable for compliance with the tax strategy, the organization can specify the degree to which the highest governance body has oversight of compliance. The organization can also specify any accountability for compliance delegated to executive-level positions within the organization.

Guidance for Disclosure 207-2-a-ii
When reporting how the approach to tax is embedded within the organization, the organization can describe processes, projects, programs, and initiatives that support adherence to the approach to tax and tax strategy.

Examples of such initiatives can include:
- training and guidance provided to relevant employees on the link between tax strategy, business strategy, and sustainable development;
- remuneration or incentive schemes for the person(s) responsible for implementing the tax strategy;
- succession-planning for positions within the organization that are responsible for tax;
- participation in tax transparency initiatives or representative associations that seek to develop best practice around disclosures on tax or educate stakeholders on tax-related issues.

Guidance for Disclosure 207-2-a-iii
Tax risks are risks associated with the organization's tax practices that might lead to a negative effect on the goals of the organization, or to financial or reputational damage. These include compliance risks or risks such as those related to uncertain tax positions, changes in legislation, or a perception of aggressive tax practices.

When reporting on the approach to tax risks, the organization can describe its risk appetite and tolerance and provide examples of tax practices it has avoided because they are misaligned with its approach to tax and tax strategy. Risk appetite and tolerance indicate the degree of risk the organization is willing to accept in determining its tax positions.

When reporting how tax risks are identified, managed, and monitored, the organization can:

- describe the role of the highest governance body in the tax risk management process;
- describe how the tax risk management process is communicated and embedded across the organization;
- refer to any internal control frameworks or generally accepted risk management principles that are applied to tax.

Guidance for Disclosure 207-2-a-iv

When reporting how compliance with the tax governance and control framework is evaluated, the organization can describe the process through which the tax governance and control framework is monitored, tested, and maintained. An example of this is giving an internal auditor accountability for undertaking annual reviews of the tax department's compliance with the tax governance and control framework.

The organization can also specify the degree to which the highest governance body has oversight of the design, implementation, and effectiveness of the tax governance and control framework.

Guidance for Disclosure 207-2-b

One example of a mechanism for individuals to raise concerns about the organization's business conduct, or about activities that compromise the organization's integrity in relation to tax, is whistleblowing.

Disclosure 207-2-b is related to Disclosure 2-26 in *GRI 2: General Disclosures 2021*. If the information reported by the organization in Disclosure 2-26 covers mechanisms used to raise concerns about the organization's business conduct in relation to tax, the organization can provide a reference to this information.

Guidance for Disclosure 207-2-c

Disclosure 207-2-c is related to Disclosure 2-5 in *GRI 2: General Disclosures 2021*. If the assurance process for disclosures on tax has been completed as part of another assurance process, the organization can provide a reference to this information reported in Disclosure 2-5 or elsewhere.

Disclosure 207-3 Stakeholder engagement and management of concerns related to tax

REQUIREMENTS

The reporting organization shall report the following information:

a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including:

- **i. the approach to engagement with tax authorities;**
- **ii. the approach to public policy advocacy on tax;**
- **iii. the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.**

GUIDANCE

Background

Organizations' tax practices are of interest to various stakeholders. The approach an organization takes to engaging with stakeholders has the potential to influence its reputation and position of trust. This includes how the organization engages with tax authorities in the development of tax systems, legislation, and administration.

Stakeholder engagement can enable the organization to understand evolving expectations related to tax. It can give the organization insight into potential future regulatory changes and enable the organization to better manage its risks and impacts.

Guidance for Disclosure 207-3-a-i

The approach to engagement with tax authorities can include participating in cooperative compliance agreements, seeking active real-time audit, seeking clearance for all significant transactions, engaging on tax risks, and seeking advance pricing agreements.

Guidance for Disclosure 207-3-a-ii

When reporting the approach to public policy advocacy on tax, the reporting organization can describe:

- its lobbying activities related to tax;
- its stance on significant issues related to tax that it addresses in its public policy advocacy, and any differences between its advocacy positions and its stated policies, goals, or other public positions;
- whether it is a member of, or contributes to, any representative associations or committees that participate in public policy advocacy on tax, including:
  - the nature of this contribution;
  - any differences between the organization's stated policies, goals, or other public positions on significant issues related to tax, and the positions of the representative associations or committees.

Disclosure 207-3-a-ii is related to the requirements in *GRI 415: Public Policy 2016*. If the organization has determined public policy to be a material topic and has reported information in *GRI 415* that covers the organization's public policy advocacy on tax, the organization can provide a reference to this information.

Guidance for Disclosure 207-3-a-iii

When reporting the processes for collecting and considering the views and concerns of stakeholders, the organization can describe how the processes enable stakeholders to participate in this engagement. The organization can also provide examples of how stakeholder feedback has influenced the approach to tax, the tax strategy, or the tax practices of the organization.

2. Topic disclosures

Disclosure 207-4 Country-by-country reporting

REQUIREMENTS

The reporting organization shall report the following information:

a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.

b. For each tax jurisdiction reported in Disclosure 207-4-a:

i. Names of the resident entities;
ii. Primary activities of the organization;
iii. Number of employees, and the basis of calculation of this number;
iv. Revenues from third-party sales;
v. Revenues from intra-group transactions with other tax jurisdictions;
vi. Profit/loss before tax;
vii. Tangible assets other than cash and cash equivalents;
viii. Corporate income tax paid on a cash basis;
ix. Corporate income tax accrued on profit/loss;
x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.

c. The time period covered by the information reported in Disclosure 207-4.

Compilation requirements

2.1 When compiling the information specified in Disclosure 207-4, the reporting organization shall report information for the time period covered by the most recent audited consolidated financial statements or financial information filed on public record. If information is not available for this time period, the organization may report information for the time period covered by the audited consolidated financial statements, or the financial information filed on public record, immediately preceding the most recent ones.

2.2 When compiling the information specified in Disclosure 207-4-b, the reporting organization shall:

2.2.1 reconcile the data reported for Disclosures 207-4-b-iv, vi, vii, and viii with the data stated in its audited consolidated financial statements, or the financial information filed on public record, for the time period reported in Disclosure 207-4-c. Where the data reported does not reconcile with the audited consolidated financial statements, or the financial information filed on public record, the organization shall provide an explanation for this difference;
2.2.2 for Disclosure 207-4-b-ix, include corporate income tax accrued in the time period reported in Disclosure 207-4-c and exclude deferred corporate income tax and provisions for uncertain tax positions;
2.2.3 in cases where an entity is deemed not to be resident in any tax jurisdiction, provide the information for this stateless entity separately.

RECOMMENDATIONS

2.3 The reporting organization should report the following additional information for each tax jurisdiction reported in Disclosure 207-4-a:

2.3.1 Total employee remuneration;
2.3.2 Taxes withheld and paid on behalf of employees;
2.3.3 Taxes collected from customers on behalf of a tax authority;
2.3.4 Industry-related and other taxes or payments to governments;
2.3.5 Significant uncertain tax positions;
2.3.6 Balance of intra-company debt held by entities in the tax jurisdiction, and the basis of calculation of the interest rate paid on the debt.

GUIDANCE

Background
Country-by-country reporting is the reporting of financial, economic, and tax-related information for each jurisdiction in which the organization operates.

Guidance for Disclosure 207-4-a
In the context of this Standard, tax jurisdictions are identified according to where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. These entities include permanent establishments and dormant entities.

Guidance for Disclosure 207-4-b
Unless otherwise stated, country-by-country information is to be reported at the level of tax jurisdictions and not at the level of individual entities.

Number of employees, revenues, profit/loss before tax, and tangible assets other than cash and cash equivalents are indicators of the organization's scale of activity within a tax jurisdiction. When considered in conjunction with the other required and recommended information, they can inform assessments about the level of taxes being paid in a jurisdiction.

In addition to this information, the organization can report any other information relevant for understanding the scale of its activity within a jurisdiction.

If the reporting organization cannot report all required information for all the tax jurisdictions reported in Disclosure 207-4-a, it may use reasons for omission as set out in *GRI 1: Foundation 2021*. The organization is required to specify the requirement it cannot comply with, and to provide a reason for omission and required explanation, as set out in *GRI 1*. See Requirement 6 in *GRI 1* for more information on reasons for omission.

If complete reporting for a tax jurisdiction is not possible because the organization holds a minority shareholding or is the non-operating joint venture partner in an entity, the organization may provide 'information unavailable / incomplete' as the reason for omission and specify the majority shareholder or operating partner.

The organization can also report any contextual information necessary to understand how data has been compiled, such as any standards, methodologies, and assumptions used.

Guidance for Disclosure 207-4-b-i
Disclosure 207-4-b-i requires the organization to report a list of entities by tax jurisdiction.

If the organization's publicly available audited consolidated financial statements, or the financial information filed on public record, include a list of all its entities by tax jurisdiction, the organization can provide a reference to this information.

When reporting the names of the resident entities for a tax jurisdiction, the organization can specify if any of the entities are dormant.

Guidance for Disclosure 207-4-b-ii
When reporting its primary activities in a tax jurisdiction, the organization can provide a general description such that a report reader can clearly identify the organization's main activities in the jurisdiction, for example, sales, marketing, manufacturing, or distribution. The organization is not required to list the activities of each entity in the jurisdiction.

Guidance for Disclosure 207-4-b-iii
Employee numbers can be reported using an appropriate calculation, such as head count at the end of the time period reported in Disclosure 207-4-c or a full-time equivalent (FTE) calculation. To enable comparability, it is important that the organization applies the approach consistently across all tax jurisdictions and between time periods.

If the organization is unable to report exact figures, it can report the number of employees to the nearest ten or, where the number of employees is greater than 1000, to the nearest 100.

The number of employees is one indicator of the organization's scale of activity in a tax jurisdiction. In addition to the number of employees, the organization may report the number of workers (excluding employees) performing the organization's activities, if this helps explain the organization's scale of activity in the jurisdiction. It is important that the organization reports the number of employees and/or the number of workers consistently across all jurisdictions and between time periods.

Guidance for Disclosures 207-4-b-iv and 207-4-b-v
These disclosures require the organization to report revenues from third-party sales for each tax jurisdiction and from intra-group transactions between that jurisdiction and other tax jurisdictions. Intra-group transactions within the same tax jurisdiction are not required, but the organization can report this information separately.

Intra-group transactions between jurisdictions can influence the tax bases of the organization in the jurisdictions involved in these transactions. Intra-group transactions within the same tax jurisdiction do not affect the tax base of the organization within that jurisdiction.

For this reason, revenues from third-party sales and intra-group transactions with other jurisdictions are a more appropriate indicator of an organization's scale of activity in a tax jurisdiction than aggregated revenues. Aggregated revenues could result in local revenues being double-counted, which might create a misleading impression about the organization's scale of activity in a jurisdiction.

The organization can also report other sources of revenue, for example, dividends, interest, and royalties, where this is standard practice in the sector of the organization.

Guidance for Disclosure 207-4-b-vi
When reporting profit/loss before tax for a tax jurisdiction, the organization can calculate the consolidated profit/loss before tax for all its resident entities in the jurisdiction.

Guidance for Disclosure 207-4-b-vii
When reporting tangible assets for a tax jurisdiction, the organization can calculate the consolidated total of the net book values of tangible assets for all its resident entities in the jurisdiction.

Guidance for Disclosure 207-4-b-viii
When reporting corporate income tax paid on a cash basis for a tax jurisdiction, the organization can calculate the total actual corporate income tax paid during the time period reported in Disclosure 207-4-c by all its resident entities in the jurisdiction. This includes cash taxes paid by entities to the jurisdiction of residence and to all other jurisdictions (e.g., withholding taxes incurred in other tax jurisdictions).

If the tax paid includes a significant amount of withholding tax, the organization can explain this. If taxes are incurred in other tax jurisdictions, the organization can report the amount of tax paid to the other tax jurisdictions separately and identify the jurisdictions where the tax was paid.

Guidance for Disclosure 207-4-b-x
When reporting the reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax, the organization can describe items that explain the difference, such as tax reliefs, allowances, incentives, or any special tax provisions where an entity benefits from preferential tax treatment.

The organization can group explanatory items into a generic category, such as 'other', if these items together do not exceed 10% of the difference.

The organization can also report the expiration date, investment requirements, and likely long-term continuity of tax reliefs or incentives for a jurisdiction.

In addition to providing a qualitative explanation as required by this disclosure, the organization can also report a quantitative corporate tax reconciliation.

Guidance for Disclosure 207-4-c and clause 2.1
The organization is required to report information on a regular schedule and make it available in time for information users to make decisions (see the Timeliness principle in *GRI 1: Foundation 2021* for more information). The organization is also recommended to report the information for the same reporting period and publish the information at the same time as its financial reporting, where this is possible (see section 5.1 in *GRI 1* for more information). However, the

information required in Disclosure 207-4 might not be available for reporting until a later point in time.

If the information required in Disclosure 207-4 is not available for the time period covered by the most recent audited consolidated financial statements or financial information filed on public record, the organization may report information for the time period covered by the audited consolidated financial statements, or the financial information filed on public record, immediately preceding the most recent ones.

Where this time period differs from the reporting period, the organization can specify the reason why.

Guidance for clause 2.2.1
For each of the disclosures specified in clause 2.2.1, the data is considered to be reconciled when the sum of this data for all tax jurisdictions equals the amount reported in the organization's audited consolidated financial statements or in the financial information filed on public record.

Guidance for clause 2.2.3
When providing information for stateless entities, the organization can also include their jurisdiction of incorporation.

Guidance for clause 2.3.1
Total employee remuneration in a tax jurisdiction can reflect the business value provided by the entities in that jurisdiction to the organization as a whole.

Total employee remuneration also represents the basis for calculating taxes withheld and paid on behalf of employees, covered under clause 2.3.2.

Guidance for clause 2.3.2
Taxes withheld and paid on behalf of employees refer to taxes withheld by the organization from employee remuneration to be paid to the tax authorities. These can include income taxes, payroll taxes, and social security contributions.

Guidance for clause 2.3.3
Taxes collected from customers refer to taxes and duties charged on and collected on the sales of certain products and services. These are paid by the organization to the tax authorities on behalf of customers.

Guidance for clause 2.3.4
Examples of industry-related and other taxes or payments to governments include:
- industry taxes (e.g., energy tax, airline tax);
- property taxes (e.g., land tax);
- product taxes (e.g., customs duties, alcohol and tobacco duties);
- taxes and duties levied on the supply, use, or consumption of goods and services considered to be harmful to the environment (e.g., vehicle excise duties).

Guidance for clause 2.3.5
When reporting significant uncertain tax positions for a tax jurisdiction, the organization can report the value of the tax positions in line with its audited consolidated financial statements or the financial information filed on public record.

The organization can provide a description of tax positions that have not been agreed with the relevant tax authorities at the end of the time period reported in Disclosure 207-4-c. The description can include the nature of the disagreement and the reasons for any change in tax positions that occurred during the time period, where relevant.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

basic salary
fixed, minimum amount paid to an employee for performing his or her duties

Note: Basic salary excludes any additional remuneration, such as payments for overtime working or bonuses.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

employee
individual who is in an employment relationship with the organization according to national law or practice

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

local community
individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities

Note: The local community can range from those living adjacent to the organization's operations to those living at a distance.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

remuneration
basic salary plus additional amounts paid to a worker

Note: Examples of additional amounts paid to a worker can include those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances, such as transportation, living and childcare allowances.

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

stakeholder
individual or group that has an interest that is affected or could be affected by the organization's activities

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

tax jurisdiction
country or territory with autonomous taxing powers similar to a country

Note 1: Territories with autonomous taxing powers similar to a country are those that have a level of autonomy such that they can participate in the Organisation for Economic Co-operation and Development (OECD) and Council of Europe's The Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Examples of such territories include Bermuda, Hong Kong, and Jersey.

Note 2: The definition for tax jurisdiction includes those countries or territories that choose not to exercise their fiscal autonomy to charge taxes.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group
group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *Co-operative Tax Compliance: Building Better Tax Control Frameworks*, 2016.
2. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
3. Organisation for Economic Co-operation and Development (OECD), *Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, 2015.
4. Organisation for Economic Co-operation and Development (OECD) and Council of Europe, *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, 2011.
5. United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015.

Additional references:

6. International Financial Reporting Standards (IFRS) Foundation, *IAS 12 Income Taxes*, 2016.
7. International Financial Reporting Standards (IFRS) Foundation, *IFRS 12 Disclosure of Interests in Other Entities*, 2019.

GRI 301: Materials 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 301: Materials 2016 contains disclosures for organizations to report information about their materials-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its materials-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's materials-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of materials.

The inputs used to manufacture and package an organization's products and services can be non-renewable materials, such as minerals, metals, oil, gas, or coal; or renewable materials, such as wood or water. Both renewable and non-renewable materials can be composed of virgin or recycled input materials.

The type and amount of materials the organization uses can indicate its dependence on natural resources, and the impacts it has on their availability. The organization's contribution to resource conservation can be indicated by its approach to recycling, reusing and reclaiming materials, products, and packaging.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

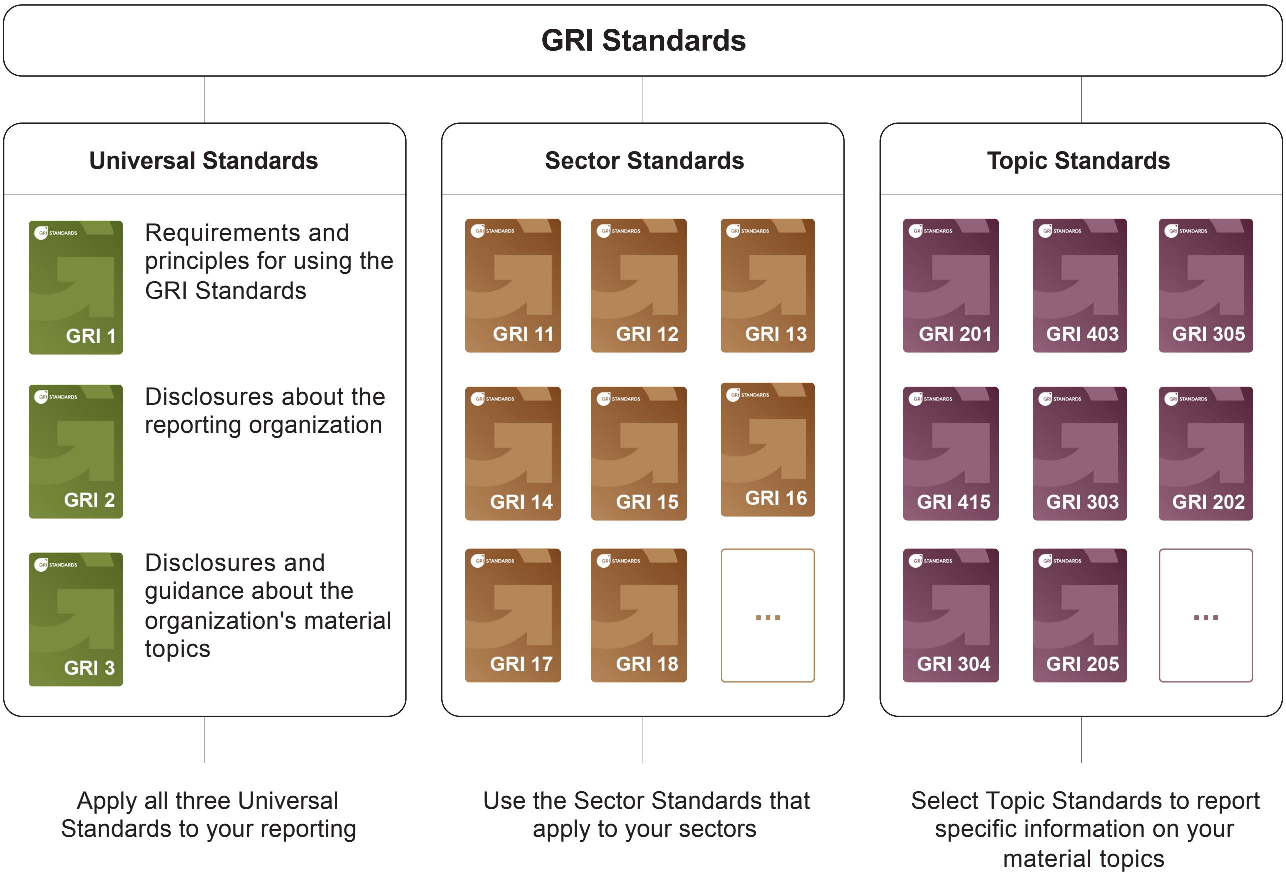
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its materials-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined materials to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's materials-related impacts (Disclosure 301-1 through Disclosure 301-3).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined materials to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages materials using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 301-1 Materials used by weight or volume

REQUIREMENTS

The reporting organization shall report the following information:

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

i. non-renewable materials used;
ii. renewable materials used.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 301-1, the reporting organization should:

2.1.1 include the following material types in the calculation of total materials used:
2.1.1.1 raw materials, i.e., natural resources used for conversion to products or services, such as ores, minerals, and wood;
2.1.1.2 associated process materials, i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery;
2.1.1.3 semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product;
2.1.1.4 materials for packaging purposes, including paper, cardboard and plastics;
2.1.2 report, for each material type, whether it was purchased from external suppliers or sourced internally (such as by captive production and extraction activities);
2.1.3 report whether these data are estimated or sourced from direct measurements;
2.1.4 if estimation is required, report the methods used.

GUIDANCE

Guidance for Disclosure 301-1
The reported usage data are to reflect the material in its original state, and not to be presented with further data manipulation, such as reporting it as 'dry weight'.

Disclosure 301-2 Recycled input materials used

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of recycled input materials used to manufacture the organization's primary products and services.

Compilation requirements

2.2 When compiling the information specified in Disclosure 301-2, the reporting organization shall:

2.2.1 use the total weight or volume of materials used as specified in Disclosure 301-1;

2.2.2 calculate the percentage of recycled input materials used by applying the following formula:

$$\text{Percentage of recycled input materials used} = \frac{\text{Total recycled input materials used}}{\text{Total input materials used}} \times 100$$

RECOMMENDATIONS

2.3 When compiling the information specified in Disclosure 301-2, the reporting organization should, if estimation is required, report the methods used.

GUIDANCE

Guidance for Disclosure 301-2

If material weight and volume measurements are stated as different units, the organization can convert measurements to standardized units.

Disclosure 301-3 Reclaimed products and their packaging materials

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of reclaimed products and their packaging materials for each product category.

b. How the data for this disclosure have been collected.

Compilation requirements

2.4 When compiling the information specified in Disclosure 301-3, the reporting organization shall:

2.4.1 exclude rejects and recalls of products;
2.4.2 calculate the percentage of reclaimed products and their packaging materials for each product category using the following formula:

$$\text{Percentage of reclaimed products and their packaging materials} = \frac{\text{Products and their packaging materials reclaimed within the reporting period}}{\text{Products sold within the reporting period}} \times 100$$

GUIDANCE

Guidance for Disclosure 301-3
The reporting organization can also report recycling or reuse of packaging separately.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

non-renewable material
resource that does not renew in short time periods

Examples: coal, gas, metals, minerals, oil

product or service category
group of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market

reclaimed
refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives

Note 1: Collection and treatment can be carried out by the manufacturer of the product or by a contractor.

Note 2: Reclaimed items can include products and their packaging materials that are collected by or on behalf of the organization; separated into raw materials (such as steel, glass, paper, some kinds of plastic) or components; and/or used by the organization or other users.

recycled input material
material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organization

renewable material
material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation

Source: European Environment Information and Observation Network (EIONET), *GEMET Thesaurus – Renewable Raw Material*, http://www.eionet.europa.eu/gemet/concept?ns=1&cp=7084, accessed on 1 September 2016; modified
Organisation for Economic Co-operation and Development (OECD), *Resource Productivity in the G8 and the OECD – A report in the Framework of the Kobe 3R Action Plan*, http://www.oecd.org/env/waste/47944428.pdf, accessed on 1 September 2016; modified
United Nations (UN), European Commission (EC), International Monetary Fund (IMF), Organisation for Economic and Co-operation and Development (OECD), and World Bank, *Integrated Environmental and Economic Accounting – Handbook of National Accounting*, 2003; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms ‘sustainability’ and ‘sustainable development’ are used interchangeably in the GRI Standards.

GRI 302: Energy 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
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Content

Introduction

GRI 302: Energy 2016 contains disclosures for organizations to report information about their energy-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its energy-related impacts.
- Section 2 contains five disclosures, which provide information about the organization's energy-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of energy.

An organization can consume energy in various forms, such as fuel, electricity, heating, cooling or steam. Energy can be self-generated or purchased from external sources and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources such as coal, petroleum or natural gas).

Using energy more efficiently and opting for renewable energy sources is essential for combating climate change and for lowering an organization's overall environmental footprint.

Energy consumption can also occur throughout the upstream and downstream activities connected with an organization's operations. This can include consumers' use of products the organization sells, and the end-of-life treatment of these products.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

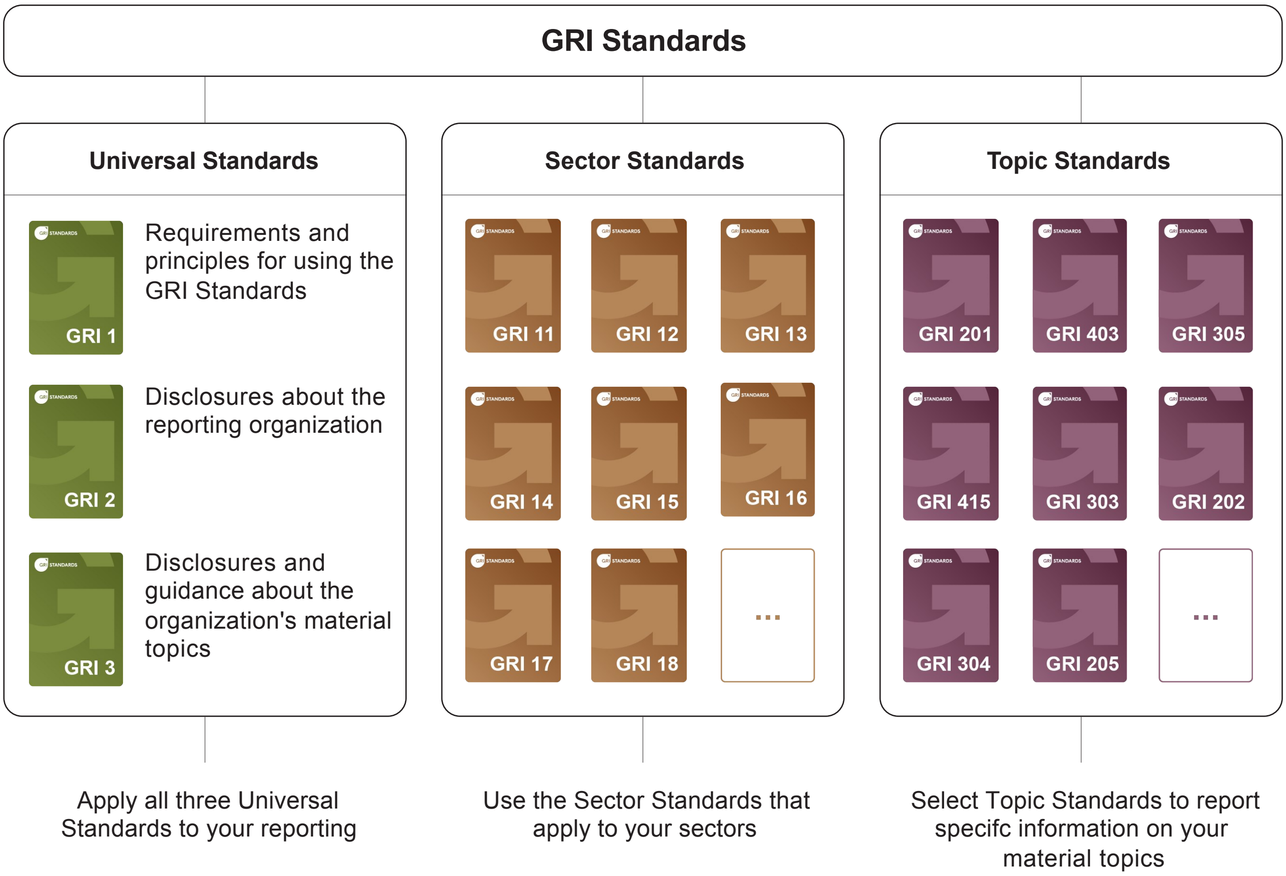
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its energy-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined energy to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's energy-related impacts (Disclosure 302-1 through Disclosure 302-5).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined energy to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages energy using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also explain whether it is subject to any country, regional, or industry-level energy regulations and policies. Additionally, it can provide examples of these regulations and policies.

2. Topic disclosures

Disclosure 302-1 Energy consumption within the organization

REQUIREMENTS

The reporting organization shall report the following information:

a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

c. In joules, watt-hours or multiples, the total:

i. electricity consumption
ii. heating consumption
iii. cooling consumption
iv. steam consumption

d. In joules, watt-hours or multiples, the total:

i. electricity sold
ii. heating sold
iii. cooling sold
iv. steam sold

e. Total energy consumption within the organization, in joules or multiples.

f. Standards, methodologies, assumptions, and/or calculation tools used.

g. Source of the conversion factors used.

Compilation requirements

2.1 When compiling the information specified in Disclosure 302-1, the reporting organization shall:

2.1.1 avoid the double-counting of fuel consumption, when reporting self-generated energy consumption. If the organization generates electricity from a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted once under fuel consumption;
2.1.2 report fuel consumption separately for non-renewable and renewable fuel sources;
2.1.3 only report energy consumed by entities owned or controlled by the organization;
2.1.4 calculate the total energy consumption within the organization in joules or multiples using the following formula:

Total energy consumption within the organization
=
Non-renewable fuel consumed
+
Renewable fuel consumed
+
Electricity, heating, cooling, and steam purchased for consumption
+
Self-generated electricity, heating, cooling, and steam, which are not consumed (see clause 2.1.1)
-
Electricity, heating, cooling, and steam sold

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 302-1, the reporting organization should:

2.2.1 apply conversion factors consistently for the data disclosed;

2.2.2 use local conversion factors to convert fuel to joules, or multiples, when possible;

2.2.3 use the generic conversion factors, when local conversion factors are unavailable;

2.2.4 if subject to different standards and methodologies, describe the approach to selecting them;

2.2.5 report energy consumption for a consistent group of entities. When possible, the group of entities should also be consistent with the group of entities used in Disclosures 305-1 and 305-2 of *GRI 305: Emissions 2016*;

2.2.6 where it aids transparency or comparability over time, provide a breakdown of energy consumption data by:

2.2.6.1 business unit or facility;

2.2.6.2 country;

2.2.6.3 type of source (see definitions for the listing of non-renewable sources and renewable sources);

2.2.6.4 type of activity.

GUIDANCE

Background

For some organizations, electricity is the only significant form of energy they consume. For others, energy sources such as steam or water provided from a district heating plant or chilled water plant can also be important.

Energy can be purchased from sources external to the organization or produced by the organization itself (self-generated).

Non-renewable fuel sources can include fuel for combustion in boilers, furnaces, heaters, turbines, flares, incinerators, generators and vehicles that are owned or controlled by the organization. Non-renewable fuel sources cover fuels purchased by the organization. They also include fuel generated by the organization's activities – such as mined coal, or gas from oil and gas extraction.

Renewable fuel sources can include biofuels, when purchased for direct use, and biomass in sources owned or controlled by the organization.

Consuming non-renewable fuels is usually the main contributor to direct (Scope 1) GHG emissions, which are reported in Disclosure 305-1 of *GRI 305: Emissions 2016*. Consuming purchased electricity, heating, cooling, and steam contributes to the organization’s energy indirect (Scope 2) GHG emissions, which are reported in Disclosure 305-2 of *GRI 305: Emissions 2016*.

Disclosure 302-2 Energy consumption outside of the organization

REQUIREMENTS

The reporting organization shall report the following information:

a. Energy consumption outside of the organization, in joules or multiples.

b. Standards, methodologies, assumptions, and/or calculation tools used.

c. Source of the conversion factors used.

Compilation requirements

2.3 When compiling the information specified in Disclosure 302-2, the reporting organization shall exclude energy consumption reported in Disclosure 302-1.

RECOMMENDATIONS

2.4 When compiling the information specified in Disclosure 302-2, the reporting organization should:

2.4.1 if subject to different standards and methodologies, describe the approach to selecting them;
2.4.2 list energy consumption outside of the organization, with a breakdown by upstream and downstream categories and activities.

GUIDANCE

Guidance for Disclosure 302-2
The reporting organization can identify energy consumption outside of the organization by assessing whether an activity's energy consumption:
- contributes significantly to the organization's total anticipated energy consumption outside of the organization;
- offers potential for reductions the organization can undertake or influence;
- contributes to climate change-related risks, such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks;
- is deemed material by stakeholders, such as customers, suppliers, investors, or civil society;
- results from outsourced activities previously performed in-house, or that are typically performed in-house by other organizations in the same sector;
- has been identified as significant for the organization's sector;
- meets any additional criteria for determining relevance, developed by the organization or by organizations in its sector.

The organization can use the following upstream and downstream categories and activities from the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' for identifying relevant energy consumption outside of the organization (see reference [2] in the Bibliography):

Upstream categories
1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (not included in Disclosure 302-1)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets

Other upstream

Downstream categories
1. Downstream transportation and distribution
2. Processing of sold products
3. Use of sold products

4. End-of-life treatment of sold products
5. Downstream leased assets
6. Franchises
7. Investments
   Other downstream

For each of these categories and activities, the organization can calculate or estimate the amount of energy consumed.

The organization can report energy consumption separately for non-renewable sources and renewable sources.

Background
Energy consumption can occur outside an organization, i.e., throughout the organization's upstream and downstream activities associated with its operations.

This can include consumers' use of products the organization sells, and the end-of-life treatment of products.

Quantifying energy consumption outside of the organization can provide a basis for calculating some of the relevant other indirect (Scope 3) GHG emissions in Disclosure 305-3 of *GRI 305: Emissions 2016*.

Disclosure 302-3 Energy intensity

REQUIREMENTS

The reporting organization shall report the following information:

a. Energy intensity ratio for the organization.

b. Organization-specific metric (the denominator) chosen to calculate the ratio.

c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.

d. Whether the ratio uses energy consumption within the organization, outside of it, or both.

Compilation requirements

2.5 When compiling the information specified in Disclosure 302-3, the reporting organization shall:

2.5.1 calculate the ratio by dividing the absolute energy consumption (the numerator) by the organization-specific metric (the denominator);
2.5.2 if reporting an intensity ratio both for the energy consumed within the organization and outside of it, report these intensity ratios separately.

RECOMMENDATIONS

2.6 When compiling the information specified in Disclosure 302-3, the reporting organization should, where it aids transparency or comparability over time, provide a breakdown of the energy intensity ratio by:

2.6.1 business unit or facility;
2.6.2 country;
2.6.3 type of source (see definitions for the listing of non-renewable sources and renewable sources);
2.6.4 type of activity.

GUIDANCE

Guidance for Disclosure 302-3
Intensity ratios can be provided for, among others:
- products (such as energy consumed per unit produced);
- services (such as energy consumed per function or per service);
- sales (such as energy consumed per monetary unit of sales).

Organization-specific metrics (denominators) can include:
- units of product;
- production volume (such as metric tons, liters, or MWh);
- size (such as m^2 floor space);
- number of full-time employees;
- monetary units (such as revenue or sales).

Background
Energy intensity ratios define energy consumption in the context of an organization-specific metric.

These ratios express the energy required per unit of activity, output, or any other organization-specific metric. Intensity ratios are often called normalized environmental impact data.

In combination with the organization's total energy consumption, reported in Disclosures 302-1 and 302-2, energy intensity helps to contextualize the organization's efficiency, including in relation to other organizations.

See references [1] and [3] in the Bibliography.

Disclosure 302-4 Reduction of energy consumption

REQUIREMENTS

The reporting organization shall report the following information:

a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

d. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.7 When compiling the information specified in Disclosure 302-4, the reporting organization shall:

2.7.1 exclude reductions resulting from reduced production capacity or outsourcing;
2.7.2 describe whether energy reduction is estimated, modeled, or sourced from direct measurements. If estimation or modeling is used, the organization shall disclose the methods used.

RECOMMENDATIONS

2.8 When compiling the information specified in Disclosure 302-4, the reporting organization should, if subject to different standards and methodologies, describe the approach to selecting them.

GUIDANCE

Guidance for Disclosure 302-4
The reporting organization can prioritize disclosing reduction initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reductions. The organization can describe reduction initiatives and their targets when reporting how it manages this topic.

Reduction initiatives can include:
- process redesign;
- conversion and retrofitting of equipment;
- changes in behavior;
- operational changes.

The organization can report reductions in energy consumption by combining energy types, or separately for fuel, electricity, heating, cooling, and steam.

The organization can also provide a breakdown of reductions in energy consumption by individual initiatives or groups of initiatives.

Disclosure 302-5 Reductions in energy requirements of products and services

REQUIREMENTS

The reporting organization shall report the following information:

a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.

b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

c. Standards, methodologies, assumptions, and/or calculation tools used.

RECOMMENDATIONS

2.9 When compiling the information specified in Disclosure 302-5, the reporting organization should:

2.9.1 if subject to different standards and methodologies, describe the approach to selecting them;
2.9.2 refer to industry use standards to obtain this information, where available (such as fuel consumption of cars for 100 km at 90 km/h).

GUIDANCE

Guidance for Disclosure 302-5
Use-oriented figures can include, for example, the energy requirements of a car or a computer.

Consumption patterns can include, for example, 10 percent less energy use per 100 km travelled or per time unit (hour, average working day).

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

base year
historical datum (such as year) against which a measurement is tracked over time

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

conservation and efficiency initiative
organizational or technological modification that allows a defined process or task to be carried out using less energy

Examples: conversion and retrofitting of equipment such as energy-efficient lighting, elimination of unnecessary energy use due to changes in behavior, process redesign

energy reduction
amount of energy no longer used or needed to carry out the same processes or tasks

Note: Energy reduction does not include overall reduction in energy consumption from reducing production capacity or outsourcing organizational activities.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

non-renewable energy source
energy source that cannot be replenished, reproduced, grown or generated in a short time

period through ecological cycles or agricultural processes

Examples: coal; fuels distilled from petroleum or crude oil, such as gasoline, diesel fuel, jet fuel, and heating oil; fuels extracted from natural gas processing and petroleum refining, such as butane, propane, and liquefied petroleum gas (LPG); natural gas, such as compressed natural gas (CNG), and liquefied natural gas (LNG); nuclear power

renewable energy source
energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

Examples: biomass, geothermal, hydro, solar, wind

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

Bibliography

This section lists references used in developing this Standard.

References:

1. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), ‘GHG Protocol Corporate Accounting and Reporting Standard’, Revised Edition, 2004.
2. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), ‘GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard’, 2011.
3. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), ‘Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment’, 2012.

GRI 303: Water and Effluents 2018

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2021

Responsibility
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Content

Introduction

GRI 303: Water and Effluents 2018 contains disclosures for organizations to report information about their water-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains two disclosures, which provide information about how the organization manages its water-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's water-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of water and effluents.

Access to fresh water is essential for human life and wellbeing, and is recognized by the United Nations (UN) as a human right. The Sustainable Development Goals, adopted by the UN as part of the 2030 Agenda for Sustainable Development, include key targets related to sustainable water management under Goal 6: 'Ensure availability and sustainable management of water and sanitation for all'. These targets aim, for example, to achieve universal access to safe and affordable drinking water, improve water quality, and address water scarcity.

The amount of water withdrawn and consumed by an organization and the quality of its discharges, can impact the functioning of the ecosystem in numerous ways. Direct impacts on a catchment can have wider impacts on the quality of life in an area, including social and economic consequences for local communities and indigenous peoples.

Since water is a shared resource, and water-related impacts are localized, organizations are increasingly being encouraged to:
- prioritize action in areas with water stress;
- understand and respond to local contexts, including local social and environmental impacts;
- aim to benefit and respect the needs and priorities of all water users in an area;
- align their approaches and collective actions with other water users and with effective public policy.

Through a comprehensive understanding of its water use, an organization can assess the impacts it has on water resources that benefit the ecosystem, other water users, and the organization itself. An organization, particularly a water-intensive one, can use this information for effective water management.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

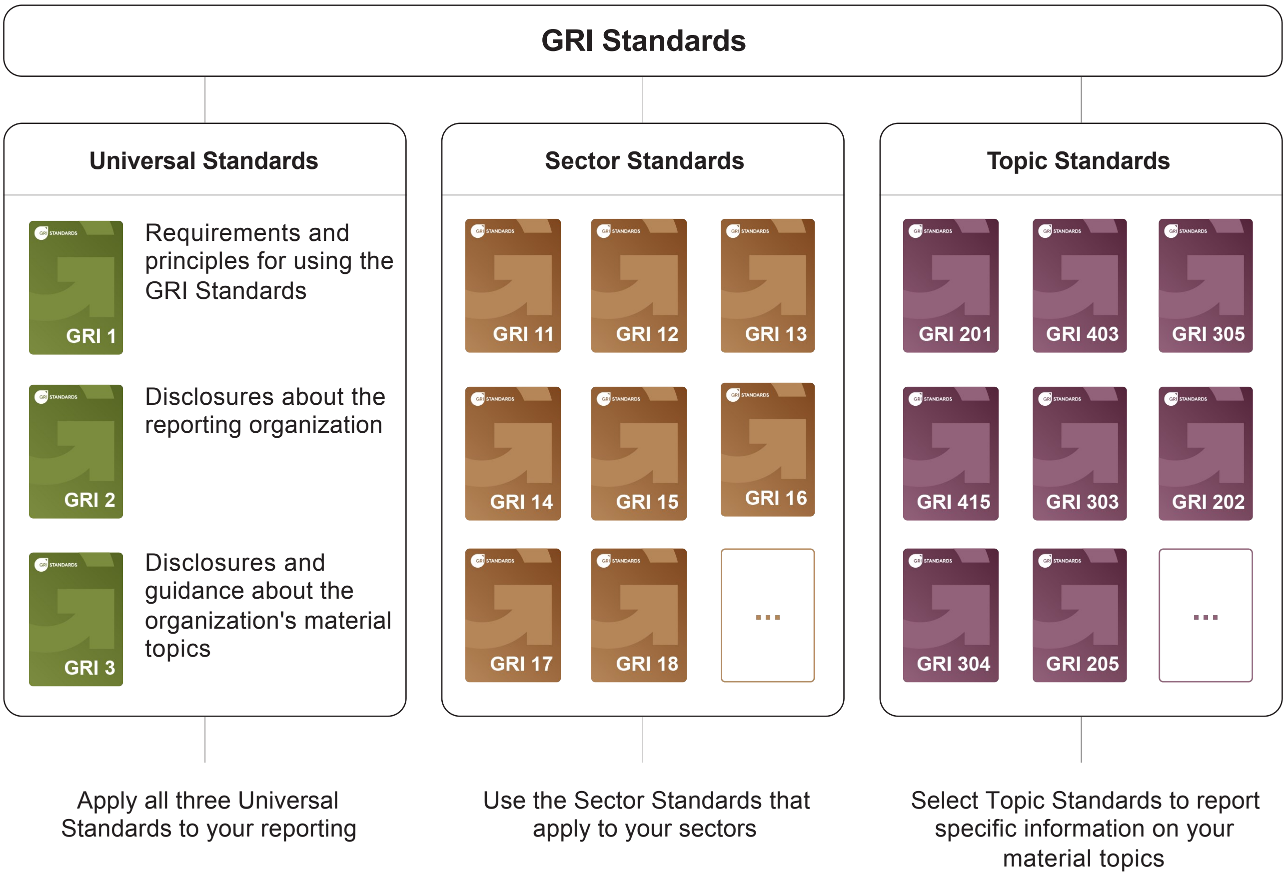
GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its water-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined water and effluents to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's water-related impacts (Disclosure 303-1 through Disclosure 303-5).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Further guidance for reporting the disclosures in this Standard
Due to the strong relationship between water withdrawal, consumption, and discharge, the reporting organization is expected to report on all three topic disclosures of *GRI 303*.

Since water-related impacts are often localized, the organization is encouraged, as much as possible, to support any quantitative aggregate-level information with narrative descriptions of any contextual factors that were considered when compiling the information. This will provide a more comprehensive overview of the organization's water use.

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined water and effluents to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section). The organization is also required to report any disclosures from this section (Disclosure 303-1 through Disclosure 303-2) that are relevant to its water-related impacts.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages water and effluents using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

Background

The disclosures in this section request essential information to help understand how an organization manages water-related impacts. The reporting organization can report any additional information about its water stewardship efforts and practices.

An effective approach to managing water and effluents accounts for the local context of water use, and acknowledges the importance of stewarding water as a shared resource. An organization can reduce its water withdrawal, consumption, discharge, and associated impacts through efficiency measures, such as water recycling and reuse, and process redesign, as well as through collective actions that extend beyond its operations within the catchment. It can improve water quality through better treatment of water discharge.

Disclosure 303-1 Interactions with water as a shared resource

REQUIREMENTS

The reporting organization shall report the following information:

a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts the organization has caused or contributed to, or that are directly linked to its operations, products, or services by its business relationships (e.g., impacts caused by runoff).

b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.

c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.

d. An explanation of the process for setting any water-related goals and targets that are part of the organization's approach to managing water and effluents, and how they relate to public policy and the local context of each area with water stress.

RECOMMENDATIONS

1.2 The reporting organization should report the following additional information:

1.2.1 An overview of water use across the organization's value chain;
1.2.2 A list of specific catchments where the organization causes significant water-related impacts.

GUIDANCE

Guidance for Disclosure 303-1
Through its value chain, an organization can affect both the quality as well as the availability of water. If the reporting organization has identified significant water-related impacts in the value chain, which includes activities carried out by the organization, and by entities upstream and downstream from the organization, it is required to report information about these impacts. See Guidance to 3-3-b in *GRI 3: Material Topics 2021* for more information about reporting an organization's involvement with negative impacts.

The description of how the organization interacts with water can include information on specific catchments where water is withdrawn, consumed, and discharged, and information on what the water is used for in activities carried out by the organization and by entities upstream and downstream from the organization (e.g., for cooling, storage, incorporating in products, growing crops).

In the context of this Standard, suppliers with significant water-related impacts may include suppliers of water-intensive commodities or services, suppliers located in areas with water stress, and/or suppliers with significant impacts on the local water environment and the related local communities.

If applicable, the organization can describe its environmental impacts caused by runoff, and how they are addressed. For example, runoff can carry high-nutrient and pollution loads due to the organization's activities, leading to eutrophication and other negative impacts on local waterbodies.

Guidance for Disclosure 303-1-b
When assessing impacts, it is important that the organization consider its future impacts on water quality and availability, as these factors can change over time.

Tools and methodologies for identifying impacts can include life cycle assessments, environmental impact assessments, water footprint assessments, scenario analysis, and stakeholder engagement. If information is estimated or modeled, rather than sourced from direct measurements, the organization can explain its estimation or modeling methods.

Guidance for Disclosure 303-1-c
Working with stakeholders is critical for an organization to steward water as a shared resource and account for the needs of other water users of the catchment. An organization's stakeholders

can include:
- suppliers with significant water-related impacts;
- users of its products and services;
- local communities and action groups;
- employees and other workers;
- other water users in its sector or industry;
- governments, regulators, and civil society organizations;
- global initiatives, trade associations, and partnerships.

The organization can describe how it participates in discussions with stakeholders, the frequency of this engagement, and its role in these discussions. Outcomes of working with stakeholders can include, for example, collective target-setting for water use, increased investment in infrastructure, policy advocacy, and capacity building and awareness raising.

When reporting on its engagement with suppliers, the organization can describe:
- how the organization engages with its suppliers to help them improve their water management practices;
- the number of suppliers engaged;
- the outcomes of this engagement;
- the amount of procurement that the proportion of engaged suppliers represents;
- why information is not requested from suppliers with significant water-related impacts;
- future plans and goals for working with suppliers to reduce water-related impacts.

Water impacts related to products and services might be addressed by, for example, improving product design, providing information and advice on the responsible use of products and services, and holding regular consultations with users.

Guidance for Disclosure 303-1-d
Meaningful targets for managing water-related impacts:
- account for the local context where water is withdrawn and discharged;
- are scientifically informed by sustainable thresholds and the social context of a given catchment;
- align with public sector efforts, such as the water- related targets of the UN Sustainable Development Goals, in particular Goal 6, or targets set by national and local government institutions;
- are informed by the advocacy of other stakeholders, such as civil society organizations, trade associations, and action groups.

See references [2] and [4] in the Bibliography.

The organization can report its progress toward the goals and targets using 3-3-e-iii in *GRI 3: Material Topics 2021*.

Guidance for clause 1.2.1
The organization can present the overview of water use across its value chain as a breakdown, in graphic or written form, showing, for example, parts of the value chain where water consumption is significant and the commodities to which it is related, or the percentage of commodity sourcing that comes from catchments located in areas with water stress. The organization is encouraged to include information about upstream as well as downstream water use (e.g., use of water for consumer products, such as soaps, shampoos, and cleaning solutions).

Guidance for clause 1.2.2
To identify catchments where it causes water-related impacts, the organization can use global catchment data sets. These include the CEO Water Mandate 'Interactive Database of the World's River Basins'[1], and the WWF 'HydroSHEDS'[2].

1 CEO Water Mandate, *Interactive Database of the World's River Basins*, riverbasins.wateractionhub.org/, accessed on 1 June 2018.
2 WWF, *HydroSHEDS*, http://www.hydrosheds.org/, accessed on 1 June 2018.

Disclosure 303-2 Management of water discharge-related impacts

REQUIREMENTS

The reporting organization shall report the following information:

a. **A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:**

- **i.** **how standards for facilities operating in locations with no local discharge requirements were determined;**
- **ii.** **any internally developed water quality standards or guidelines;**
- **iii.** **any sector-specific standards considered;**
- **iv.** **whether the profile of the receiving waterbody was considered.**

GUIDANCE

Guidance for Disclosure 303-2

Minimum standards are those that go beyond regulatory requirements in controlling the quality of effluent discharge.

Water quality refers to the physical, chemical, biological, and taste-related characteristics of water. It is a measure of water suitability for a given purpose or function, including its use as a human right. Water quality standards help uphold water quality in order to protect ecosystems, wildlife, and human health and welfare, and can be based on water properties, such as temperature or pH value.

The specific choice of water quality standards and parameters can vary depending on an organization’s procucts, services, and facility locations, and can depend on national and/or regional regulations, as well as the profile of the receiving waterbody.

2. Topic disclosures

Disclosure 303-3 Water withdrawal

REQUIREMENTS

The reporting organization shall report the following information:

a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:

- **i. Surface water;**
- **ii. Groundwater;**
- **iii. Seawater;**
- **iv. Produced water;**
- **v. Third-party water.**

b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:

- **i. Surface water;**
- **ii. Groundwater;**
- **iii. Seawater;**
- **iv. Produced water;**
- **v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.**

c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:

- **i. Freshwater (≤1,000 mg/L Total Dissolved Solids);**
- **ii. Other water (>1,000 mg/L Total Dissolved Solids).**

d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Compilation requirements

2.1 When compiling the information specified in Disclosure 303-3, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.

RECOMMENDATIONS

2.2 The reporting organization should report the following additional information:

2.2.1 A breakdown of total water withdrawal in megaliters by withdrawal source categories listed in Disclosure 303-3, at each facility in areas with water stress;

2.2.2 Total water withdrawal in megaliters by suppliers with significant water-related impacts in areas with water stress.

GUIDANCE

Background

The volume of water withdrawal from areas with water stress can indicate an organization's impacts in sensitive locations.

To learn more about locations where water-related impacts might be significant, and where actions to address them are most needed, the reporting organization can also report the information requested in Disclosure 303-3 for each facility in areas with water stress. This can give stakeholders more confidence in the organization's water stewardship efforts and practices.

Guidance for Disclosure 303-3

For an example of how to present information on requirements in Disclosure 303-3, see Table 1.

Surface water includes collected or harvested rainwater. Third-party water includes water supplied by municipal water networks or other organizations.

Guidance for Disclosure 303-3-b
Water stress refers to the ability, or lack thereof, to meet the human and ecological demand for water. Water stress can refer to the availability, quality, or accessibility of water.

Publicly available and credible tools for assessing areas with water stress include the World Resources Institute 'Aqueduct Water Risk Atlas,' and the WWF 'Water Risk Filter'.

Based on these tools, water stress in an area may be assessed using either of the following indicators and their thresholds:

- The ratio of total annual water withdrawal to total available annual renewable water supply (i.e., baseline water stress) is high (40-80%) or extremely high (>80%)[3];
- The ratio of water consumption-to-availability (i.e., water depletion) is moderate (dry-year depletion, where for at least 10% of the time, the monthly depletion ratio is >75%), high (seasonal depletion, where for one month of the year on average, the depletion ratio is >75%), or very high (ongoing depletion, where the depletion ratio on average is >75%)[4].

The organization may use these indicators even though they account only for quantity and not the quality or accessibility of water as per the inclusive approach to the definition of water stress.

The organization can complement the results from these tools with their own assessments, to provide more granular local-level data. Water stress in an area may be measured at catchment level at a minimum.

Guidance for Disclosure 303-3-b-v
If water is supplied by a third party, the organization is required to request information about its withdrawal sources, listed in Disclosures 303-3-b-i to 303-3-b-iv, from the third-party water supplier. The organization can report any additional information about third-party water, such as who the third-party water suppliers are and the volume of water supplied by them.

Guidance for Disclosure 303-3-c
The organization is required to provide a breakdown of the water withdrawn from each of the sources listed in Disclosures 303-3-a and 303-3-b (surface water, groundwater, seawater, produced water, third-party water) by the categories freshwater and other water. The organization is only required to provide this breakdown for the sources it has withdrawn water from. If all water withdrawn from a source belongs only to one category (i.e., to freshwater or to other water), the organization can report the volume for the remaining category as zero. For example, if all the withdrawn seawater belongs to the other water category, the organization can report the volume of freshwater under this source as zero.

Other water constitutes any water that has a concentration of total dissolved solids higher than 1,000 mg/L. Other water is therefore all water that does not fall into the freshwater category.

The organization is, at a minimum, required to report a figure for other water withdrawal for each of the sources listed in Disclosures 303-3-a and 303-3-b.

The organization can additionally report any further breakdowns for other water withdrawal based on its water management and reporting practices, as long as it explains the approach used to define water quality using Disclosure 303-3-d. The organization can report additional information on how water quality has been determined, including consideration of the potential value of water to its users, as well as any absolute physical and/or chemical criteria used.

Guidance for clause 2.2.1
To compile this information, the organization can use the following approach: (a) determine which facilities are located in areas with water stress, (b) for each of these facilities, report a breakdown of the total water withdrawal by surface water, groundwater, seawater, produced water, and third-party water. For an example of how to present this information, see Table 2.

Guidance for clause 2.2.2
To compile this information, the organization can use the following approach: (a) determine which suppliers are located in areas with water stress, (b) determine which of these suppliers cause significant water-related impacts, (c) add up the total water withdrawal of each of these suppliers, (d) report the sum. For an example of how to present this information, see Table 3.

3 Indicator used in the World Resources Institute, *Aqueduct Water Risk Atlas*, www.wri.org/our-work/project/aqueduct/, accessed on 1 June 2018.
4 Indicator used in WWF, *Water Risk Filter*, waterriskfilter.panda.org, accessed on 1 June 2018.

Disclosure 303-4 Water discharge

REQUIREMENTS

The reporting organization shall report the following information:

a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:

- **i. Surface water;**
- **ii. Groundwater;**
- **iii. Seawater;**
- **iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable.**

b. A breakdown of total water discharge to all areas in megaliters by the following categories:

- **i. Freshwater (≤1,000 mg/L Total Dissolved Solids);**
- **ii. Other water (>1,000 mg/L Total Dissolved Solids).**

c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories:

- **i. Freshwater (≤1,000 mg/L Total Dissolved Solids);**
- **ii. Other water (>1,000 mg/L Total Dissolved Solids).**

d. Priority substances of concern for which discharges are treated, including:

- **i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used;**
- **ii. the approach for setting discharge limits for priority substances of concern;**
- **iii. number of incidents of non-compliance with discharge limits.**

e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Compilation requirements

2.3 When compiling the information specified in Disclosure 303-4, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.

RECOMMENDATIONS

2.4 The reporting organization should report the following additional information:

- 2.4.1 The number of occasions on which discharge limits were exceeded;
- 2.4.2 A breakdown of total water discharge to all areas in megaliters by level of treatment, and how the treatment levels were determined;
- 2.4.3 Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge.

GUIDANCE

Background

Quantifying the volume of water discharge can help an organization understand its negative impacts on the receiving waterbody.

The relationship between water discharge and negative impacts is not linear. An increase in the total volume of water discharge does not necessarily correspond to greater negative impacts, since these impacts depend on the quality of the water discharge and the sensitivity of the receiving waterbody. An organization with a high volume of water discharge, but also a high level of treatment and strict quality standards, can have positive impacts on the receiving waterbody.

To learn more about locations where water-related impacts might be significant, and where actions to address them are most needed, the reporting organization can also report the information requested in Disclosure 303-4 for each facility in areas with water stress.

Guidance for Disclosure 303-4
For an example of how to present information on requirements in Disclosure 303-4, see Table 1.

See Guidance for Disclosure 303-3-b for how to assess areas with water stress.

Guidance for Disclosure 303-4-a-iv
An example of third-party water discharge is when an organization sends water and effluents to other organizations for use. In these instances, the organization is required to report the volume of this water discharge separately.

Guidance for Disclosures 303-4-b and 303-4-c
The organization is required to provide a breakdown of the water discharged to all areas and to all areas with water stress by the categories freshwater and other water. Other water constitutes any water that has a concentration of total dissolved solids higher than 1,000 mg/L. Other water is therefore all water that does not fall into the freshwater category.

The organization is, at a minimum, required to report a figure for other water discharged. The organization can additionally report any further breakdowns for other water discharge based on its water management and reporting practices, as long as it explains the approach used to define water quality using Disclosure 303-4-e. The organization can report additional information on how water quality has been determined, including consideration of the potential value of water to its users, as well as any absolute physical and/or chemical criteria used.

Guidance for Disclosure 303-4-d
In the context of this Standard, substances of concern are those that cause irreversible damage to the waterbody, ecosystem, or human health.

Discharge limits for substances of concern can be based on regulation and/or other factors determined by an organization. In countries where no regulations for discharge limits are available, the organization can develop its own discharge limits.

'Discharge consent' is the permission granted to an organization, allowing it to discharge a set amount of a substance. The organization can report any unauthorized discharges that exceed these limits using Disclosure 303-4-d. The organization can also describe any plans to reduce unauthorized discharges in the future.

Guidance for clause 2.4.2
Reporting water discharge by level of treatment can provide insight into the effort an organization is making to improve the quality of its water discharge. When reporting how the treatment levels were determined, the organization is expected to include the reasons why a certain level of treatment was set.

The level of treatment can be reported for any water or effluents at the point of discharge, whether treated by the organization onsite or sent to a third party for treatment.

Water treatment involves physical, chemical or biological processes that improve water quality by removing solids, pollutants, and organic matter from water and effluents. Minimum requirements for treatment might be specified in national, state, or local legislation; however, the organization is expected to consider its overall water discharge impacts and the needs of other water users in setting treatment levels.

The organization can break down its water discharge by the following treatment levels:
- Primary treatment, which aims to remove solid substances that settle or float on the water surface;
- Secondary treatment, which aims to remove substances and materials that have remained in the water, or are dissolved or suspended in it;
- Tertiary treatment, which aims to upgrade water to a higher level of quality before it is discharged. It includes processes that remove, for example, heavy metals, nitrogen, and phosphorus.

An organization might withdraw and discharge water of good quality that does not require treatment. If so, the organization can explain this in its reported information.

Guidance for clause 2.4.3
Minimum standards are those that go beyond regulatory requirements in controlling the quality of effluent discharge. For more information on water quality standards, see Disclosure 303-2 in the Topic management disclosures section.

To compile this information, the organization can use the following approach: (a) determine the number of suppliers with significant water-related impacts from water discharge, (b) determine how many of these suppliers have set minimum standards for the quality of their effluent discharge, (c) calculate the percentage using the following formula:

$$\text{Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge} = \frac{\text{Number of suppliers that have set minimum standards for the quality of their effluent discharge}}{\text{Number of suppliers with significant water-related impacts from water discharge}} \times 100$$

For an example of how to present this information, see Table 3.

Disclosure 303-5 Water consumption

REQUIREMENTS

The reporting organization shall report the following information:

a. Total water consumption from all areas in megaliters.

b. Total water consumption from all areas with water stress in megaliters.

c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.

d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.

RECOMMENDATIONS

2.5 The reporting organization should report the following additional information:

2.5.1 Total water consumption in megaliters at each facility in areas with water stress;
2.5.2 Total water consumption in megaliters by suppliers with significant water-related impacts in areas with water stress.

GUIDANCE

Background
Water consumption measures water used by an organization such that it is no longer available for use by the ecosystem or local community in the reporting period. Reporting the volume of water consumption can help the organization understand the overall scale of its impact due to water withdrawal on downstream water availability.

Guidance for Disclosure 303-5
For an example how to present information on requirements in Disclosure 303-5, see Table 1.

See Guidance for Disclosure 303-3-b for how to assess areas with water stress.

If the reporting organization cannot directly measure water consumption, it may calculate this using the following formula:

Water consumption = Total water withdrawal - Total water discharge

Guidance for Disclosure 303-5-c
If the water in storage has been identified as having a significant water-related impact, the organization is required to report change in water storage. The organization may calculate change in water storage using the following formula:

Change in water storage = Total water storage at the end of the reporting period - Total water storage at the beginning of the reporting period

Guidance for clause 2.5.1
To compile this information, the organization can use the following approach: (a) determine which facilities are located in areas with water stress, (b) for each of these facilities, report the total water consumption. For an example of how to present this information, see Table 2.

Guidance for clause 2.5.2
To compile this information, the organization can use the following approach: (a) determine which suppliers are located in areas with water stress, (b) determine which of these suppliers cause significant water-related impacts, (c) add up the total water consumption of each of these suppliers, (d) report the sum. For an example of how to present this information, see Table 3.

Table 1. Example templates for presenting information for Disclosures 303-3, 303-4, and 303-5

Table 1 offers examples of how to present information for Disclosures 303-3, 303-4, and 303-5. The reporting organization can amend the table according to its practices, for example by reporting additional information.

Water withdrawal [Disclosure 303-3]	ALL AREAS	AREAS WITH WATER STRESS
Water withdrawal by source		
Surface water (total)	ML (303-3-a-i)	ML (303-3-b-i)
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
Other water (>1,000 mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
Groundwater (total)	ML (303-3-a-ii)	ML (303-3-b-ii)
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
Other water (>1,000 mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
Seawater (total)	ML (303-3-a-iii)	ML (303-3-b-iii)
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
Other water (>1,000 mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
Produced water (total)	ML (303-3-a-iv)	ML (303-3-b-iv)
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
Other water (>1,000 mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
Third-party water (total)	ML (303-3-a-v)	ML (303-3-b-v)
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
Other water (>1,000 mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
Total third-party water withdrawal by withdrawal source		
Surface water	X	ML (303-3-b-v)
Groundwater	X	ML (303-3-b-v)
Seawater	X	ML (303-3-b-v)
Produced water	X	ML (303-3-b-v)
Total water withdrawal		
Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	ML (303-3-a)	ML (303-3-b)

Water discharge [Disclosure 303-4]	ALL AREAS	AREAS WITH WATER STRESS
Water discharge by destination		
Surface water	ML (303-4-a-i)	X
Groundwater	ML (303-4-a-ii)	X
Seawater	ML (303-4-a-iii)	X
Third-party water (total)	ML (303-4-a-iv)	X
Third-party water sent for use to other organizations	ML (303-4-a-iv)	X
Total water discharge		
Surface water + groundwater + seawater + third-party water (total)	ML (303-4-a)	ML (303-4-c)
Water discharge by freshwater and other water		
Freshwater (≤1,000 mg/L Total Dissolved Solids)	ML (303-4-b-i)	ML (303-4-c-i)
Other water (>1,000 mg/L Total Dissolved Solids)	ML (303-4-b-ii)	ML (303-4-c-ii)
Water discharge by level of treatment Note that this is recommended, but not required		
No treatment	ML (clause 2.4.2)	X
Treatment level [Provide the title for treatment level]	ML (clause 2.4.2)	X
Treatment level [Provide the title for treatment level]	ML (clause 2.4.2)	X
Treatment level [Provide the title for treatment level]	ML (clause 2.4.2)	X

Water consumption [Disclosure 303-5]	ALL AREAS	AREAS WITH WATER STRESS
Total water consumption	ML (303-5-a)	ML (303-5-b)
Change in water storage, if water storage has been identified as having a significant water-related impact	ML (303-5-c)	X

Table 2. Example template for presenting facility-level information

Table 2 offers an example of how to present information on facilities located in areas with water stress as per the recommendations specified in Disclosures 303-3 (clause 2.2.1) and 303-5 (clause 2.5.1). The reporting organization can amend the table according to its practices, for example by reporting water discharge information.

FACILITIES IN AREAS WITH WATER STRESS	FACILITY A	FACILITY B	[FACILITY X]
Water withdrawal (clause 2.2.1)			
Surface water	ML	ML	ML
Groundwater	ML	ML	ML
Seawater	ML	ML	ML
Produced water	ML	ML	ML
Third-party water	ML	ML	ML
Water consumption (clause 2.5.1)			
Total water consumption	ML	ML	ML

Table 3. Example template for presenting supply chain information

Table 3 offers an example of how to present information on the organization’s suppliers as per the recommendations specified in Disclosures 303-3 (clause 2.2.2), 303-4 (clause 2.4.3), and 303-5 (clause 2.5.2). The reporting organization can amend the table according to its practices, for example by reporting the location of suppliers.

Water withdrawal (clause 2.2.2)	
Total water withdrawal in megaliters by suppliers with significant water-related impacts in areas with water stress	ML
Water discharge (clause 2.4.3)	
Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge	%
Water consumption (clause 2.5.2)	
Total water consumption in megaliters by suppliers with significant water-related impacts in areas with water stress	ML

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

employee
individual who is in an employment relationship with the organization according to national law or practice

freshwater
water with concentration of total dissolved solids equal to or below 1,000 mg/L

Source: Environmental management — Water footprint — Principles, requirements and guidelines. Geneva: ISO, 2014; modified
United States Geological Survey (USGS), Water Science Glossary of Terms, *water.usgs.gov/edu/dictionary.html*, accessed on 1 June 2018; modified
World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017; modified

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

local community
individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities

Note: The local community can range from those living adjacent to the organization's operations to those living at a distance.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

produced water
water that enters the organization's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organization

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

runoff
part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), *UNESCO International Glossary of Hydrology*, 2012; modified

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

stakeholder
individual or group that has an interest that is affected or could be affected by the organization's activities

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group
group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

water consumption

sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water discharge
sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stewardship
use of water that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Good water stewards understand their own water use; catchment context; and shared risk in terms of water governance, water balance, and water quality; and engage in meaningful individual and collective actions that benefit people and nature. Further:

- Socially equitable water use recognizes and implements the human right to water and sanitation and helps ensure human wellbeing and equity;
- Environmentally sustainable water use maintains or improves biodiversity and ecological and hydrological processes at the catchment level;
- Economically beneficial water use contributes to long-term efficiency, and development and poverty alleviation for water users, local communities, and society at large.

water storage
water held in water storage facilities or reservoirs

water stress
ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal
sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. United Nations (UN) Resolution A/RES/64/292, 'The human right to water and sanitation', 2010.
2. United Nations (UN), 'Transforming our world: the 2030 Agenda for Sustainable Development', 2015.

Additional references:

3. Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.
4. CDP, The CEO Water Mandate, The Nature Conservancy, Pacific Institute, World Resources Institute (WRI), and WWF International, *Exploring the Case for Corporate Context-based Water Targets*, 2017.
5. Minerals Council of Australia (MCA), *Water Accounting Framework for the Minerals Industry, User Guide, v1.3*, 2014.
6. The CEO Water Mandate, *Corporate Water Disclosure Guidelines, Toward a Common Approach to Reporting Water Issues*, 2014.
7. World Resources Institute, *Aqueduct Water Risk Atlas*, www.wri.org/our-work/project/aqueduct/, accessed on 1 June 2018.
8. WWF, *Water Risk Filter*, waterriskfilter.panda.org, accessed on 1 June 2018.

GRI 304: Biodiversity 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-107-5

Content

Introduction

GRI 304: Biodiversity 2016 contains disclosures for organizations to report information about their biodiversity-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its biodiversity-related impacts.
- Section 2 contains four disclosures, which provide information about the organization's biodiversity-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of biodiversity.

Protecting biological diversity is important for ensuring the survival of plant and animal species, genetic diversity, and natural ecosystems. In addition, natural ecosystems provide clean water and air, and contribute to food security and human health. Biodiversity also contributes directly to local livelihoods, making it essential for achieving poverty reduction, and thus sustainable development.

These concepts are covered in key instruments of the United Nations: see Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

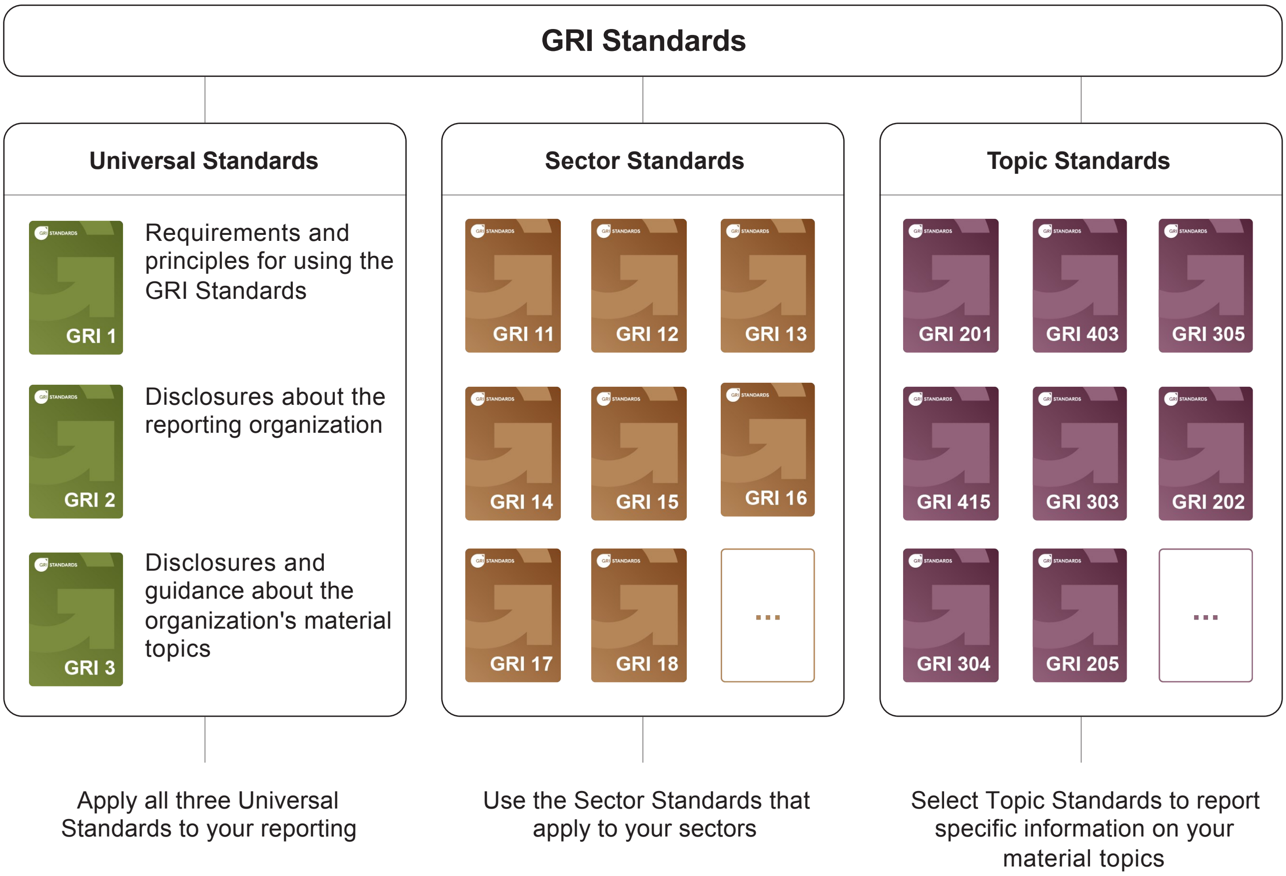
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its biodiversity-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined biodiversity to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's biodiversity-related impacts (Disclosure 304-1 through Disclosure 304-4).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined biodiversity to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages biodiversity using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also describe its strategy for achieving its policy on biodiversity management. A biodiversity strategy can contain a combination of elements related to the prevention, management, and remediation of damage to natural habitats resulting from the organization's activities. An example of this is the integration of biodiversity considerations into analytical tools, such as environmental site impact assessments.

2. Topic disclosures

Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

REQUIREMENTS

The reporting organization shall report the following information:

a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:

i. Geographic location;
ii. Subsurface and underground land that may be owned, leased, or managed by the organization;
iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;
iv. Type of operation (office, manufacturing or production, or extractive);
v. Size of operational site in km^2 (or another unit, if appropriate);
vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);
vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 304-1, the reporting organization should include information about sites for which future operations have been formally announced.

GUIDANCE

Background

Monitoring which activities are taking place in both protected areas and areas of high biodiversity value outside protected areas makes it possible for the organization to reduce the risks of impacts. It also makes it possible for the organization to manage impacts on biodiversity or to avoid mismanagement.

Disclosure 304-2 Significant impacts of activities, products and services on biodiversity

REQUIREMENTS

The reporting organization shall report the following information:

a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

i. Construction or use of manufacturing plants, mines, and transport infrastructure;
ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
iii. Introduction of invasive species, pests, and pathogens;
iv. Reduction of species;
v. Habitat conversion;
vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).

b. Significant direct and indirect positive and negative impacts with reference to the following:

i. Species affected;
ii. Extent of areas impacted;
iii. Duration of impacts;
iv. Reversibility or irreversibility of the impacts.

GUIDANCE

Guidance for Disclosure 304-2
Indirect impacts on biodiversity can include impacts in the supply chain.

Areas of impact are not limited to areas that are formally protected and include consideration of impacts on buffer zones, as well as formally designated areas of special importance or sensitivity.

Background
This disclosure provides the background for understanding (and developing) an organization's strategy to mitigate significant direct and indirect impacts on biodiversity. By presenting structured and qualitative information, the disclosure enables comparison of the relative size, scale, and nature of impacts over time and across organizations.

Disclosure 304-3 Habitats protected or restored

REQUIREMENTS

The reporting organization shall report the following information:

a. **Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.**

b. **Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.**

c. **Status of each area based on its condition at the close of the reporting period.**

d. **Standards, methodologies, and assumptions used.**

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 304-3, the reporting organization should align the information presented in this disclosure with regulatory or license requirements for the protection or restoration of habitats, if applicable.

GUIDANCE

Guidance for Disclosure 304-3

This disclosure addresses the extent of an organization’s prevention and remediation activities with respect to its impacts on biodiversity. This disclosure refers to areas where remediation has been completed or where the area is actively protected. Areas where operations are still active can be counted if they conform to the definitions of ‘area restored’ or ‘area protected’.

Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:

i. Critically endangered
ii. Endangered
iii. Vulnerable
iv. Near threatened
v. Least concern

RECOMMENDATIONS

2.3 When compiling the information specified in Disclosure 304-4, the reporting organization should compare the information in the IUCN Red List and national conservation lists with the species outlined in planning documentation and monitoring records to ensure consistency.

GUIDANCE

Background

This disclosure helps an organization to identify where its activities pose a threat to endangered plant and animal species. By identifying these threats, the organization can initiate appropriate steps to avoid harm and to prevent the extinction of species. The International Union for Conservation of Nature (IUCN) 'Red List of Threatened Species' (an inventory of the global conservation status of plant and animal species) and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by operations, and on the relative importance of these habitats from a management perspective.

See reference [8] in the Bibliography.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

area of high biodiversity value
area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

area protected
area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

area restored
area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their <u>human rights</u>, which in turn can indicate its contribution (negative or positive) to <u>sustainable development</u>

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant <u>impacts</u> on the economy, environment, and people, including impacts on their <u>human rights</u>

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

protected area
geographic area that is designated, regulated, or managed to achieve specific conservation objectives

significant impact on biodiversity
impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained

Note 1: On a species level, a significant impact causes a population decline or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations.

Note 2: A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms ‘sustainability’ and ‘sustainable development’ are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.
2. United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.
3. United Nations (UN) Convention, 'Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)', 1979.
4. United Nations Educational, Scientific and Cultural Organization (UNESCO), Biosphere Reserves, http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/, accessed on 1 September 2016.
5. United Nations Educational, Scientific and Cultural Organization (UNESCO), World Heritage Sites List, http://whc.unesco.org/en/list, accessed on 1 September 2016.

Additional references:

6. BirdLife International, *Important Bird and Biodiversity Areas*, http://www.birdlife.org/datazone/site, accessed on 1 September 2016.
7. International Union for Conservation of Nature (IUCN), *Guidelines for Applying Protected Area Management Categories*, 2008.
8. International Union for Conservation of Nature (IUCN), Red List of Threatened Species, http://www.iucnredlist.org/, accessed on 1 September 2016.

GRI 305: Emissions 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
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Content

Introduction

GRI 305: Emissions 2016 contains disclosures for organizations to report information about their emissions-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains requirements, which provide information about how the organization manages its emissions-related impacts.
- Section 2 contains seven disclosures, which provide information about the organization's emissions-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses emissions into air, which are the discharge of substances from a source into the atmosphere. Types of emissions include: greenhouse gas (GHG), ozone-depleting substances (ODS), and nitrogen oxides (NO_X) and sulfur oxides (SO_X), among other significant air emissions.

GHG emissions

GHG emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'.

This Standard covers the following GHGs:
- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF_6)
- Nitrogen trifluoride (NF_3)

Some GHGs, including methane, are also air pollutants that have significant negative impacts on ecosystems, air quality, agriculture, and human and animal health.

As a result, different national and international regulations and incentive systems, such as emissions trading, aim to control the volume and reward the reduction of GHG emissions.

The requirements for GHG emissions in this Standard are based on the requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard' ('GHG Protocol Corporate Standard') and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' ('GHG Protocol Corporate Value Chain Standard'). These two standards are part of the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).

The GHG Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2 and Scope 3. The GHG emissions standard published by the International Organization for Standardization (ISO), 'ISO 14064', represents these classifications of Scope with the following terms:
- Direct GHG emissions = Scope I
- Energy indirect GHG emissions = Scope 2
- Other indirect GHG emissions = Scope 3

In this Standard, these terms are combined in the following way, as defined in the Glossary section:
- Direct (Scope 1) GHG emissions
- Energy indirect (Scope 2) GHG emissions
- Other indirect (Scope 3) GHG emissions

Ozone-depleting substances (ODS)
The ozone layer filters out most of the sun's biologically harmful ultraviolet (UV-B) radiation. Observed and projected ozone depletion due to ODS generates worldwide concern. The UN Environment Programme (UNEP) 'Montreal Protocol on Substances that Deplete the Ozone Layer' ('Montreal Protocol') regulates the phase-out of ODS internationally.

Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions
Pollutants such as NO_x and SO_x have negative impacts on climate, ecosystems, air quality, habitats, agriculture, and human and animal health. Deterioration of air quality, acidification, forest degradation and public health concerns have led to local and international regulations to control emissions of these pollutants.

Reductions in the emission of regulated pollutants lead to improved health conditions for workers and local communities and can enhance relations with affected stakeholders. In regions with emission caps, the volume of emissions also has direct cost implications.

Other significant air emissions include, for example, persistent organic pollutants or particulate matter, as well as air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on an organization's environmental permits.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

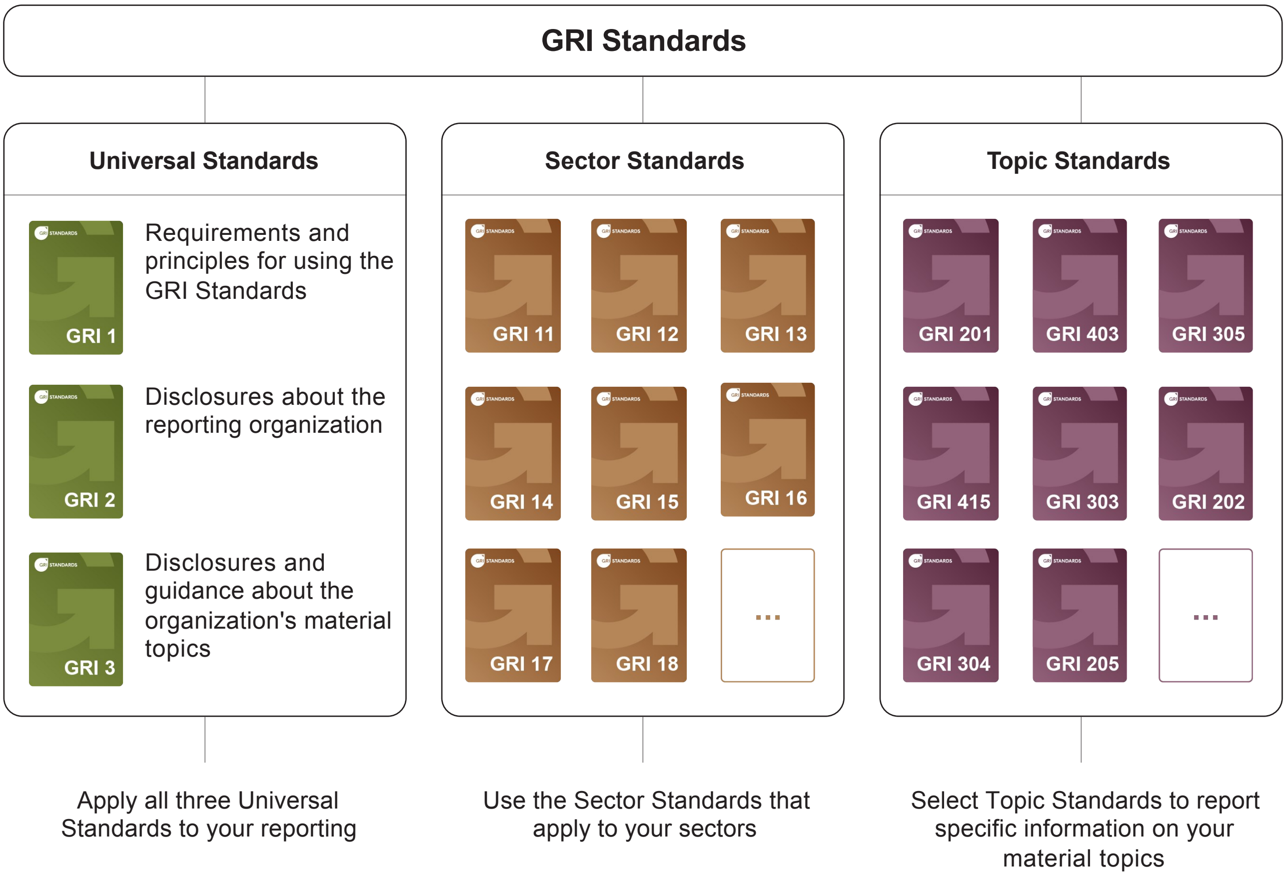
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its emissions-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined emissions to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Clause 1.2 in this Standard, if it is relevant to its emissions-related impacts;
- Any disclosures from this Topic Standard that are relevant to the organization's emissions-related impacts (Disclosure 305-1 through Disclosure 305-7).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these requirements and disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined emissions to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section). The organization is also required to report clause 1.2 in this section, if it is relevant to its emissions-related impacts.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages emissions using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

1.2 When reporting on GHG emissions targets, the reporting organization shall explain whether offsets were used to meet the targets, including the type, amount, criteria or scheme of which the offsets are part.

GUIDANCE

The reporting organization can also:

- explain whether it is subject to any country, regional, or industry-level emissions regulations and policies; and provide examples of these regulations and policies;
- disclose expenditures on treatment of emissions (such as expenditures for filters, agents) and for the purchase and use of emissions certificates.

2. Topic disclosures

Disclosure 305-1 Direct (Scope 1) GHG emissions

REQUIREMENTS

The reporting organization shall report the following information:

a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.

b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

c. Biogenic CO2 emissions in metric tons of CO_2 equivalent.

d. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;
ii. emissions in the base year;
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.1 When compiling the information specified in Disclosure 305-1, the reporting organization shall:

2.1.1 exclude any GHG trades from the calculation of gross direct (Scope 1) GHG emissions;
2.1.2 report biogenic emissions of CO_2 from the combustion or biodegradation of biomass separately from the gross direct (Scope 1) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH_4 and N_2O), and biogenic emissions of CO_2 that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 305-1, the reporting organization should:

2.2.1 apply emission factors and GWP rates consistently for the data disclosed;
2.2.2 use the GWP rates from the IPCC assessment reports based on a 100-year timeframe;
2.2.3 select a consistent approach for consolidating direct (Scope 1) and energy indirect (Scope 2) GHG emissions; choosing from the equity share, financial control, or operational control methods outlined in the 'GHG Protocol Corporate Standard';
2.2.4 if subject to different standards and methodologies, describe the approach to selecting them;
2.2.5 where it aids transparency or comparability over time, provide a breakdown of the direct (Scope 1) GHG emissions by:
2.2.5.1 business unit or facility;
2.2.5.2 country;
2.2.5.3 type of source (stationary combustion, process, fugitive);
2.2.5.4 type of activity.

GUIDANCE

Guidance for Disclosure 305-1
Direct (Scope 1) GHG emissions include, but are not limited to, the CO_2 emissions from the fuel consumption as reported in Disclosure 302-1 of *GRI 302: Energy 2016.*

Direct (Scope 1) GHG emissions can come from the following sources owned or controlled by an organization:

- Generation of electricity, heating, cooling and steam: these emissions result from combustion of fuels in stationary sources, such as boilers, furnaces, and turbines – and from other combustion processes such as flaring;
- Physical or chemical processing: most of these emissions result from the manufacturing or processing of chemicals and materials, such as cement, steel, aluminum, ammonia, and waste processing;
- Transportation of materials, products, waste, workers, and passengers: these emissions result from the combustion of fuels in mobile combustion sources owned or controlled by the organization, such as trucks, trains, ships, airplanes, buses, and cars;
- Fugitive emissions: these are emissions that are not physically controlled but result from intentional or unintentional releases of GHGs. These can include equipment leaks from joints, seals, packing, and gaskets; methane emissions (e.g., from coal mines) and venting; HFC emissions from refrigeration and air conditioning equipment; and methane leakages (e.g., from gas transport).

Methodologies used to calculate the direct (Scope I) GHG emissions can include:

- direct measurement of energy source consumed (coal, gas) or losses (refills) of cooling systems and conversion to GHG (CO_2 equivalents);
- mass balance calculations;
- calculations based on site-specific data, such as for fuel composition analysis;
- calculations based on published criteria, such as emission factors and GWP rates;
- direct measurements of GHG emissions, such as continuous online analyzers;
- estimations.

If estimations are used due to a lack of default figures, the reporting organization can indicate the basis and assumptions on which figures were estimated.

For recalculations of prior year emissions, the organization can follow the approach in the 'GHG Protocol Corporate Standard'.

The chosen emission factors can originate from mandatory reporting requirements, voluntary reporting frameworks, or industry groups.

Estimates of GWP rates change over time as scientific research develops. GWP rates from the *Second Assessment Report* of the Intergovernmental Panel on Climate Change (IPCC) are used as the basis for international negotiations under the 'Kyoto Protocol'. Thus, such rates can be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. The organization can also use the latest GWP rates from the most recent IPCC assessment report.

The organization can combine Disclosure 305-1 with Disclosures 305-2 (energy indirect/Scope 2 GHG emissions) and 305-3 (other indirect/Scope 3 GHG emissions) to disclose total GHG emissions.

Further details and guidance are available in the 'GHG Protocol Corporate Standard'. See also references [1], [2], [12], [13], [14] and [19] in the Bibliography.

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions

REQUIREMENTS

The reporting organization shall report the following information:

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.

b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.

c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

d. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;
ii. emissions in the base year;
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.3 When compiling the information specified in Disclosure 305-2, the reporting organization shall:

2.3.1 exclude any GHG trades from the calculation of gross energy indirect (Scope 2) GHG emissions;
2.3.2 exclude other indirect (Scope 3) GHG emissions that are disclosed as specified in Disclosure 305-3;
2.3.3 account and report energy indirect (Scope 2) GHG emissions based on the location- based method, if it has operations in markets without product or supplier-specific data;
2.3.4 account and report energy indirect (Scope 2) GHG emissions based on both the location-based and market-based methods, if it has any operations in markets providing product or supplier-specific data in the form of contractual instruments.

RECOMMENDATIONS

2.4 When compiling the information specified in Disclosure 305-2, the reporting organization should:

2.4.1 apply emission factors and GWP rates consistently for the data disclosed;
2.4.2 use the GWP rates from the IPCC assessment reports based on a 100-year timeframe;
2.4.3 select a consistent approach for consolidating direct (Scope 1) and energy indirect (Scope 2) GHG emissions, choosing from the equity share, financial control, or operational control methods outlined in the 'GHG Protocol Corporate Standard';
2.4.4 if subject to different standards and methodologies, describe the approach to selecting them;
2.4.5 where it aids transparency or comparability over time, provide a breakdown of the energy indirect (Scope 2) GHG emissions by:
2.4.5.1 business unit or facility;
2.4.5.2 country;
2.4.5.3 type of source (electricity, heating, cooling, and steam);

2.4.5.4 type of activity.

GUIDANCE

Guidance for Disclosure 305-2

Energy indirect (Scope 2) GHG emissions include, but are not limited to, the CO_2 emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization – disclosed as specified in Disclosure 302-1 of *GRI 302: Energy 2016*. For many organizations, the energy indirect (Scope 2) GHG emissions that result from the generation of purchased electricity can be much greater than their direct (Scope 1) GHG emissions.

The 'GHG Protocol Scope 2 Guidance' requires organizations to provide two distinct Scope 2 values: a location-based and a market-based value. A location- based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. A market-based method reflects emissions from electricity that an organization has purposefully chosen (or its lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

The market-based method calculation also includes the use of a residual mix, if the organization does not have specified emissions-intensity from its contractual instruments. This helps prevent double counting between consumers' market-based method figures. If a residual mix is unavailable, the organization can disclose this and use grid-average emission factors as a proxy (which can mean that the location-based and market- based are the same number until information on the residual mix is available).

The reporting organization can apply the Quality Criteria in the 'GHG Protocol Scope 2 Guidance' so that contractual instruments convey GHG emission rate claims and to prevent double counting. See reference [18] in the Bibliography.

For recalculations of prior year emissions, the organization can follow the approach in the 'GHG Protocol Corporate Standard'.

The chosen emission factors can originate from mandatory reporting requirements, voluntary reporting frameworks, or industry groups.

Estimates of GWP rates change over time as scientific research develops. GWP rates from the *Second Assessment Report* of the IPCC are used as the basis for international negotiations under the 'Kyoto Protocol'. Thus, such rates can be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. The organization can also use the latest GWP rates from the most recent IPCC assessment report.

The organization can combine Disclosure 305-2 with Disclosures 305-1 (direct/Scope 1 GHG emissions) and 305-3 (other indirect/Scope 3 GHG emissions) to disclose total GHG emissions.

Further details and guidance are available in the 'GHG Protocol Corporate Standard'. Details on the location-based and market-based methods are available in the 'GHG Protocol Scope 2 Guidance'. See also references [1], [2], [12], [13], [14] and [18] in the Bibliography.

Disclosure 305-3 Other indirect (Scope 3) GHG emissions

REQUIREMENTS

The reporting organization shall report the following information:

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.

b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

c. Biogenic CO2 emissions in metric tons of CO_2 equivalent.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

e. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;
ii. emissions in the base year;
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

g. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.5 When compiling the information specified in Disclosure 305-3, the reporting organization shall:

2.5.1 exclude any GHG trades from the calculation of gross other indirect (Scope 3) GHG emissions;
2.5.2 exclude energy indirect (Scope 2) GHG emissions from this disclosure. Energy indirect (Scope 2) GHG emissions are disclosed as specified in Disclosure 305-2;
2.5.3 report biogenic emissions of CO_2 from the combustion or biodegradation of biomass that occur in its value chain separately from the gross other indirect (Scope 3) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH_4 and N_2O), and biogenic emissions of CO_2 that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

RECOMMENDATIONS

2.6 When compiling the information specified in Disclosure 305-3, the reporting organization should:

2.6.1 apply emission factors and GWP rates consistently for the data disclosed;
2.6.2 use the GWP rates from the IPCC assessment reports based on a 100-year timeframe;
2.6.3 if subject to different standards and methodologies, describe the approach to selecting them;
2.6.4 list other indirect (Scope 3) GHG emissions, with a breakdown by upstream and downstream categories and activities;
2.6.5 where it aids transparency or comparability over time, provide a breakdown of the other indirect (Scope 3) GHG emissions by:
2.6.5.1 business unit or facility;
2.6.5.2 country;
2.6.5.3 type of source;
2.6.5.4 type of activity.

GUIDANCE

Guidance for Disclosure 305-3

Other indirect (Scope 3) GHG emissions are a consequence of an organization's activities, but occur from sources not owned or controlled by the organization. Other indirect (Scope 3) GHG emissions include both upstream and downstream emissions. Some examples of Scope 3 activities include extracting and producing purchased materials; transporting purchased fuels in vehicles not owned or controlled by the organization; and the end use of products and services.

Other indirect emissions can also come from the decomposing of the organization's waste. Process-related emissions during the manufacture of purchased goods and fugitive emissions in facilities not owned by the organization can also produce indirect emissions.

For some organizations, GHG emissions that result from energy consumption outside of the organization can be much greater than their direct (Scope 1) or energy indirect (Scope 2) GHG emissions.

The reporting organization can identify other indirect (Scope 3) GHG emissions by assessing which of its activities' emissions:

- contribute significantly to the organization's total anticipated other indirect (Scope 3) GHG emissions;
- offer potential for reductions the organization can undertake or influence;
- contribute to climate change-related risks, such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks;
- are deemed material by stakeholders, such as customers, suppliers, investors, or civil society;
- result from outsourced activities previously performed in-house, or that are typically performed in-house by other organizations in the same sector;
- have been identified as significant for the organization's sector;
- meet any additional criteria for determining relevance, developed by the organization or by organizations in its sector.

The organization can use the following upstream and downstream categories and activities from the 'GHG Protocol Corporate Value Chain Standard' (see reference [15] in the Bibliography).

Upstream categories

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets

Other upstream

Downstream categories

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End-of-life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments

Other downstream

For each of these categories and activities, the organization can provide a figure in CO_2 equivalent or explain why certain data are not included.

For recalculations of prior year emissions, the organization can follow the approach in the 'GHG Protocol Corporate Value Chain Standard'.

The chosen emission factors can originate from mandatory reporting requirements, voluntary reporting frameworks, or industry groups.

Estimates of GWP rates change over time as scientific research develops. GWP rates from the *Second Assessment Report* of the IPCC are used as the basis for international negotiations under the 'Kyoto Protocol'. Thus, such rates can be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. The organization can also use the latest GWP rates from the most recent IPCC assessment report.

The organization can combine Disclosure 305-3 with Disclosures 305-1 (direct/Scope 1 GHG emissions) and 305-2 (energy indirect/Scope 2 GHG emissions) to disclose total GHG emissions.

See references [1], [2], [12], [13], [15], [17] and [19] in the Bibliography.

Disclosure 305-4 GHG emissions intensity

REQUIREMENTS

The reporting organization shall report the following information:

a. GHG emissions intensity ratio for the organization.

b. Organization-specific metric (the denominator) chosen to calculate the ratio.

c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).

d. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

Compilation requirements

2.7 When compiling the information specified in Disclosure 305-4, the reporting organization shall:

2.7.1 calculate the ratio by dividing the absolute GHG emissions (the numerator) by the organization-specific metric (the denominator);
2.7.2 if reporting an intensity ratio for other indirect (Scope 3) GHG emissions, report this intensity ratio separately from the intensity ratios for direct (Scope 1) and energy indirect (Scope 2) emissions.

RECOMMENDATIONS

2.8 When compiling the information specified in Disclosure 305-4, the reporting organization should, where it aids transparency or comparability over time, provide a breakdown of the GHG emissions intensity ratio by:

2.8.1 business unit or facility;
2.8.2 country;
2.8.3 type of source;
2.8.4 type of activity.

GUIDANCE

Guidance for Disclosure 305-4
Intensity ratios can be provided for, among others:
- products (such as metric tons of CO_2 emissions per unit produced);
- services (such as metric tons of CO_2 emissions per function or per service);
- sales (such as metric tons of CO_2 emissions per sales).

Organization-specific metrics (denominators) can include:
- units of product;
- production volume (such as metric tons, liters, or MWh);
- size (such as m^2 floor space);
- number of full-time employees;
- monetary units (such as revenue or sales).

The reporting organization can report an intensity ratio for direct (Scope 1) and energy indirect (Scope 2) GHG emissions combined, using the figures reported in Disclosures 305-1 and 305-2.

Background
Intensity ratios define GHG emissions in the context of an organization-specific metric. Many organizations track environmental performance with intensity ratios, which are often called normalized environmental impact data.

GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other organization-specific metric. In combination with an organization's absolute GHG emissions, reported in Disclosures 305-1, 305-2, and 305-3, GHG emissions intensity helps to contextualize the organization's efficiency, including in relation to other organizations.

See references [13], [14], and [19] in the Bibliography.

Disclosure 305-5 Reduction of GHG emissions

REQUIREMENTS

The reporting organization shall report the following information:

a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent.

b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

c. Base year or baseline, including the rationale for choosing it.

d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).

e. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.9 When compiling the information specified in Disclosure 305-5, the reporting organization shall:

2.9.1 exclude reductions resulting from reduced production capacity or outsourcing;
2.9.2 use the inventory or project method to account for reductions;
2.9.3 calculate an initiative's total reductions of GHG emissions as the sum of its associated primary effects and any significant secondary effects;
2.9.4 if reporting two or more Scope types, report the reductions for each separately;
2.9.5 report reductions from offsets separately.

RECOMMENDATIONS

2.10 When compiling the information specified in Disclosure 305-5, the reporting organization should, if subject to different standards and methodologies, describe the approach to selecting them.

GUIDANCE

Guidance for Disclosure 305-5
The reporting organization can prioritize disclosing reduction initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reductions. The organization can describe reduction initiatives and their targets when reporting how it manages this topic.

Reduction initiatives can include:
- process redesign;
- conversion and retrofitting of equipment;
- fuel switching;
- changes in behavior;
- offsets.

The organization can report reductions disaggregated by initiatives or groups of initiatives.

This disclosure can be used in combination with Disclosures 305-1, 305-2, and 305-3 of this Standard to monitor the reduction of GHG emissions with reference to the organization's targets, or to regulations and trading systems at international or national level.

See references [12], [13], [14], [15], [16], and [19] in the Bibliography.

Guidance for clause 2.9.2
The inventory method compares reductions to a base year. The project method compares reductions to a baseline. Further details on these methods are available in references [15] and [16] in the Bibliography.

Guidance for clause 2.9.3
Primary effects are the elements or activities designed to reduce GHG emissions, such as carbon storage. Secondary effects are smaller, unintended consequences of a reduction initiative, including changes to production or manufacture, which result in changes to GHG

emissions elsewhere. See reference [14] in the Bibliography.

Disclosure 305-6 Emissions of ozone-depleting substances (ODS)

REQUIREMENTS

The reporting organization shall report the following information:

a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.

b. Substances included in the calculation.

c. Source of the emission factors used.

d. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.11 When compiling the information specified in Disclosure 305-6, the reporting organization shall:

2.11.1 calculate the production of ODS as the amount of ODS produced, minus the amount destroyed by approved technologies, and minus the amount entirely used as feedstock in the manufacture of other chemicals;

Production of ODS
=
ODS produced
-
ODS destroyed by approved technologies
-
ODS entirely used as feedstock in the manufacture of other chemicals

2.11.2 exclude ODS recycled and reused.

RECOMMENDATIONS

2.12 When compiling the information specified in Disclosure 305-6, the reporting organization should:

2.12.1 if subject to different standards and methodologies, describe the approach to selecting them;
2.12.2 where it aids transparency or comparability over time, provide a breakdown of the ODS data by:
2.12.2.1 business unit or facility;
2.12.2.2 country;
2.12.2.3 type of source;
2.12.2.4 type of activity.

GUIDANCE

Guidance for Disclosure 305-6
The reporting organization can report separate or combined data for the substances included in the calculation.

Background
Measuring ODS production, imports, and exports helps to indicate how an organization complies with legislation. This is particularly relevant if the organization produces or uses ODS in its processes, products and services and is subject to phase-out commitments. Results on ODS phase-out help to indicate the organization’s position in any markets affected by regulation on ODS.

This disclosure covers the substances included in Annexes A, B, C, and E of the ‘Montreal

Protocol' as well as any other ODS produced, imported, or exported by an organization.

See references [1], [2], [8] and [9] in the Bibliography.

Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

REQUIREMENTS

The reporting organization shall report the following information:

a. Significant air emissions, in kilograms or multiples, for each of the following:

i. NO_x
ii. SO_x
iii. Persistent organic pollutants (POP)
iv. Volatile organic compounds (VOC)
v. Hazardous air pollutants (HAP)
vi. Particulate matter (PM)
vii. Other standard categories of air emissions identified in relevant regulations

b. Source of the emission factors used.

c. Standards, methodologies, assumptions, and/or calculation tools used.

Compilation requirements

2.13 When compiling the information specified in Disclosure 305-7, the reporting organization shall select one of the following approaches for calculating significant air emissions:

2.13.1 Direct measurement of emissions (such as online analyzers);
2.13.2 Calculation based on site-specific data;
2.13.3 Calculation based on published emission factors;
2.13.4 Estimation. If estimations are used due to a lack of default figures, the organization shall indicate the basis on which figures were estimated.

RECOMMENDATIONS

2.14 When compiling the information specified in Disclosure 305-7, the reporting organization should:

2.14.1 if subject to different standards and methodologies, describe the approach to selecting them;
2.14.2 where it aids transparency or comparability over time, provide a breakdown of the air emissions data by:
2.14.2.1 business unit or facility;
2.14.2.2 country;
2.14.2.3 type of source;
2.14.2.4 type of activity.

GUIDANCE

See references [3], [4], [5], [6] and [10] in the Bibliography.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

base year
historical datum (such as year) against which a measurement is tracked over time

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

biogenic carbon dioxide (CO2) emission
emission of CO_2 from the combustion or biodegradation of biomass

carbon dioxide (CO2) equivalent
measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

Note: The CO_2 equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

CFC11 (trichlorofluoromethane) equivalent
measure used to compare various substances based on their relative ozone depletion potential (ODP)

Note: The reference level of 1 is the potential of CFC-11 (trichlorofluoromethane) and CFC-12 (dichlorodifluoromethane) to cause ozone depletion.

direct (Scope 1) GHG emissions
greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

Examples: CO_2 emissions from fuel consumption

Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

energy indirect (Scope 2) GHG emissions
greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization

global warming potential (GWP)
value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO_2 over a given period of time

Note: GWP values convert GHG emissions data for non-CO_2 gases into units of CO2 equivalent.

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

greenhouse gas (GHG) trade
purchase, sale or transfer of greenhouse gas (GHG) emission offsets or allowances

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental

rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

other indirect (Scope 3) GHG emissions
indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

ozone-depleting substance (ODS)
substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer

Note: Most ODS are controlled under the United Nations Environment Programme (UNEP), *Montreal Protocol on Substances that Deplete the Ozone Layer*, 1987, and its amendments, and include chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons, and methyl bromide.

reduction of greenhouse gas (GHG) emissions
decrease in greenhouse gas (GHG) emissions or increase in removal or storage of GHG from the atmosphere, relative to baseline emissions

Note: Primary effects will result in GHG reductions, as will some secondary effects. An initiative's total GHG reductions are quantified as the sum of its associated primary effect(s) and any significant secondary effects (which may involve decreases or countervailing increases in GHG emissions).

scope of GHG emissions
classification of the operational boundaries where greenhouse gas (GHG) emissions occur

Note 1: Scope classifies whether GHG emissions are created by the organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.

Note 2: There are three classifications of Scope: Scope 1, Scope 2 and Scope 3.

Note 3: The classification of Scope derives from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), *GHG Protocol Corporate Accounting and Reporting Standard,* Revised Edition, 2004.

significant air emission
air emission regulated under international conventions and/or national laws or regulations

Note: Significant air emissions include those listed on environmental permits for the organization’s operations.

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms ‘sustainability’ and ‘sustainable development’ are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
2. Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
3. United Nations Economic Commission for Europe (UNECE) Convention, 'Geneva Protocol concerning the Control of Emissions of Volatile Organic Compounds or their Transboundary Fluxes', 1991.
4. United Nations Economic Commission for Europe (UNECE) Convention, 'Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone', 1999.
5. United Nations Economic Commission for Europe (UNECE) Convention, 'Helsinki Protocol on the Reduction of Sulphur Emissions or their Transboundary Fluxes', 1985.
6. United Nations Economic Commission for Europe (UNECE) Convention, 'Sofia Protocol concerning the Control of Emissions of Nitrogen Oxides or their Transboundary Fluxes', 1988.
7. United Nations Environment Programme (UNEP) and World Meteorological Organization (WMO), *Integrated Assessment of Black Carbon and Tropospheric Ozone*, 2011.
8. United Nations Environment Programme (UNEP), 'Montreal Protocol on Substances that Deplete the Ozone Layer', 1987.
9. United Nations Environment Programme (UNEP), *Standards and Codes of Practice to Eliminate Dependency on Halons - Handbook of Good Practices in the Halon Sector*, 2001.
10. United Nations Environment Programme (UNEP) Convention, 'Stockholm Convention on Persistent Organic Pollutants (POPs)', Annex A, B, and C, 2009.
11. United Nations (UN) Framework Convention, 'United Nations Framework Convention on Climate Change', 1992.
12. United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.

Additional references:

13. CDP, *Investor CDP Information Request*, updated annually.
14. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
15. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
16. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol for Project Accounting', 2005.
17. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Product Life Cycle Accounting and Reporting Standard', 2011.
18. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard', 2015.
19. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

GRI STANDARDS

GRI 306: Effluents and Waste 2016

Topic Standard

The main contents of *GRI 306: Effluents and Waste 2016* have been superseded by the GRI Standards *GRI 303: Water and Effluents 2018* and *GRI 306: Waste 2020*. This content has been blacked out in this Standard.

However, the spills-related content in Disclosure 306-3 Significant spills of *GRI 306: Effluents and Waste 2016* remains in effect.

In its 2023-2025 Work Program, the Global Sustainability Standards Board has identified the development of a GRI Standard for spills and leaks as a priority project for commencement.

Effective date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-109-9

Content

Introduction

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[redacted]

D. Background context

[redacted]

[redacted]

[redacted]

[redacted]

Spills of chemicals, oils, and fuels, among other substances, can potentially affect soil, water, air, biodiversity, and human health.

[redacted]

[redacted]

GRI 306: Effluents and Waste

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

[redacted]
• Disclosure 306-3 Significant spills
[redacted]

REQUIREMENTS

[redacted]

GUIDANCE

[redacted] the reporting organization can also disclose expenditures on:

- **[redacted]**
- **clean-up costs, including costs for remediation of spills as specified in Disclosure 306-3.**

2. Topic disclosures

[redacted]

[redacted]

[redacted]

a. [redacted]

i. [redacted]
ii. [redacted]
iii. [redacted]

b. [redacted]

[redacted]

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Disclosure 306-3 Significant spills

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number and total volume of recorded significant spills.

b. The following additional information for each spill that was reported in the organization's financial statements:

i. Location of spill;

ii. Volume of spill;

iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).

c. Impacts of significant spills.

[redacted]

[redacted]

[redacted]

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Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

significant spill
spill that is included in the organization's financial statements, for example due to resulting liabilities, or is recorded as a spill by the organization

spill
accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater

Bibliography

Authoritative instruments:
1. Basel Convention, 'Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal', 1995.

2. International Maritime Organization (IMO) Convention, 'Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter' (London Convention), 1972.

3. International Maritime Organization (IMO) Convention, 'International Convention for the Prevention of Pollution from Ships (Marpol)', 1973, as modified by the Protocol of 1978.

4. Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.

[redacted]

GRI 306: Waste 2020

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2022

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 306: Waste 2020 contains disclosures for organizations to report information about their waste-related impacts, and how they manage these impacts. The disclosures enable an organization to provide information on how it prevents waste generation and how it manages waste that cannot be prevented, in its own activities and upstream and downstream in its value chain.

The Standard is structured as follows:

- Section 1 contains two disclosures, which provide information about how the organization manages its waste-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's waste-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.
- The Appendix includes examples of process flows and examples of templates for presenting information for Disclosures 306-3, 306-4, and 306-5.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of waste.

Waste can be generated in the organization's own activities, for example, during the production of its products and delivery of services. It can also be generated by entities upstream and downstream in the organization's value chain, for example, when suppliers process materials that are later used or procured by the organization, or when consumers use the services or discard the products that the organization sells to them.

Waste can have significant negative impacts on the environment and human health when inadequately managed. These impacts often extend beyond locations where waste is generated and discarded. The resources and materials contained in waste that is incinerated or landfilled are lost to future use, which accelerates their depletion.

The United Nations recognizes the role of responsible consumption and production in achieving the Sustainable Development Goals[1]. The targets under Goal 12, in particular, call on organizations to implement environmentally sound waste management and prevent and reduce waste through reuse and recycling.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

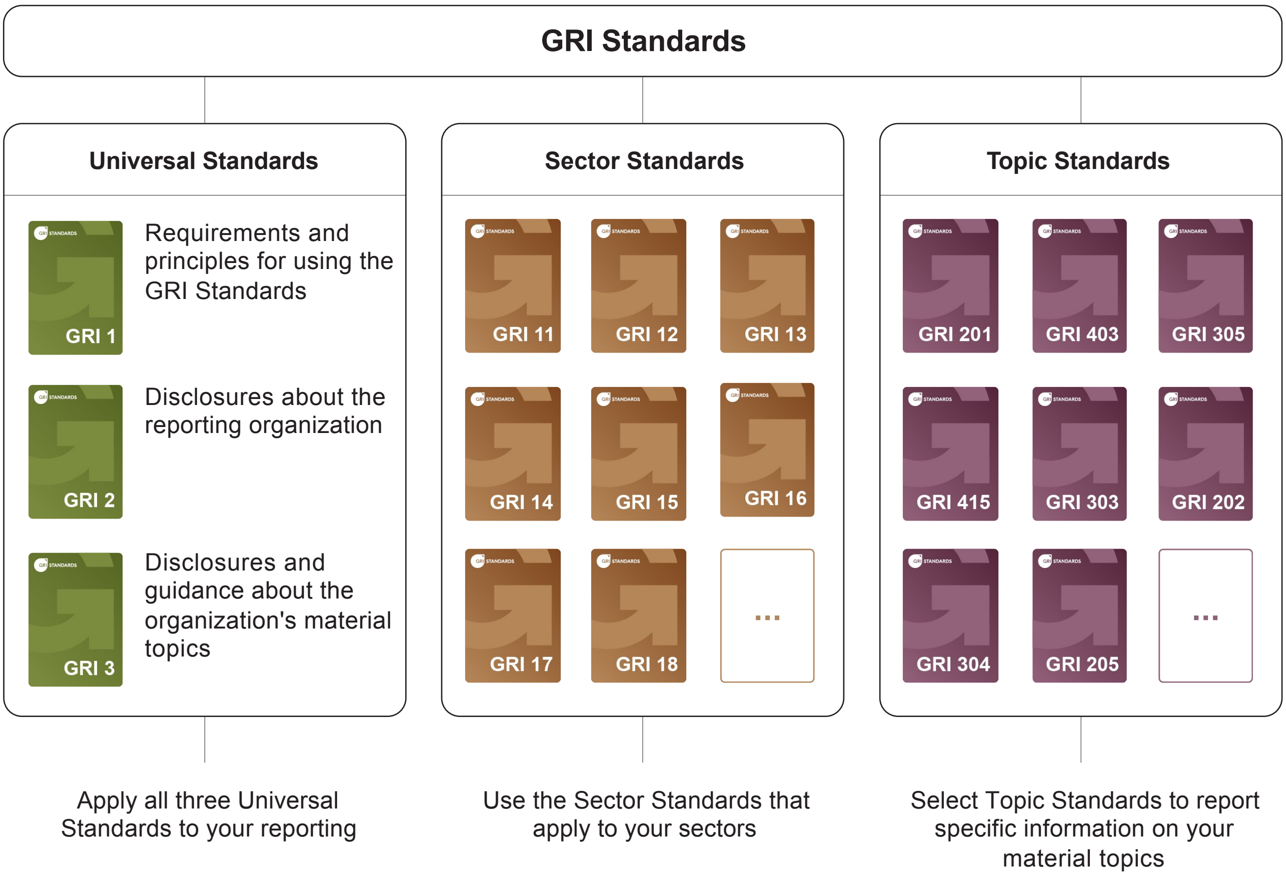
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

1 United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015. (See in particular Goal 12: 'Ensure sustainable consumption and production patterns'.)

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its waste-related impacts. This Standard can also be used by organizations that manage waste generated by other organizations, such as public and private waste management organizations. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 301: Materials 2016*.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined waste to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's waste-related impacts (Disclosure 306-1 through Disclosure 306-5).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined waste to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section). The organization is also required to report any disclosures from this section (Disclosure 306-1 through Disclosure 306-2) that are relevant to its waste-related impacts.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages waste using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

Disclosure 306-1 Waste generation and significant waste-related impacts

REQUIREMENTS

The reporting organization shall report the following information:

a. For the organization's significant actual and potential waste-related impacts, a description of:

i. the inputs, activities, and outputs that lead or could lead to these impacts;
ii. whether these impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain.

RECOMMENDATIONS

1.2 The reporting organization should report a process flow of inputs, activities, and outputs that lead or could lead to significant waste-related impacts.

GUIDANCE

Background
The quantity, type, and quality of waste generated by an organization is a consequence of the activities involved in the production of its products and services (e.g., extraction, processing, procurement of materials, product or service design, production, distribution) and their subsequent consumption. An assessment of how materials move into, through, and out of the organization can help understand where in the organization's value chain these materials eventually become waste. This provides a holistic overview of waste generation and its causes, which in turn can support the organization in identifying opportunities for waste prevention and for adopting circularity measures. In this way, the organization can go beyond mitigating and remediating negative impacts once waste has been generated and move towards managing waste as a resource.

Guidance for Disclosure 306-1
When reporting on this disclosure, the organization can specify the types of inputs and outputs. The types of inputs and outputs can include raw materials, process and manufacturing materials, leaks and losses, waste, by-products, products, or packaging.

The organization can assess and report whether inputs, activities, and outputs lead or could lead to significant waste-related impacts using the following criteria:
- Quantity of inputs used to produce the organization's products or services, which will become waste after they are used for production.
- Quantity of waste outputs generated in the organization's own activities, or quantity of outputs it provides to entities downstream that will eventually become waste when they reach their end of life.
- Hazardous characteristics of inputs and outputs.
- Properties of input materials or design characteristics of outputs that limit or prevent their recovery or limit the length of their life.
- Known potential negative threats associated with specific materials when they are discarded. For example, the potential threat of marine pollution resulting from leakage of discarded plastic packaging into waterbodies.
- Types of activities that lead to significant quantities of waste generation or to generation of hazardous waste.

The organization is required to report on inputs that it receives from entities upstream in its value chain, as well as outputs it provides to entities downstream in its value chain. For example, if an organization procures components with hazardous characteristics from a supplier and uses these in a product that will continue to carry these components and their hazardous characteristics, the organization is required to report these components under inputs that lead or could lead to significant waste-related impacts. Similarly, if an organization sells to consumers products that generate large quantities of packaging waste, it is required to report this packaging under outputs that lead or could lead to significant waste-related impacts.

If the organization has identified many inputs and outputs or many activities that lead or could lead to significant waste-related impacts, it may group these by:
- product or service category that the inputs and outputs relate to;
- business units or facilities that procure the inputs, or whose activities produce the outputs;

- categories of upstream and downstream activities that produce the outputs (for examples of upstream and downstream categories, see the guidance for Disclosure 302-2 in *GRI 302: Energy 2016*).

Guidance for clause 1.2
A process flow is a tool to visualize the information required to be reported under Disclosure 306-1. A graphic illustration of the process flow can help the organization and its stakeholders understand how inputs and outputs move through the organization's own activities as well as through the activities of entities upstream and downstream in its value chain. It shows where waste is generated in the value chain or where outputs become waste.

The organization can also use the process flow to illustrate information that is required under other disclosures of this Standard, such as:

- actions taken to prevent waste generation (Disclosure 306-2);
- composition of waste generated (Disclosure 306-3);
- recovery operations used to divert waste from disposal (Disclosure 306-4);
- disposal operations (Disclosure 306-5).

The organization can include estimates of the weight of inputs and the weight of outputs in metric tons or the ratio of inputs to outputs.

For examples of process flow illustrations, see the Appendix.

Disclosure 306-2 Management of significant waste-related impacts

REQUIREMENTS

The reporting organization shall report the following information:

a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.

b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.

c. The processes used to collect and monitor waste-related data.

GUIDANCE

Background

An organization can cause waste-related impacts through its own activities. For example, when its operations generate waste outputs. It can also contribute to waste-related impacts through activities carried out in its value chain upstream or downstream. For example, through criteria in its procurement policies that lead to waste generation upstream, or through management decisions that limit the life of its products and therefore contribute to waste generation downstream.

Even when the organization has not contributed to waste-related impacts upstream or downstream in its value chain, its operations, products, or services could be directly linked to waste-related impacts by its business relationships with the entities in its value chain. For example, when third parties hired by the organization carry out inadequate recovery or disposal operations.

The way an organization is involved with negative impacts is important for determining the organization's response to an impact.

Guidance for Disclosure 306-2-a

Actions, including circularity measures, to prevent waste generation and to manage significant impacts from waste generated can include:

- Input material choices and product design:
  - Improving materials selection and product design through consideration for longevity and durability, repairability, modularity and disassembly, and recyclability.
  - Reducing the use of raw and finite materials by procuring secondary materials (e.g., used or recycled input materials) or renewable materials.
  - Substituting inputs that have hazardous characteristics with inputs that are non-hazardous.
- Collaboration in the value chain and business model innovation:
  - Setting policies for procurement from suppliers that have sound waste prevention and waste management criteria.
  - Engaging in or setting up industrial symbiosis as a result of which the organization's waste or other outputs (e.g., by-products from production) become inputs for another organization.
  - Participating in a collective or individual extended producer responsibility scheme or applying product stewardship, which extends the producer's responsibility for a product or service to its end of life.
  - Transitioning to and applying new business models, such as product service systems that use services instead of products to meet consumer demand.
  - Engaging in or setting up product take-back schemes and reverse logistics processes to divert products and materials from disposal.
- End-of-life interventions:
  - Establishing and improving facilities for waste management, including facilities for the collection and sorting of waste.
  - Recovering products, components, and materials from waste through preparation for reuse and recycling.
  - Engaging with consumers to raise awareness about sustainable consumption practices,

such as reduced purchasing of products, product sharing, exchange, reuse, and recycling.

See references [9] and [11] in the Bibliography.

Guidance for Disclosure 306-2-b
This disclosure can provide insight into the level of control the organization assumes for waste management outsourced to a third party. In the context of this Standard, a third party includes a public or private waste management organization, or any other entity or group of individuals formally or informally involved in handling the reporting organization's waste. Waste management by third parties can include the collection, transportation, recovery, and disposal of waste, as well as the supervision of such operations and the aftercare of disposal sites. The organization may specify agreements in a contract for the third party to follow when managing its waste, or rely on existing legislative obligations, such as local environmental laws and regulations, to ensure that the third party manages the waste adequately.

Guidance for Disclosure 306-2-c
The processes that the organization has in place for collecting and monitoring waste-related data can reflect its commitment to managing waste-related impacts. Such processes can include online data entry, maintaining a centralized database, real-time weighbridge measurement, and annual external data validation.

The organization can specify whether the data collection and monitoring processes extend beyond waste generated in its own activities to include waste generated upstream and downstream in its value chain.

2. Topic disclosures

Disclosure 306-3 Waste generated

REQUIREMENTS

The reporting organization shall report the following information:

a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.

b. Contextual information necessary to understand the data and how the data has been compiled.

Compilation requirements

2.1 When compiling the information specified in Disclosure 306-3-a, the reporting organization shall:

2.1.1 exclude effluent, unless required by national legislation to be reported under total waste;

2.1.2 use 1000 kilograms as the measure for a metric ton.

GUIDANCE

Background
The total weight of waste generated, when contrasted with the weight of waste that the organization directs to recovery and disposal, can show the extent to which the organization manages its waste-related impacts.

The composition of the waste generated can help identify recovery or disposal operations appropriate to the type of waste and to the specific materials present in the waste.

Guidance for Disclosure 306-3
This disclosure covers waste generated in the organization's own activities. The organization can separately report waste generated upstream and downstream in its value chain, if this information is available.

Guidance for Disclosure 306-3-a
When reporting composition of the waste, the organization can describe:
- the type of waste, such as hazardous waste or non-hazardous waste;
- the waste streams, relevant to its sector or activities (e.g., tailings for an organization in the mining sector, electronic waste for an organization in the consumer electronics sector, or food waste for an organization in the agriculture or in the hospitality sector);
- the materials that are present in the waste (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

Templates for how to present information under this disclosure can be found in the Appendix Tables.

Guidance for Disclosure 306-3-b
To help understand the data, the organization can explain the reasons for the difference between the weight of waste generated and the weight of waste directed to recovery or disposal. This difference can be a result of precipitation or evaporation, leaks or losses, or other modifications to the waste. In the context of this Standard, leaks result from physical or technical failures (e.g., a trail of waste from a waste collection truck), while losses result from inadequate security measures or administrative failures (e.g., theft or lost records).

To help understand how the data has been compiled, the organization can specify whether the data has been modeled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

See references [1], [4], [10], and [11] in the Bibliography.

Disclosure 306-4 Waste diverted from disposal

REQUIREMENTS

The reporting organization shall report the following information:

a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.

b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:

i. Preparation for reuse;
ii. Recycling;
iii. Other recovery operations.

c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:

i. Preparation for reuse;
ii. Recycling;
iii. Other recovery operations.

d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal:

i. onsite;
ii. offsite.

e. Contextual information necessary to understand the data and how the data has been compiled.

Compilation requirements

2.2 When compiling the information specified in Disclosure 306-4, the reporting organization shall:

2.2.1 exclude effluent, unless required by national legislation to be reported under total waste;
2.2.2 use 1000 kilograms as the measure for a metric ton.

RECOMMENDATIONS

2.3 The reporting organization should report the total weight of waste prevented, and the baseline and methodology for this calculation.

GUIDANCE

Background
An organization's choice of operations to manage waste shows how it addresses significant waste-related impacts. The options to manage waste can be informed by the waste management hierarchy, which orders operations to manage waste from the most preferable to the least preferable. The waste management hierarchy prioritizes waste prevention, followed by recovery operations that divert waste from being sent to disposal, such as preparation for reuse, recycling, and other recovery operations.

Guidance for Disclosure 306-4
Templates for how to present information under this disclosure can be found in the Appendix Tables.

Guidance for Disclosure 306-4-a
When reporting composition of the waste, the organization can describe:
- the type of waste, such as hazardous waste or non-hazardous waste;
- the waste streams, relevant to its sector or activities (e.g., tailings for an organization in the mining sector, electronic waste for an organization in the consumer electronics sector, or food waste for an organization in the agriculture or in the hospitality sector);
- the materials that are present in the waste (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

Guidance for Disclosures 306-4-b and 306-4-c
When reporting on Disclosures 306-4-b-ii and 306-4-c-ii, the organization can specify the type of recycling operations, such as downcycling, upcycling, composting, or anaerobic digestion.

Besides preparation for reuse and recycling, the organization can report the other types of recovery operations it uses under Disclosures 306-4-b-iii and 306-4-c-iii, such as repurposing or refurbishment.

Guidance for Disclosure 306-4-d
Reporting on the quantity and type of waste diverted from disposal onsite and offsite shows the extent to which the organization knows how its waste is managed. In the context of this Standard, ‘onsite’ means within the physical boundary or administrative control of the reporting organization, and ‘offsite’ means outside the physical boundary or administrative control of the reporting organization.

Guidance for Disclosure 306-4-e
To help understand the data, the organization can explain the reasons for the difference between the weights of waste diverted from disposal onsite and offsite (e.g., lack of infrastructure onsite to recover materials from waste). It can also describe sector practices, sector standards, or external regulations that mandate a specific recovery operation.

To help understand how the data has been compiled, the organization can specify whether the data has been modeled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

Guidance for clause 2.3
Waste prevention is the most preferable option in the waste management hierarchy, as it prevents the resulting impacts on the environment and human health. The organization can calculate waste prevented as the reduction in waste generation resulting from the actions reported under Disclosure 306-2-a. Reductions in waste generation resulting from reduced production capacity are not considered waste prevention. The organization can report waste prevented in its own activities as well as waste prevented in entities upstream and downstream in its value chain.

See reference [1] in the Bibliography.

Disclosure 306-5 Waste directed to disposal

REQUIREMENTS

The reporting organization shall report the following information:

a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste.

b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations:

i. Incineration (with energy recovery);
ii. Incineration (without energy recovery);
iii. Landfilling;
iv. Other disposal operations.

c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations:

i. Incineration (with energy recovery);
ii. Incineration (without energy recovery);
iii. Landfilling;
iv. Other disposal operations.

d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal:

i. onsite;
ii. offsite.

e. Contextual information necessary to understand the data and how the data has been compiled.

Compilation requirements

2.4 When compiling the information specified in Disclosure 306-5, the reporting organization shall:

2.4.1 exclude effluent, unless required by national legislation to be reported under total waste;
2.4.2 use 1000 kilograms as the measure for a metric ton.

GUIDANCE

Background
Disposal is the least preferable option in the waste management hierarchy because of its negative impacts on the environment and human health. Leachate from landfills can contaminate land and water, methane released from the decay of organic waste in landfills contributes to climate change, and uncontrolled burning of waste contributes to air pollution. Disposal prevents the materials present in the waste from being recirculated in the environment and economy, making them unavailable for future use.

Guidance for Disclosure 306-5
Templates for how to present information under this disclosure can be found in the Appendix Tables.

Guidance for Disclosure 306-5-a
When reporting composition of the waste, the organization can describe:
- the type of waste, such as hazardous waste or non-hazardous waste;
- the waste streams, relevant to its sector or activities (e.g., tailings for an organization in the mining sector, electronic waste for an organization in the consumer electronics sector, or food waste for an organization in the agriculture or in the hospitality sector);
- the materials that are present in the waste (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

Guidance for Disclosures 306-5-b and 306-5-c
Besides incineration and landfilling, the organization can specify the other types of disposal

operations it uses under Disclosures 306-5-b-iv and 306-5-c-iv, such as dumping, open burning, or deep well injection.

Guidance for Disclosure 306-5-d

Reporting the quantity and type of waste directed to disposal onsite and offsite shows the extent to which the organization knows how its waste is managed. In the context of this Standard, ‘onsite’ means within the physical boundary or administrative control of the reporting organization, and ‘offsite’ means outside the physical boundary or administrative control of the reporting organization.

Guidance for Disclosure 306-5-e

To help understand the data, the organization can explain the reasons for the difference between the weights of waste directed to disposal onsite and offsite (e.g., local regulations that prohibit landfilling of specific types of waste). It can also describe sector practices, sector standards, or external regulations that mandate a specific disposal operation.

To help understand how the data has been compiled, the organization can specify whether the data has been modeled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

circularity measures
measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

disposal
any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC)

Note: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

employee
individual who is in an employment relationship with the organization according to national law or practice

environmental laws and regulations
laws and regulations related to all types of environmental issues applicable to the organization

Note 1: Environmental issues can include those such as emissions, effluents, and waste, as well as material use, energy, water, and biodiversity.

Note 2: Environmental laws and regulations can include binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation.

Note 3: Voluntary agreements can be applicable if the organization directly joins the agreement, or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

hazardous waste
waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

incineration
controlled burning of waste at high temperatures

Source: United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997

Note: Incineration of waste can be carried out with or without energy recovery. Incineration with energy recovery is also known as waste to energy. In the context of waste reporting, incineration with energy recovery is considered a disposal operation.

indigenous peoples

Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

landfilling

final depositing of solid waste at, below, or above ground level at engineered disposal sites

Source: United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997

Note: In the context of waste reporting, landfilling refers to depositing of solid waste in sanitary landfills, and excludes uncontrolled waste disposal such as open burning and dumping.

local community

individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization’s activities

Note: The local community can range from those living adjacent to the organization’s operations to those living at a distance.

material topics

topics that represent the organization’s most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on ‘material topics’.

preparation for reuse

checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC); modified

product or service category

group of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market

recovery

operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

Examples: preparation for reuse, recycling

Note: In the context of waste reporting, recovery operations do not include energy recovery.

recycling
reprocessing of products or components of products that have become waste, to make new materials

Sources: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

stakeholder
individual or group that has an interest that is affected or could be affected by the organization's activities

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to

their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group
group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste
anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC).
2. International Maritime Organization (IMO), *Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter* (London Convention), 1972.
3. International Maritime Organization (IMO), *International Convention for the Prevention of Pollution from Ships* (Marpol), 1973, as modified by the Protocol of 1978.
4. United Nations Environment Programme (UNEP), *Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1995.
5. United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal* (Basel Convention), 1989.
6. United Nations Environment Programme (UNEP), *Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade* (Rotterdam Convention), 1998.
7. United Nations Environment Programme (UNEP), *Stockholm Convention on Persistent Organic Pollutants* (Stockholm Convention), 2001.
8. United Nations (UN) Resolution*, Transforming our world: the 2030 Agenda for Sustainable Development*, 2015.

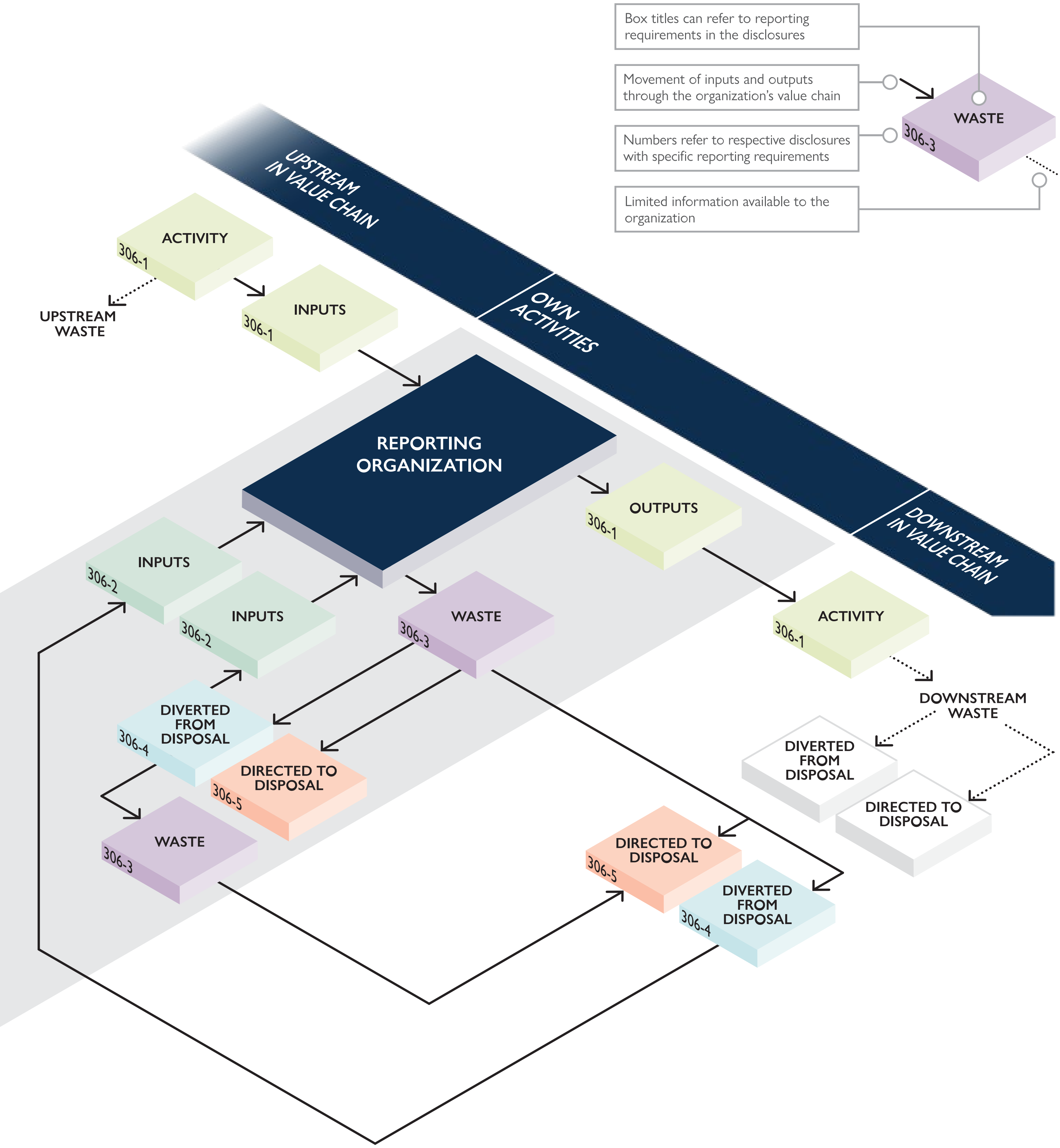
Additional references:

9. United Nations Environment Programme (UNEP), *Global Waste Management Outlook*, 2015.
10. United Nations Environment Programme (UNEP), *Guidelines for National Waste Management Strategies: Moving from Challenges to Opportunities*, 2013.
11. World Resources Institute (WRI), Food Loss and Waste Protocol, https://flwprotocol.org/, accessed 19 May 2020.

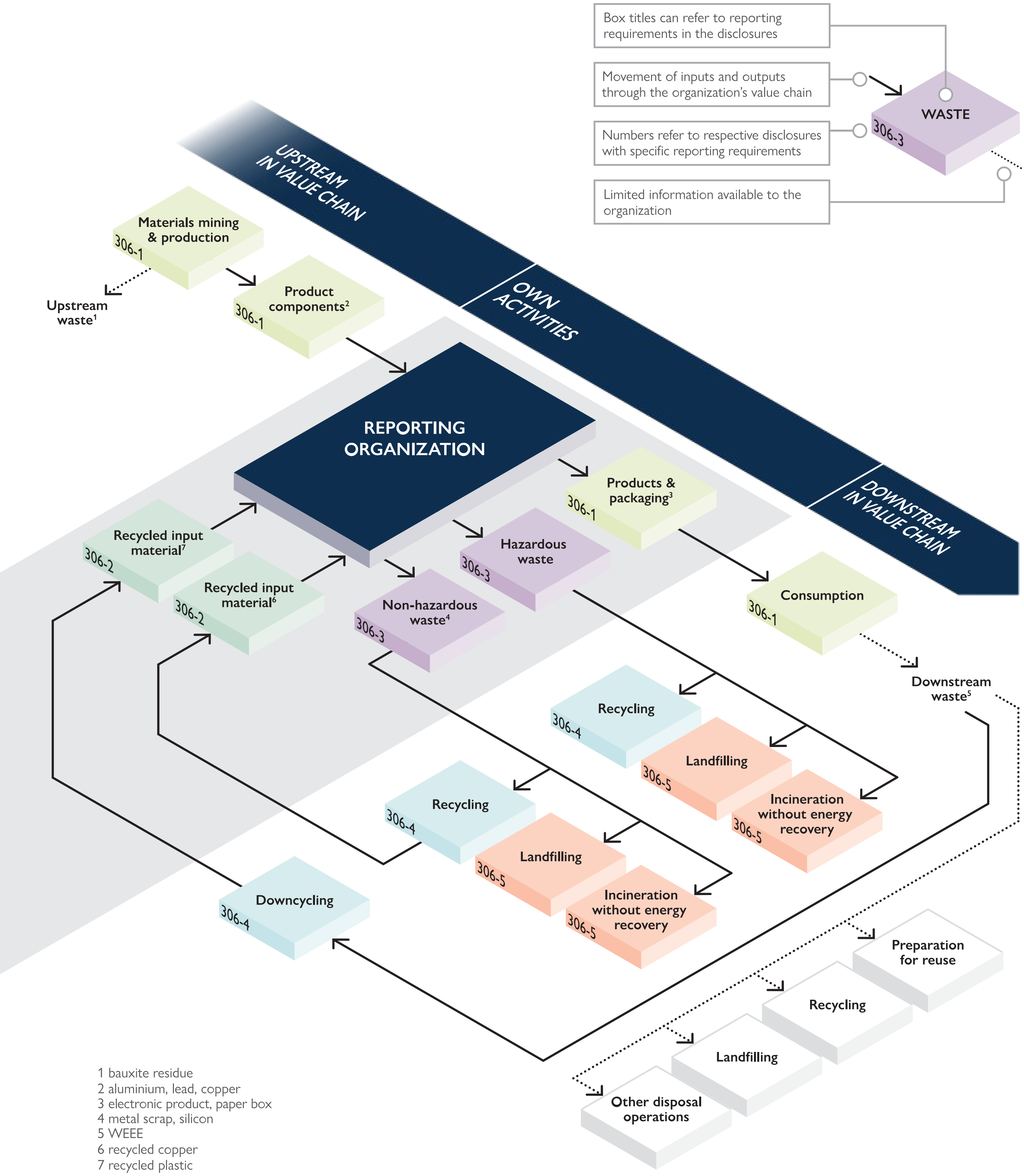
Appendix

Process flow examples (clause 1.2)
Template examples for presenting information for Disclosures 306-3, 306-4, and 306-5

Process flow A. Generic example

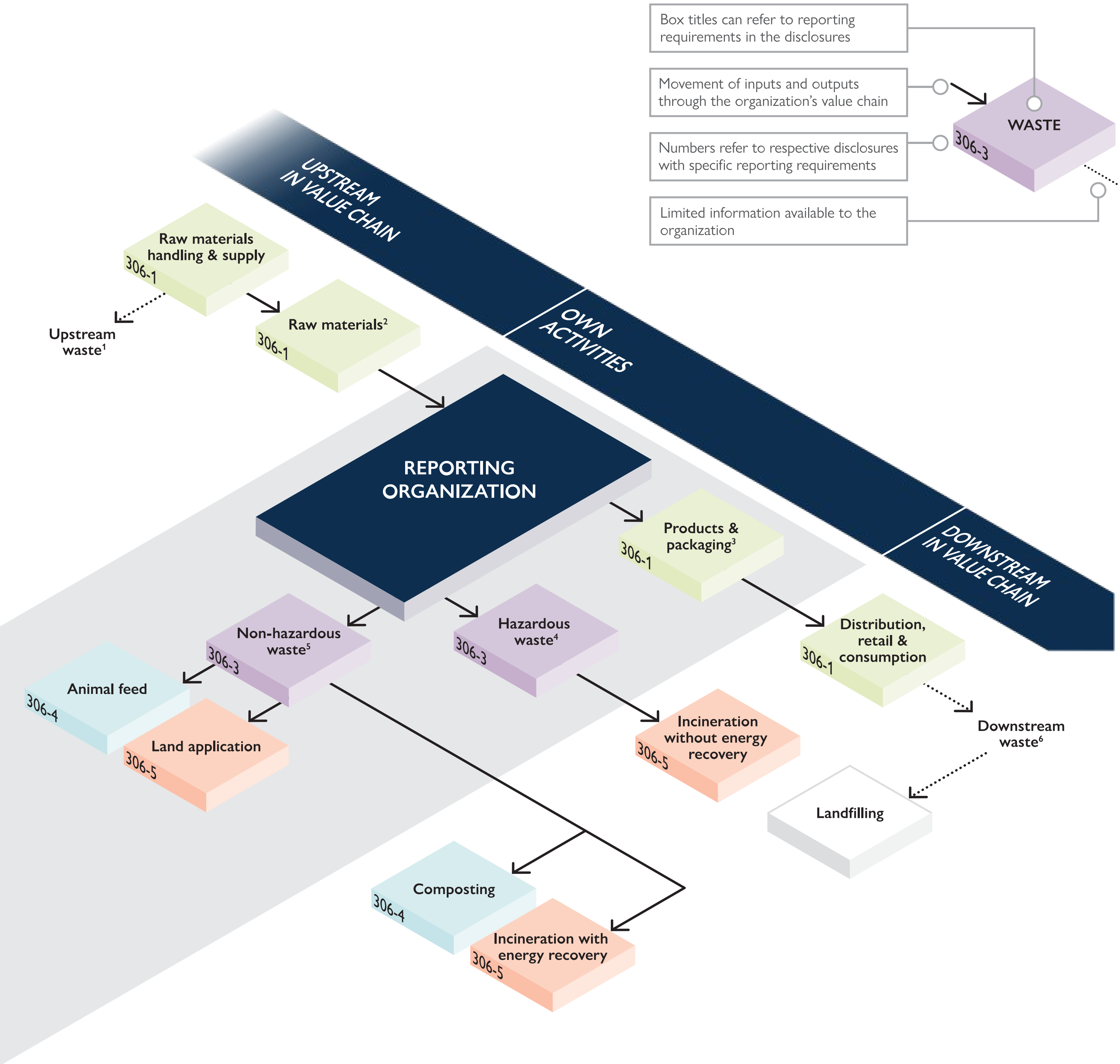


Process flow B. Electronic consumer goods manufacturer



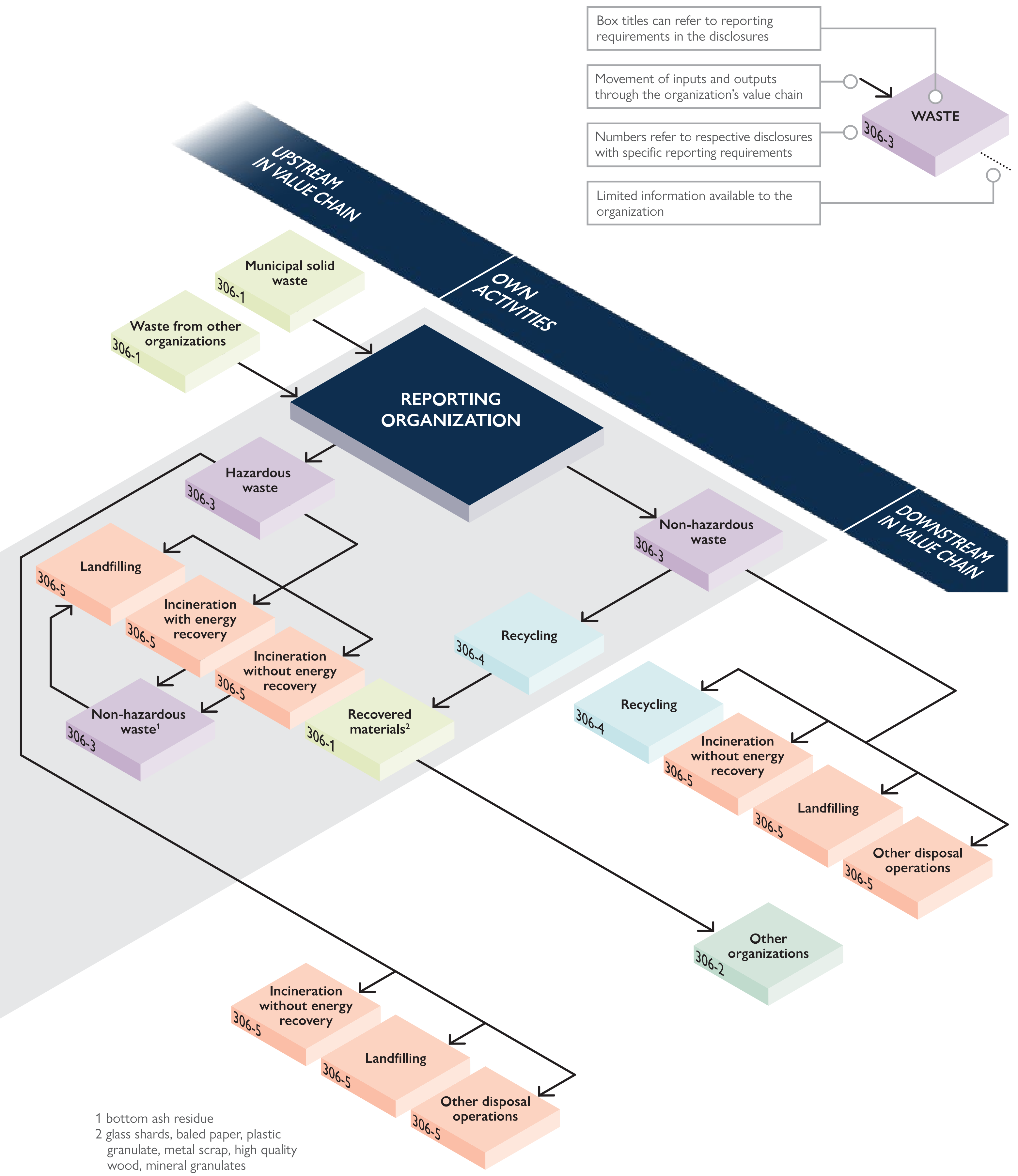
1 bauxite residue
2 aluminium, lead, copper
3 electronic product, paper box
4 metal scrap, silicon
5 WEEE
6 recycled copper
7 recycled plastic

Process flow C. Food products manufacturer



1 spoiled fruit
2 fresh fruit
3 food product, plastic wrap
4 spoiled fruit
5 inedible parts
6 food waste and packaging waste

Process flow D. Waste management organization



1 bottom ash residue
2 glass shards, baled paper, plastic granulate, metal scrap, high quality wood, mineral granulates

Template examples for presenting information for Disclosures 306-3, 306-4, and 306-5

Tables 1, 2, and 3 offer templates for presenting the information required under Disclosure 306-3 Waste generated, Disclosure 306-4 Waste diverted from disposal, and Disclosure 306-5 Waste directed to disposal. The organization can amend the tables according to its practices.

Table 1. Waste by composition, in metric tons (t)

	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL
Waste composition			
Category 1	t (306-3-a)	t (306-4-a)	t (306-5-a)
Category 2	t (306-3-a)	t (306-4-a)	t (306-5-a)
Category 3	t (306-3-a)	t (306-4-a)	t (306-5-a)
Etc.	t (306-3-a)	t (306-4-a)	t (306-5-a)
Total waste	**t (306-3-a)**	**t (306-4-a)**	**t (306-5-a)**

Table 2. Waste diverted from disposal by recovery operation, in metric tons (t)

	ONSITE	OFFSITE	TOTAL
Hazardous waste			
Preparation for reuse	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-b-i)
Recycling	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-b-ii)
Other recovery operations	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-b-iii)
Total			**t (306-4-b)**
Non-hazardous waste			
Preparation for reuse	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-c-i)
Recycling	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-c-ii)
Other recovery operations	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-c-iii)
Total			t (306-4-c)
Waste prevented			
Waste prevented			**t (clause 2.3)**

Table 3. Waste directed to disposal by disposal operation, in metric tons (t)

	ONSITE	OFFSITE	TOTAL
Hazardous waste			
Incineration (with energy recovery)	t (306-5-d-i)		t (306-5-b-i)
Incineration (without energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-ii)
Landfilling	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-iii)
Other disposal operations	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-iv)
Total			**t (306-5-b)**
Non-hazardous waste			
Incineration (with energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-i)
Incineration (without energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-ii)
Landfilling	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-iii)
Other disposal operations	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-iv)
Total			**t (306-5-c)**

GRI 308: Supplier Environmental Assessment 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 308: Supplier Environmental Assessment 2016 contains disclosures for organizations to report information about their environmental impacts in their supply chain, and how they manage these impacts. The disclosures enable an organization to provide information on its approach to preventing and mitigating negative environmental impacts in its supply chain.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its environmental impacts in its supply chain.
- Section 2 contains two disclosures, which provide information about the organization's supplier assessment and environmental impacts in its supply chain.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of supplier environmental assessment.

An organization may be involved with negative environmental impacts either through its own activities or as a result of its business relationships with other parties. Due diligence is expected of an organization in order to prevent, mitigate, and address actual and potential negative environmental impacts in the supply chain. These include negative impacts the organization either causes or contributes to, or that are directly linked to its operations, products, or services by its relationship with a supplier.

These concepts are covered in key instruments of the United Nations: see Bibliography.

Suppliers can be assessed for a range of environmental criteria such as impacts related to energy, water, or emissions. Some of these criteria are covered in other GRI Topic Standards (e.g., *GRI 302: Energy 2016*, *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*).

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

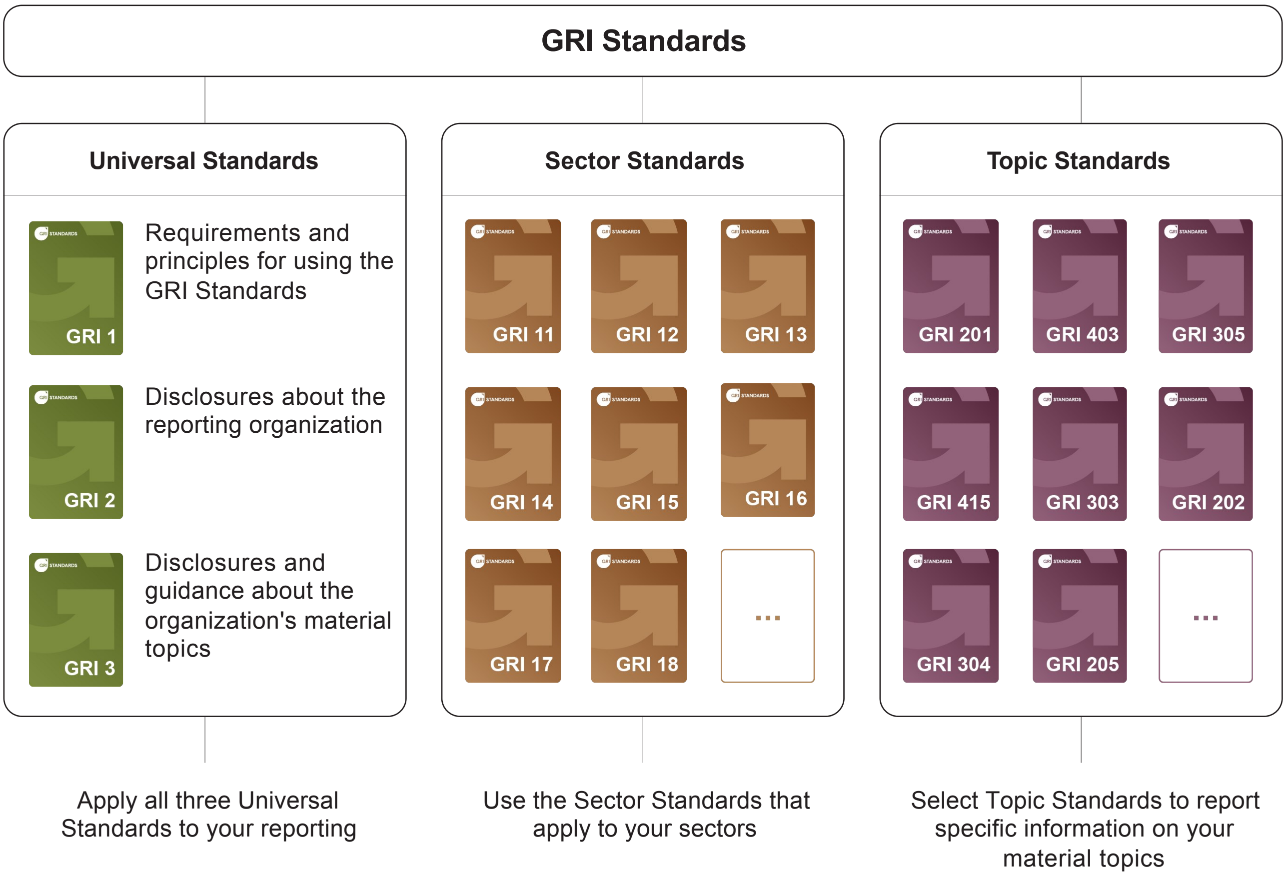
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its environmental impacts in its supply chain. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 414: Supplier Social Assessment 2016*.

If the reporting organization has determined both supplier environmental assessment and supplier social assessment to be material, it can combine its disclosures for *GRI 308* and *GRI 414*. For example, if the organization uses the same approach for managing both topics, it can provide one combined explanation of how the organization manages both topics.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined supplier environmental assessment to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization’s environmental impacts in its supply chain (Disclosure 308-1 through Disclosure 308-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined supplier environmental assessment to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages supplier environmental assessment using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also disclose:

- the systems used to screen new suppliers using environmental criteria, and a list of the environmental criteria used to screen new suppliers;
- processes used, such as due diligence, to identify and assess significant actual and potential negative environmental impacts in the supply chain;
- how the organization identifies and prioritizes suppliers for assessment of environmental impacts;
- actions taken to address the significant actual and potential negative environmental impacts identified in the supply chain, and whether the actions are intended to prevent, mitigate, or remediate the impacts;
- how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts, including targets and objectives;
- whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts;
- practices for assessing and auditing suppliers and their products and services using environmental criteria;
- a list of the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited;
- the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing the supplier for environmental impacts, and the organization's strategy to mitigate those impacts.

Environmental criteria or assessments of suppliers for environmental impacts can include the topics covered in other GRI Topic Standards (e.g., *GRI 302: Energy 2016*, *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*).

Negative impacts can include those that are either caused or contributed to by an organization, or that are directly linked to its operations, products, or services by its relationship with a supplier.

Assessments can be informed by audits, contractual reviews, two-way engagement, and complaint and grievance mechanisms.

Actions taken to address environmental impacts can include changing an organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships.

Assessments and audits of suppliers and their products and services using environmental criteria can be undertaken by an organization, by a second party, or by a third party.

2. Topic disclosures

Disclosure 308-1 New suppliers that were screened using environmental criteria

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of new suppliers that were screened using environmental criteria.

GUIDANCE

Guidance for Disclosure 308-1
Environmental criteria can include the topics covered in other GRI Topic Standards (e.g., *GRI 302: Energy 2016*, *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*)

Background
This disclosure informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for environmental impacts.

An organization is expected to initiate due diligence as early as possible in the development of a new relationship with a supplier.

Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.

Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken

REQUIREMENTS

The reporting organization shall report the following information:

a. Number of suppliers assessed for environmental impacts.

b. Number of suppliers identified as having significant actual and potential negative environmental impacts.

c. Significant actual and potential negative environmental impacts identified in the supply chain.

d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.

e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 308-2, the reporting organization should, where it provides appropriate context on significant impacts, provide a breakdown of the information by:

2.1.1 the location of the supplier;
2.1.2 the significant actual and potential negative environmental impact.

GUIDANCE

Guidance for Disclosure 308-2
Negative impacts include those that are either caused or contributed to by an organization, or that are directly linked to its operations, products, or services by its relationship with a supplier.

Assessments for environmental impacts can include the topics covered in other GRI Topic Standards (e.g., *GRI 302: Energy 2016*, *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*).

Assessments can be made against agreed performance expectations that are set and communicated to the suppliers prior to the assessment.

Assessments can be informed by audits, contractual reviews, two-way engagement, and complaint and grievance mechanisms.

Improvements can include changing an organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Background
This disclosure informs stakeholders about an organization's awareness of significant actual and potential negative environmental impacts in the supply chain.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law or practice

grievance
perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supplier screening
formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. United Nations (UN), ‘Guiding Principles on Business and Human Rights, Implementing the United Nations “Protect, Respect and Remedy” Framework’, 2011.
2. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
3. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

GRI 401: Employment 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 401: Employment 2016 contains disclosures for organizations to report information about their employment-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its employment-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's employment-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of employment. This includes an organization's approach to employment or job creation, that is, an organization's approach to hiring, recruitment, retention and related practices, and the working conditions it provides. The Standard also covers the employment and working conditions in an organization's supply chain.

An employment relationship is a legal relationship between a worker and an organization that confers rights and obligations to both parties. This relationship is usually the means for determining whether employment or labor law is applicable or whether commercial law is applicable.

These concepts are covered in key instruments of the International Labour Organization, the Organisation for Economic Co-operation and Development, and the United Nations: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

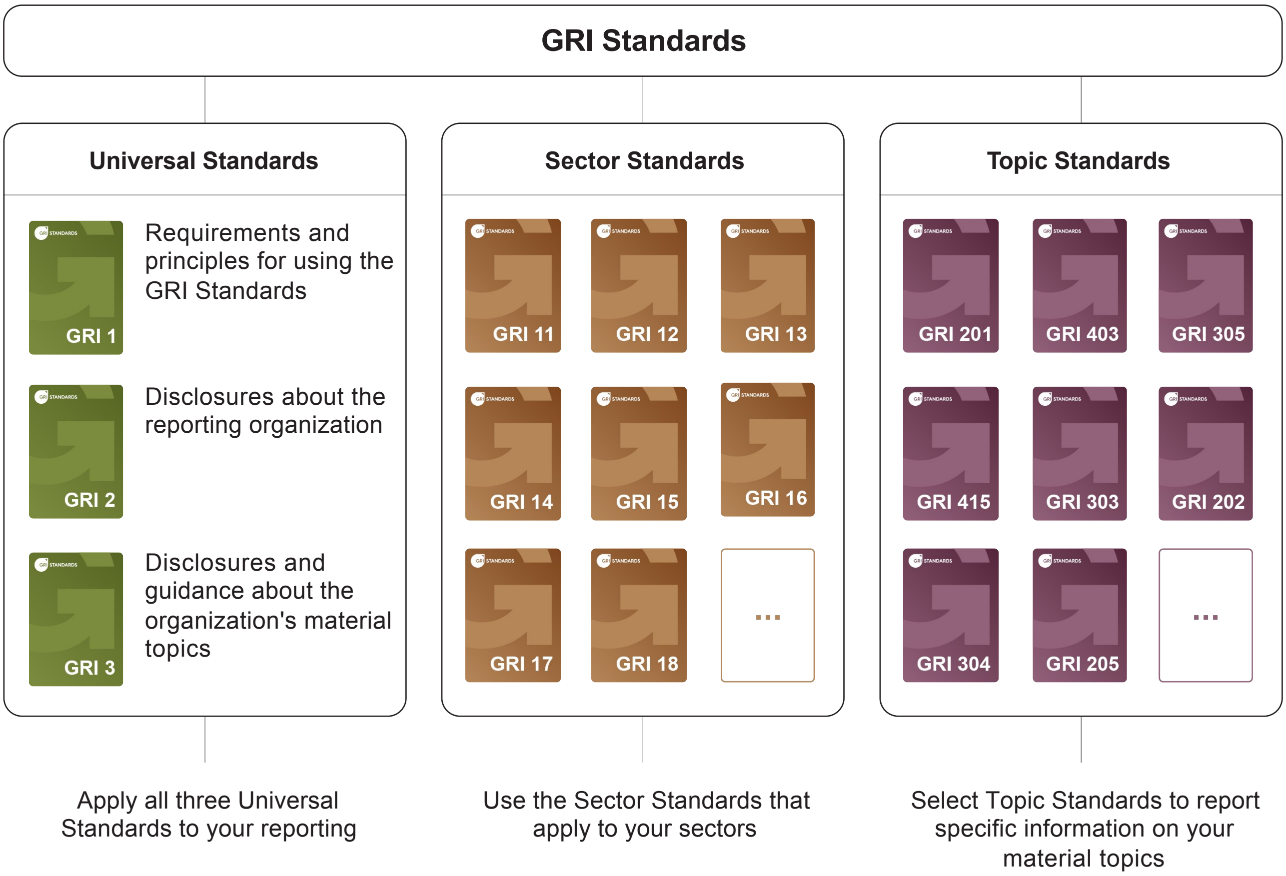
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its employment-related impacts. In addition to this Standard, conditions of work are also covered in detail in other GRI Standards:

- *GRI 402: Labor/Management Relations 2016*
- *GRI 403: Occupational Health and Safety 2018*
- *GRI 404: Training and Education 2016*
- *GRI 405: Diversity and Equal Opportunity 2016*
- *GRI 406: Non-discrimination 2016*

In addition, Disclosure 2-7 and Disclosure 2-8 in *GRI 2: General Disclosures 2021* require information on employees and other workers performing work for the organization, such as the total number of employees, and the total number of permanent and temporary employees, by gender and by region.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined employment to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's employment-related impacts (Disclosure 401-1 through Disclosure 401-3).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined employment to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages employment using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

RECOMMENDATIONS

1.2 The reporting organization should describe:
- 1.2.1 its policies or practices covering the relationships under which work is performed for the organization;
- 1.2.2 actions taken to determine and address situations where work undertaken within its supply chain does not take place within appropriate institutional and legal frameworks;
- 1.2.3 actions taken to determine and address situations where persons working for suppliers are not provided the social and labor protection that they are entitled to receive by national labor law;
- 1.2.4 actions taken to determine and address situations where working conditions in its supply chain do not meet international labor standards or national labor law;
- 1.2.5 actions taken to determine and address situations where work undertaken in its supply chain is inadequately remunerated;
- 1.2.6 actions taken to determine and address situations of disguised employment relationships where workers in its supply chain are falsely considered to be self-employed or where there is no legally recognized employer;
- 1.2.7 actions taken to determine and address situations where work undertaken in its supply chain that is performed at home is not subject to legally recognized contracts.

GUIDANCE

Guidance for clause 1.2

Policies or practices covering the relationships under which work is performed for an organization can include recognized employment relationships, the use of employees of other organizations (such as workers supplied by agencies), and the extent to which work is performed on a temporary or part-time basis. A description of policies and practices can include policies and practices with respect to discrimination, compensation, promotion, privacy, human resource development and industrial relations.

Work taking place within an appropriate institutional and legal framework usually entails a recognized employment relationship with an identifiable and legally recognized employer.

Conditions of work can include compensation, working time, rest periods, holidays, disciplinary and dismissal practices, maternity protection, the workplace environment, and occupational health and safety. They can also include the quality of living accommodations where provided, and welfare matters, such as safe drinking water, canteens and access to medical services.

Adequately remunerated work is work where wages and compensation for a standard working week, excluding overtime, meet legal and industry minimum standards, and are sufficient to meet the basic needs of workers and their families, and to provide them with some discretionary income. Actions taken to address situations where work is inadequately remunerated can include:

- dialogue with suppliers regarding the relationship of the prices paid to suppliers and the wages paid to workers;
- changes to an organization’s procurement practices;
- support for collective bargaining to determine wages;
- determining the extent that overtime is used, whether it is mandatory, and whether it is compensated at a premium rate.

2. Topic disclosures

Disclosure 401-1 New employee hires and employee turnover

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.

b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.

Compilation requirements

2.1 ~~**When compiling the information specified in Disclosure 401-1, the reporting organization shall use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover**~~. See Standard Interpretations.

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 401-1, the reporting organization should use data from Disclosure 2-7 in *GRI 2: General Disclosures 2021* to identify the total number of employees.

GUIDANCE

Guidance for Disclosure 401-1
An organization can use the following age groups:

- Under 30 years old;
- 30-50 years old;
- Over 50 years old.

Background
The number, age, gender, and region of an organization's new employee hires can indicate its strategy and ability to attract diverse, qualified employees. This information can signify the organization's efforts to implement inclusive recruitment practices based on age and gender. It can also signify the optimal use of available labor and talent in different regions.

A high rate of employee turnover can indicate levels of uncertainty and dissatisfaction among employees. It can also signal a fundamental change in the structure of an organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees.

Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

REQUIREMENTS

The reporting organization shall report the following information:

a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:

- **i. life insurance;**
- **ii. health care;**
- **iii. disability and invalidity coverage;**
- **iv. parental leave;**
- **v. retirement provision;**
- **vi. stock ownership;**
- **vii. others.**

b. The definition used for 'significant locations of operation'.

Compilation requirements

2.3 When compiling the information specified in Disclosure 401-2, the reporting organization shall exclude in-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs.

GUIDANCE

Background

Data reported under this disclosure provide a measure of an organization's investment in human resources and the minimum benefits it offers its full-time employees. The quality of benefits for full-time employees is a key factor in retaining employees.

Disclosure 401-3 Parental leave

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of employees that were entitled to parental leave, by gender.

b. Total number of employees that took parental leave, by gender.

c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.

d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.

e. Return to work and retention rates of employees that took parental leave, by gender.

RECOMMENDATIONS

2.4 When compiling the information specified in Disclosure 401-3, the reporting organization should use the following formulas to calculate the return to work and retention rates:

$$\text{Return to work rate} = \frac{\text{Total number of employees that did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$$

$$\text{Retention rate} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100$$

GUIDANCE

Guidance for Disclosure 401-3

Employees entitled to parental leave means those employees that are covered by organizational policies, agreements or contracts that contain parental leave entitlements.

To determine who returned to work after parental leave ended and were still employed 12 months later, an organization can consult records from the prior reporting periods.

Background

Many countries have introduced legislation to provide parental leave. The aim of the legislation is to allow employees to take leave and return to work in the same or a comparable position.

The application of legislation varies according to interpretation by government, employers and employees. Many women are discouraged from taking leave and returning to work by employer practices that affect their employment security, remuneration and career path. Many men are not encouraged to take the leave to which they are entitled.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified employees. It can also boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organization encourages fathers to take such leave. Men taking advantage of leave entitlements positively impacts women to take such leave without prejudicing their career path.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

benefit
direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

employee
individual who is in an employment relationship with the organization according to national law or practice

employee turnover
employees who leave the organization voluntarily or due to dismissal, retirement, or death in service

full-time employee
employee whose working hours per week, month, or year are defined according to national law or practice regarding working time

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

parental leave
leave granted to men and women employees on the grounds of the birth of a child

part-time employee
employee whose working hours per week, month, or year are less than the number of working hours for full-time employees

standard benefit
benefit typically offered to the majority of full-time employees

Note: Standard benefits do not need to be offered to every single full-time employee of the organization. The intention of reporting on standard benefits is to disclose what full-time employees can reasonably expect.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

temporary employee
employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
2. International Labour Organization (ILO) Convention 121, 'Employment Injury Benefits Convention', 1964.
3. International Labour Organization (ILO) Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
4. International Labour Organization (ILO) Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
5. International Labour Organization (ILO) Convention 132, 'Holidays with Pay Convention (Revised)', 1970.
6. International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
7. International Labour Organization (ILO) Convention 156, 'Workers with Family Responsibilities Convention', 1981.
8. International Labour Organization (ILO) Convention 157, 'Maintenance of Social Security Rights Convention', 1982.
9. International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
10. International Labour Organization (ILO) Convention 183, 'Maternity Protection Convention', 2000.
11. International Labour Organization (ILO) Declaration, 'Declaration Concerning the Aims and Purposes of the International Labour Organization (Declaration of Philadelphia)', 1944.
12. International Labour Organization (ILO) Declaration, 'Declaration of Social Justice for a Fair Globalization', 2008.
13. International Labour Organization (ILO), 'Decent Work', 1999.
14. International Labour Organization (ILO) Recommendation 198, 'Employment Relationship Recommendation', 2006.
15. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
16. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
17. United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.

Standard Interpretations

Standard Interpretation 1 to *GRI 401: Employment 2016* on calculating the rates of new employee hires and employee turnover

Responsibility

This Standard Interpretation is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards and related Interpretations can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Relevant section

Clause 2.1 in *GRI 401: Employment 2016*

Issue

Disclosure 401-1 New employee hires and employee turnover in *GRI 401: Employment 2016* requires organizations to report the total numbers and rates of new employee hires and employee turnover during the reporting period, by age group, gender and region.

Clause 2.1 in *GRI 401* further requires organizations to use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover.

Feedback from users of the GRI Standards indicated that the required methodology in clause 2.1 is incorrect.

Interpretation Statement

An organization is *not* required to comply with clause 2.1 in *GRI 401: Employment 2016* ('The reporting organization shall use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover').

The organization is free to choose the methodology for calculating these rates.

The organization is recommended to adequately describe data measurements and bases for calculations (see the Accuracy principle in *GRI 1: Foundation 2021*). When using ratios or normalized data, the organization is recommended to report total numbers or absolute data and provide explanatory notes (see the Comparability principle in *GRI 1*).

Effective date

This Standard Interpretation is effective for reports or other materials published on or after 1 July 2018.

GRI 402: Labor/Management Relations 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-113-6

Content

Introduction

GRI 402: Labor/Management Relations 2016 contains disclosures for organizations to report information about their impacts related to labor/management relations, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to labor/management relations.
- Section 2 contains one disclosure, which provides information about the organization's impacts related to labor/management relations.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of labor/management relations. This covers an organization's consultative practices with employees and their representatives, including its approach to communicating significant operational changes.

An organization's consultation practices are expected to be aligned with relevant international norms and standards.

Collective bargaining can play an important role in an organization's consultation practices. Collective bargaining refers to all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.[1]

These concepts are covered in key instruments of the International Labour Organization and the Organisation for Economic Co-operation and Development: see Bibliography.

Reporting on collective bargaining is covered in more detail in *GRI 407: Freedom of Association and Collective Bargaining 2016*. In addition, Disclosure 2-30 in *GRI 2: General Disclosures 2021* requires reporting on the percentage of total employees covered by collective bargaining agreements.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

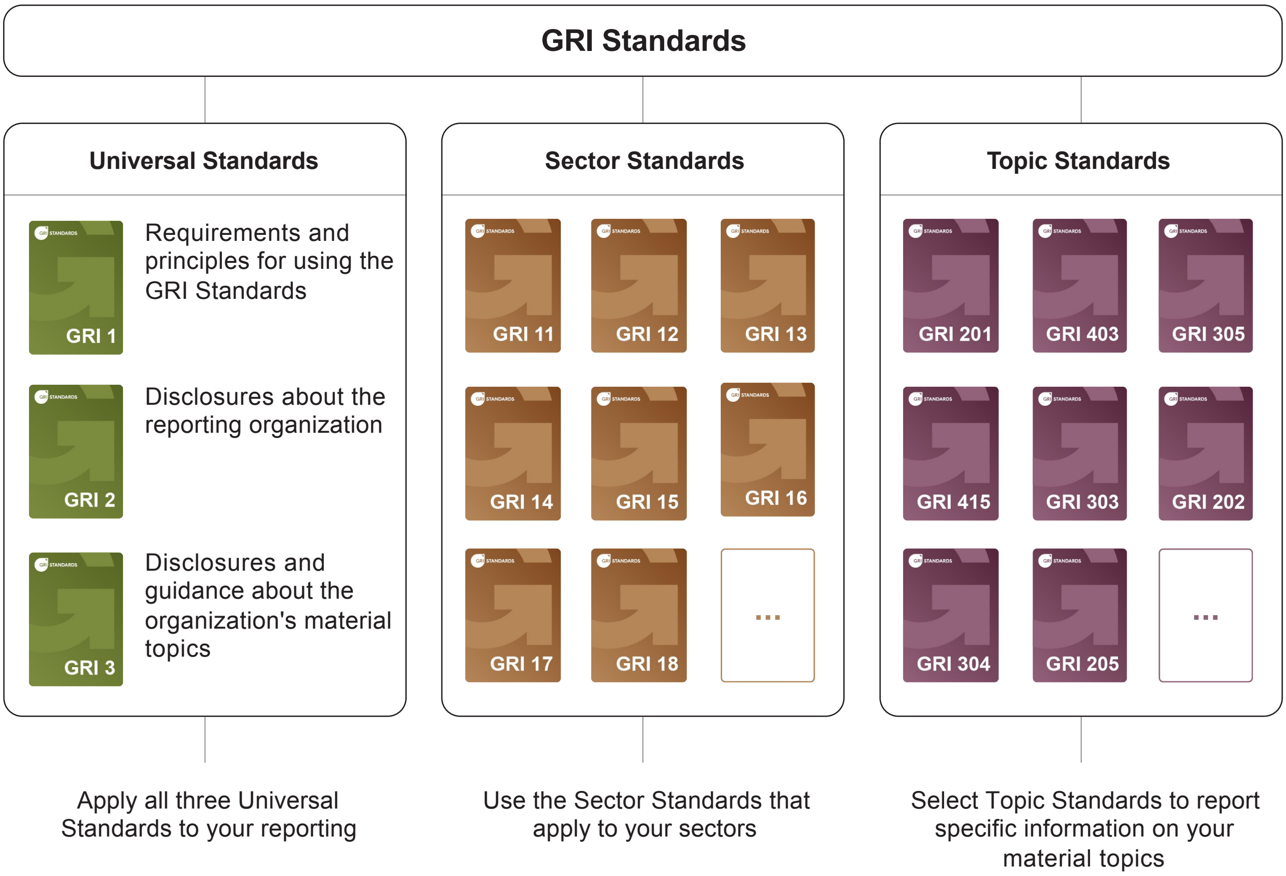
Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation

1 This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to labor/management relations.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined labor/management relations to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's impacts related to labor/management relations (Disclosure 402-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this

information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined labor/management relations to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages labor/management relations using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 402-1 Minimum notice periods regarding operational changes

REQUIREMENTS

The reporting organization shall report the following information:

a. **Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.**

b. **For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.**

GUIDANCE

Guidance for Disclosure 402-1
Minimum notice periods can be found in corporate policies and standard employment contracts. Different policy statements can exist at a regional level.

An organization can identify the collective bargaining agreements referred to in Disclosure 2-30 of *GRI 2: General Disclosures 2021*, and review the notice period clauses within these documents.

Background
Organizations are expected to provide reasonable notice of significant operational changes to employees and their representatives, as well as to appropriate government authorities. Minimum notice periods are a measure of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations.

This disclosure provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes, which can have positive or negative implications for workers.

This disclosure also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms.

The essence of consultation is that management takes the views of workers into account when making specific decisions. Therefore, it is important that consultation takes place before a decision is made. Meaningful consultation includes the timely provision of all information needed to make an informed decision to workers or their representatives. Genuine consultation involves dialogue; opinion surveys and questionnaires are not considered consultation.

Timely and meaningful consultation allows the affected parties to understand the impacts of the changes, such as possible loss of employment. It also gives an opportunity for them to work collectively to prevent or mitigate negative impacts as much as possible (see references [11] and [12] in the Bibliography). Consultative practices that result in good industrial relations help to provide positive working environments, reduce turnover, and minimize operational disruptions.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

collective bargaining
all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Source: International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154); modified

employee
individual who is in an employment relationship with the organization according to national law or practice

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact

effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

significant operational change
alteration to the organization's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organization's activities

Examples: closures, expansions, mergers, new openings, outsourcing of operations, restructuring, sale of all or part of the organization, takeovers

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
2. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
3. International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
4. International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
5. International Labour Organization (ILO) Convention 158, 'Termination of Employment Convention', 1982.
6. International Labour Organization (ILO), *Key Indicators of the Labour Market (KILM)*, http://www.ilo.org/global/statistics-and-databases/research-and-databases/kilm/lang--en/index.htm, accessed on 1 September 2016.
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9. International Labour Organization (ILO) Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
10. International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
11. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
12. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

GRI 403: Occupational Health and Safety 2018

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 January 2021

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 403: Occupational Health and Safety 2018 contains disclosures for organizations to report information about their occupational health and safety-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains seven disclosures, which provide information about how the organization manages its occupational health and safety-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's occupational health and safety-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of occupational health and safety.

Healthy and safe work conditions are recognized as a human right and addressed in authoritative intergovernmental instruments, including those of the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), and the World Health Organization (WHO): see the Bibliography.

Healthy and safe work conditions are also a target of the Sustainable Development Goals, adopted by the United Nations (UN) as part of the 2030 Agenda for Sustainable Development.[1]

Healthy and safe work conditions involve both prevention of physical and mental harm, and promotion of workers' health.

Prevention of harm and promotion of health require an organization to demonstrate commitment to workers' health and safety. They also require the organization to engage workers in the development, implementation, and performance evaluation of an occupational health and safety policy, management system and programs that are appropriate to the organization's size and activities.

It is essential that workers are consulted in the development of an organization's occupational health and safety policy, and participate in the processes necessary to plan, support, operate, and continually evaluate the effectiveness of the occupational health and safety management system and programs.

Hazard identification and risk assessment, worker training, and incident identification and investigation are also key to planning, supporting, operating, and evaluating the occupational health and safety management system.

In addition to preventing harm, an organization can promote workers' health by offering healthcare services or voluntary health promotion services and programs, which, for example, help workers improve their diet or quit smoking. These additional services and programs cannot serve as a substitute for occupational health and safety programs, services and systems that prevent harm and protect workers from work-related injuries and ill health.

All services and programs that aim to prevent harm and promote workers' health are expected to respect workers' right to privacy. Organizations are expected not to use workers' participation in such services and programs, or the health data derived therefrom, as criteria for their decisions regarding employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

1 See Target 8.8: 'Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment', within Goal 8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'. Other Sustainable Development Goals are also relevant to the topic of occupational health and safety, for example Goal 3: 'Ensure healthy lives and promote well-being for all at all ages'.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3
GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

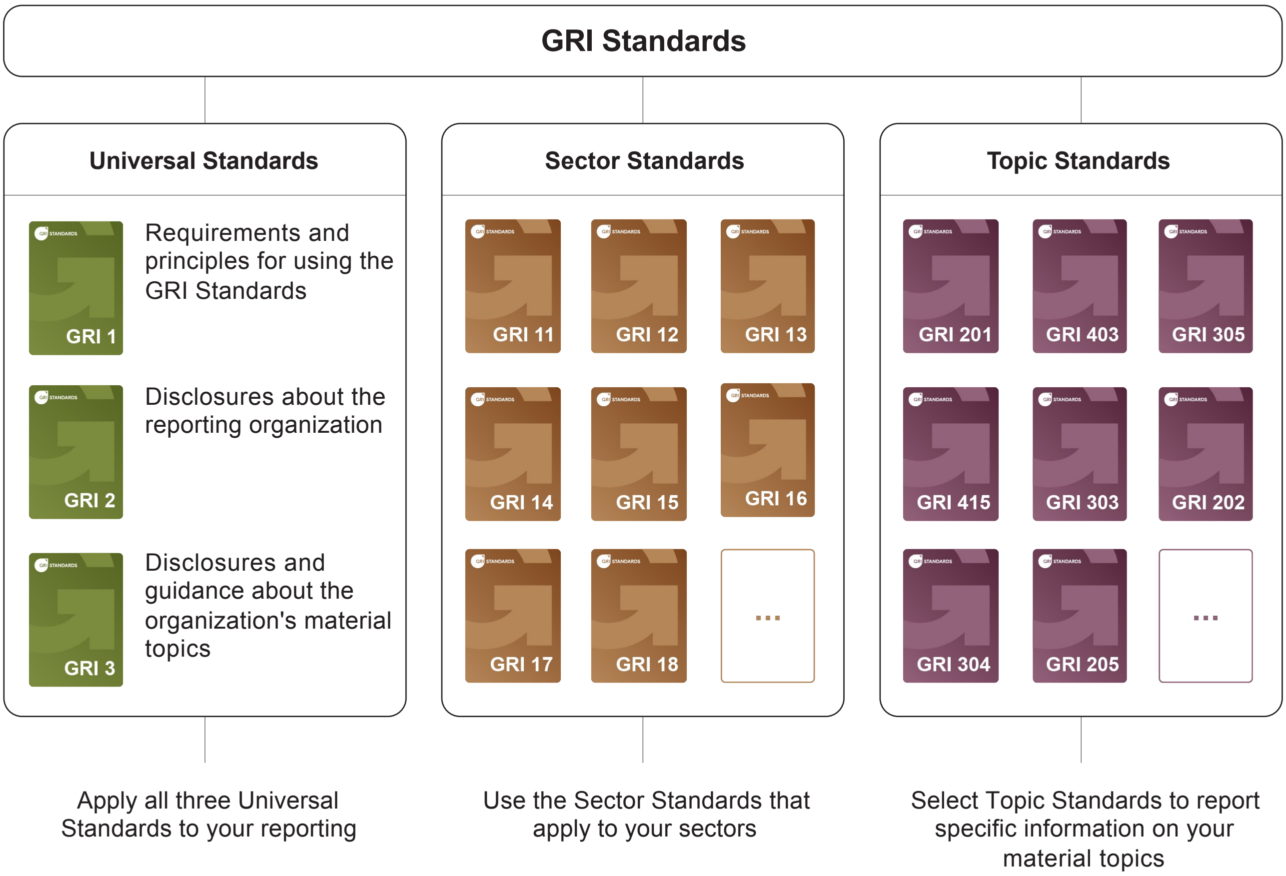
GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its occupational health and safety-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined occupational health and safety to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's occupational health and safety-related impacts (Disclosure 403-1 through Disclosure 403-10).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

Scope of ‘workers’ in this Standard

In the context of the GRI Standards, the term ‘worker’ is defined as a person that performs work. Some GRI Standards specify the use of a particular subset of workers.

This Standard covers the following subset of workers, for whose occupational health and safety an organization is expected to be responsible:

- All workers who are employees (i.e., those workers who are in an employment relationship with the organization according to national law or practice);
- All workers who are not employees but whose work and/or workplace is controlled by the organization;
- All workers who are not employees and whose work and workplace are not controlled by the organization, but the organization’s operations, products, or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships.

See Table 1 for examples of employees and workers who are not employees according to the criteria of ‘control of work’ and ‘control of workplace’.

When the reporting organization does not have data available for all the workers specified in a disclosure, the organization is required to identify the types of worker excluded from the disclosures and explain why they have been excluded. See also Requirement 6 in *GRI 1: Foundation 2021* for requirements on reasons for omission.

Workers who are employees
All employees are to be included by the organization in its reported data, regardless of whether the organization controls their work and/or workplace.

For employees, the organization is required to report the topic management disclosures (except Disclosure 403-7) and the topic disclosures.

Workers who are not employees but whose work and/or workplace is controlled by the organization
Workers who are not employees might include agency workers, contractors, self-employed persons, and volunteers, among other types of worker. Workers who are not employees might include those working for the organization, or for the organization’s suppliers, customers, or other business partners.

Note that the worker type does not determine whether the worker is to be included by the organization in its reported data. Workers, of any type, are to be included if the organization controls their work and/or workplace, because these forms of control position the organization to take action to eliminate hazards and minimize risks, to protect workers from harm.

Control of work implies that the organization has control over the means or methods, or directs the work performed with respect to its occupational health and safety performance. Control of workplace implies that the organization has control over the physical aspects of the workplace (e.g., access to the workplace), and/or the type of activities that can be performed in the workplace.

The organization might have sole control of the work and/or workplace, or share control with one or more organizations (e.g., suppliers, customers, or other business partners, such as in joint ventures). In cases of shared control, workers of the organization’s business partner are to be included in the reported data when there is a contractual obligation between the organization and the partner, and the organization shares control over the means or methods, or shares direction of the work performed, and/or over the workplace. In such cases, through contractual obligation, the organization can require the partner to, for example, use a less harmful chemical in its products or production process.

For workers who are not employees but whose work and/or workplace is controlled by the organization, the organization is required to report the topic management disclosures (except Disclosure 403-7) and the topic disclosures.

Workers who are not employees and whose work and workplace are not controlled by the organization, but the organization’s operations, products, or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships
An organization is expected to be responsible for the occupational health and safety of employees and of workers who are not employees but whose work and/or workplace it controls. Beyond that, an organization might also be involved with occupational health and safety impacts as a result of its business relationships with other entities, such as entities in its value chain.

In cases where an organization has no control over both the work and workplace, it still has a responsibility to make efforts, including exercising any leverage it might have, to prevent and mitigate negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships.

In these cases, the organization is required, at a minimum, to describe its approach to preventing and mitigating significant negative occupational health and safety impacts and the related hazards and risks, using Disclosure 403-7 in the Topic management disclosures section.

Table 1

Examples of employees and workers who are not employees according to the criteria of 'control of work' and 'control of workplace'

	Control of work *The organization has sole control of the work, or shares control with one or more organizations*	**No control of work** *The organization has no control of the work*
Control of workplace *The organization has sole control of the workplace, or shares control with one or more organizations*	**Examples:** Employees of the reporting organization working at a workplace controlled by the organization. Contractor hired by the reporting organization to perform work that would otherwise be carried out by an employee, at a workplace controlled by the organization. Volunteers performing work for the reporting organization, at a workplace controlled by the organization.	**Example:** Workers of an equipment supplier to the reporting organization who, at a workplace controlled by the organization, perform regular maintenance on the supplier's equipment (e.g., photocopier) as stipulated in the contract between the equipment supplier and the organization. In this case, the organization has control over the workplace but not over the work done by the equipment supplier's workers in its workplace.
No control of workplace *The organization has no control of the workplace*	**Examples:** Employees of the reporting organization working at sites other than those controlled by the organization (e.g., at home or in a public area, on domestic or international temporary work assignments, or on business travels organized by the organization). Contractors hired by the reporting organization to perform work in a public area (e.g., on a road, on the street). Contractors hired by the reporting organization to deliver the work/service directly at the workplace of a client of the organization. Workers of a supplier to the reporting organization who work on the supplier's premises, and where the organization instructs the supplier to use particular materials or work methods in manufacturing/delivering the required goods or services.	**Example:** Workers of a supplier contracted by the reporting organization who work on the supplier's premises using the supplier's work methods. For instance, the reporting organization sources buttons and thread from a supplier, which are standard products of the supplier. The supplier's workers make the buttons and thread at the supplier's workplace. The organization, however, learns that the buttons are coated with a sealant that releases toxic gases when being applied by workers, thereby affecting their health. In this case, the organization has no control over both the work and workplace of the supplier's workers, but its products are directly linked to significant occupational health and safety impacts on those workers by its business relationship with the supplier.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined occupational health and safety to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section). The organization is also required to report any disclosures from this section (Disclosure 403-1 through Disclosure 403-7) that are relevant to its occupational health and safety-related impacts.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages occupational health and safety using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

RECOMMENDATIONS

1.2 The reporting organization should report any other leading indicators or measures used to inform the management and evaluation of the occupational health and safety performance.

GUIDANCE

If the operations of the reporting organization span a large number of countries or sites, it may group the topic management disclosures across countries or sites by relevant categories. For example, the organization may group information required in Disclosure 403-4-b on formal joint management-worker health and safety committees across sites with similar characteristics together; it does not have to report on each committee separately.

Guidance for clause 1.2

Leading indicators measure an organization's performance in relation to the actions it takes to prevent work-related injuries and ill health. They are important because organizations cannot rely solely on lagging indicators, which might not give a true picture of their occupational health and safety performance due to issues such as long-latency ill health and underreporting.

Leading indicators are often unique or tailored to a specific organization. Examples of such indicators include the number of workers trained in hazard identification and incident reporting, the increase in reporting of hazards and incidents after implementation of reporting policy and processes and worker training, the frequency of health and safety inspections or audits, the average time it takes to implement the recommendations of an inspection or audit, and response times for the investigation and elimination of hazards.

References

See references [2], [4], [7], [8], [11], and [12] in the Bibliography.

Disclosure 403-1 Occupational health and safety management system

REQUIREMENTS

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A statement of whether an occupational health and safety management system has been implemented, including whether:

i. the system has been implemented because of legal requirements and, if so, a list of the requirements;

ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.

b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.

GUIDANCE

Guidance for Disclosure 403-1

Disclosure 403-1 requires the reporting organization to list any legal requirements it has followed in implementing the occupational health and safety management system.

Recognized standards/guidelines for occupational health and safety management systems include international, national, and industry-specific standards.

When reporting on the occupational health and safety management system, the organization can also describe:

- the type of occupational health and safety professionals responsible for the management system, and whether these individuals are employed by the organization or engaged as consultants;
- how the continual improvement of the management system is achieved, i.e., the iterative process of enhancing the management system to achieve improvements in overall occupational health and safety performance. [2]

2 International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH*, 2001.

Disclosure 403-2 Hazard identification, risk assessment, and incident investigation

REQUIREMENTS

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:

  i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;
  ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.

b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.

c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.

d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.

GUIDANCE

Guidance for Disclosure 403-2-a
When describing the processes used to identify hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls, the reporting organization can:

- specify whether these processes are based on legal requirements and/or recognized standards/guidelines;
- describe the frequency and scope of processes undertaken on a routine basis;
- describe the triggers for processes undertaken on a non-routine basis, such as changes in operating procedures or equipment; incident investigations; worker complaints or referrals; changes in workers or workflow; results of surveillance of work environment and worker health, including exposure monitoring (e.g., exposure to noise, vibration, dust);
- explain how obstacles to the implementation of these processes are removed for workers who might be more vulnerable to the risk of work-related injury or ill health, such as workers facing language barriers or having visual or hearing impairments (e.g., by providing occupational health and safety training and information in a language easily understood by workers).

Guidance for Disclosures 403-2-b and 403-2-c
Protecting workers against reprisals involves putting policies and processes in place that provide them with protection against intimidation, threats, or acts that could have a negative impact on their employment or work engagement, including termination, demotion, loss of compensation, discipline, and any other unfavorable treatment. Workers might face reprisals on account of their decision to either remove themselves from work situations that they believe could cause injury or ill health, or for reporting hazards or hazardous situations to their workers' representatives, to their employer, or to regulatory authorities.

Disclosure 403-2-c covers the right of workers to refuse or stop unsafe or unhealthy work. Workers have the right to remove themselves from work situations that they believe could cause them or another person injury or ill health.

Disclosure 403-3 Occupational health services

REQUIREMENTS

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.

RECOMMENDATIONS

1.3 The reporting organization should report the following additional information:

1.3.1 How the organization maintains the confidentiality of workers' personal health-related information;

1.3.2 How the organization ensures that workers' personal health-related information and their participation in any occupational health services is not used for any favorable or unfavorable treatment of workers.

GUIDANCE

Guidance for Disclosure 403-3
Occupational health services aim to protect the health of workers in relation to their work environment.

When describing how the quality of occupational health services is ensured, the reporting organization can explain whether the services are provided by competent individuals with recognized qualifications and accreditations, and whether it complies with legal requirements and/or recognized standards/guidelines.

When describing how it facilitates workers' access to occupational health services, the organization can describe whether it provides these services at the workplace and during working hours; whether it arranges transport to health clinics or expedites service there; whether it provides information about the services, including in a language easily understood by workers; and whether it adjusts workloads to allow workers to make use of these services.

The organization can also report the metrics used to evaluate the effectiveness of these services, and the approaches used to raise awareness about them and encourage participation.

Guidance for clauses 1.3.1 and 1.3.2
Occupational health services are expected to respect workers' right to privacy. Organizations are expected not to use workers' participation in such services and programs, or the health data derived therefrom, as criteria for their decisions regarding the employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment. See reference [6] in the Bibliography.

References
See references [3] and [9] in the Bibliography.

Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety

REQUIREMENTS

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.

b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

RECOMMENDATIONS

1.4 The reporting organization should report whether and, if so, which occupational health and safety topics are covered in local or global formal agreements with trade unions.

GUIDANCE

Guidance for Disclosure 403-4-a

When describing the processes for worker participation in occupational health and safety, the reporting organization can include information on:

- formal participation, based on legal requirements;
- participation through engagement with formally recognized workers' representatives;
- direct participation, particularly by affected workers (e.g., the direct involvement of all workers in occupational health and safety decisions in small organizations);
- the use of committees, and how these committees are established and operated;
- participation in the occupational health and safety management system (e.g., participation in identification of hazards, assessment of risks, application of the hierarchy of controls, investigation of incidents, audits, decision-making about the use of contractors and outsourcing);
- how obstacles to participation are identified and removed (e.g., by providing training, by protecting workers against reprisals).

When describing the processes for providing access to and communicating relevant information on occupational health and safety to workers, the organization can report whether it provides information about work-related incidents and the actions taken in response.

Guidance for Disclosure 403-4-b

A common form of worker participation in occupational health and safety is through joint management-worker health and safety committees. In addition to direct participation of workers from all job levels in these committees, workers' representatives, where they exist, might also be involved in these joint activities, as they might be authorized to make decisions about occupational health and safety, among other workplace decisions.

Where formal joint management-worker health and safety committees exist, the organization can also describe the level at which each committee operates within the organization, its dispute resolution mechanism, its chairing responsibilities, and how the committee members are protected against reprisals.

Disclosure 403-4-b requires a description of whether and, if so, why any workers are not represented by these committees. It does not require information on which workers are or are not members of such committees.

Guidance for clause 1.4

Agreements at the local level typically include topics such as provision of personal protective equipment; participation of workers' representatives in health and safety inspections, audits, and incident investigations; provision of training and education; and protection against reprisals.

Agreements at the global level typically include topics such as compliance with the ILO's International Labour Standards; arrangements or structures for resolving problems; and commitments regarding occupational health and safety standards and levels of performance.

Disclosure 403-5 Worker training on occupational health and safety

REQUIREMENTS

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.

GUIDANCE

Guidance for Disclosure 403-5

When describing the occupational health and safety training provided, the reporting organization can include information on:

- how training needs are assessed;
- how the training is designed and delivered, including the content or topics addressed, the competency of trainers, which workers receive the training, the frequency of the training, and whether the training is provided in a language easily understood by workers;
- whether the training is provided free of charge and during paid working hours – if not, whether it is mandatory for workers to attend, and whether they are compensated for this;
- how the effectiveness of the training is evaluated.

Disclosure 403-6 Promotion of worker health

REQUIREMENTS

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.

b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.

RECOMMENDATIONS

1.5 The reporting organization should report the following additional information:

1.5.1 How the organization maintains the confidentiality of workers' personal health-related information;
1.5.2 How the organization ensures that workers' personal health-related information and their participation in any services or programs is not used for any favorable or unfavorable treatment of workers.

GUIDANCE

Guidance for Disclosure 403-6-a
Achieving universal health coverage, including financial risk protection; access to quality essential healthcare services; and access to safe, effective, quality and affordable essential medicines and vaccines for all, is one of the targets of the UN Sustainable Development Goals (Target 3.8).

Workers' access to non-occupational medical and healthcare services might be facilitated, for example, through company clinics or disease treatment programs, referral systems, or health insurance or financial contributions.

When describing the scope of access to non-occupational medical and healthcare services provided, the reporting organization can specify the types of service to which access is facilitated and the types of worker that have access to them.

If the organization does not facilitate workers' access to non-occupational medical and healthcare services because it operates in a country where the population already has access to high-quality and accessible services (e.g., through financial or other support), the organization can state this in its reported information.

If the organization does not facilitate access to non-occupational medical and healthcare services for workers who are not employees because the employer of those workers facilitates their access to these services, the organization can state this in its reported information.

Guidance for Disclosure 403-6-b
Ensuring healthy lives and promoting wellbeing for all at all ages is one of the UN Sustainable Development Goals (Goal 3). This goal includes targets such as reducing premature mortality from non-communicable diseases through prevention and treatment, and promoting mental health and wellbeing; strengthening the prevention and treatment of substance abuse, including narcotic drug abuse and harmful consumption of alcohol; ensuring universal access to sexual and reproductive healthcare services; and ending epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases, and combating hepatitis, water-borne diseases, and other communicable diseases.

Disclosure 403-6-b covers voluntary services and programs aimed at addressing major non-work-related health risks among workers, including both physical and mental health-related risks. Examples of these risks include smoking, drug and alcohol abuse, physical inactivity, unhealthy diets, HIV, and psychosocial factors.

Voluntary health promotion programs and services might include smoking cessation programs, dietary advice, offering of healthy food in the canteen, stress-reducing programs, provision of a gym, or fitness programs. A program or service is voluntary when it does not set mandatory personal targets, and if incentives are provided, these are not associated with the organization’s decisions regarding employment or engagement of workers.

Voluntary health promotion services and programs complement but cannot be a substitute for occupational health and safety services, programs and systems that prevent harm and protect workers from work-related injuries and ill health. Voluntary health promotion and occupational health and safety may be managed jointly by the organization, as part of an overall approach to ensuring the health and safety of workers.

When describing how it facilitates workers’ access to voluntary health promotion services and programs, the organization can explain whether it allows workers to make use of these during paid working hours. The organization can also report if these services and programs are available for family members of workers.

When describing its voluntary health promotion services and programs, the organization can also report:

- how the topics covered in these services and programs are selected, including how workers are engaged in the selection of topics;
- the extent to which these services and programs include proven effective interventions (see reference [19] in the Bibliography);
- the metrics used to evaluate the effectiveness of these services and programs;
- the approaches used to raise awareness about these services and programs and encourage participation.

Guidance for clauses 1.5.1 and 1.5.2
Non-occupational health services and programs are expected to respect workers’ right to privacy. Organizations are expected not to use workers' participation in such services and programs, or the health data derived therefrom, as criteria for their decisions regarding the employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment. See reference [6] in the Bibliography.

References
See references [1], [14], and [15] in the Bibliography.

Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

REQUIREMENTS

The reporting organization shall report the following information:

a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships, and the related hazards and risks.

GUIDANCE

Background

In cases where an organization has no control over both the work and workplace, it still has a responsibility to make efforts, including exercising any leverage it might have, to prevent and mitigate negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships. For more guidance, see the Scope of 'workers' in this Standard section.

References

See reference [13] in the Bibliography.

2. Topic disclosures

Disclosure 403-8 Workers covered by an occupational health and safety management system

REQUIREMENTS

The reporting organization shall report the following information:

a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:

i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;

ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;

iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.

b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.

c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

GUIDANCE

Background

Occupational health and safety management systems can serve as an effective approach to managing and continually eliminating hazards and minimizing risks. It is a systems-based approach that seeks to integrate occupational health and safety management into overall business processes. A system typically moves through a ‘plan-do-check-act’ cycle, promoting leadership and practice through meaningful consultation and participation of workers from all job levels in the organization.

A systems-based approach, which encompasses fully integrated processes, can be a significant advancement over an approach that considers hazard identification, risk assessment, and incident investigation as isolated activities. Focusing on system deficiencies can enable an organization to identify deficiencies in its overall management of occupational health and safety; address resources, policy, and operational controls; and ensure continual improvement.

Guidance for Disclosure 403-8

This disclosure indicates what proportion of an organization’s employees, and workers who are not employees but whose work and/or workplace is controlled by the organization, are covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines. The list of legal requirements and/or recognized standards/guidelines used by the reporting organization in its occupational health and safety management system are reported using Disclosures 403-1-a-i and 403-1-a-ii in the Topic management disclosures section.

If not all workers are covered by the occupational health and safety management system, the organization can report whether any of the workers not covered are at high risk of work-related injury or ill health.

In addition to the information required by this disclosure, the organization can report the number and percentage of sites covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines.

The organization can also describe:

- the approach used for internal audits (e.g., whether they are carried out following an internally-developed audit standard or a recognized audit standard, what is the qualification of the auditors);

- whether any processes or functions have been excluded from the scope of the audit or certification, and how occupational health and safety performance is being monitored in those areas;
- the audit or certification standard used.

Audits by external parties may include both second-party and third-party audits. Second-party audits are usually performed by customers or others on behalf of customers, or by any other external parties that have a formal interest in the organization. Third-party audits are performed by independent organizations such as registrars (i.e., certification bodies) or regulators.

Guidance for Disclosure 403-8-b
Types of worker can be based on criteria such as full-time, part-time, non-guaranteed hours, permanent or temporary basis, type or degree of control (e.g., control of work or workplace, sole or shared control), and location, among others.

Disclosure 403-9 Work-related injuries

REQUIREMENTS

The reporting organization shall report the following information:

a. For all employees:

- **i. The number and rate of fatalities as a result of work-related injury;**
- **ii. The number and rate of high-consequence work-related injuries (excluding fatalities);**
- **iii. The number and rate of recordable work-related injuries;**
- **iv. The main types of work-related injury;**
- **v. The number of hours worked.**

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- **i. The number and rate of fatalities as a result of work-related injury;**
- **ii. The number and rate of high-consequence work-related injuries (excluding fatalities);**
- **iii. The number and rate of recordable work-related injuries;**
- **iv. The main types of work-related injury;**
- **v. The number of hours worked.**

c. The work-related hazards that pose a risk of high-consequence injury, including:

- **i. how these hazards have been determined;**
- **ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;**
- **iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.**

d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.

e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.

f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.

g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Compilation requirements

2.1 When compiling the information specified in Disclosure 403-9, the reporting organization shall:

- **2.1.1 exclude fatalities in the calculation of the number and rate of high-consequence work-related injuries;**
- **2.1.2 include fatalities as a result of work-related injury in the calculation of the number and rate of recordable work-related injuries;**
- **2.1.3 include injuries as a result of commuting incidents only where the transport has been organized by the organization;**
- **2.1.4 calculate the rates based on either 200,000 or 1,000,000 hours worked, using the following formulas:**

$$\text{Rate of fatalities as a result of work-related injury} = \frac{\text{Number of fatalities as a result of work-related injury}}{\text{Number of hours worked}} \times [200{,}000 \text{ or } 1{,}000{,}000]$$

Rate of high-consequence work-related injuries (excluding fatalities)	=	**Number of high-consequence work-related injuries (excluding fatalities)** ———————— **Number of hours worked**	**x [200,000 or 1,000,000]**

Rate of recordable work-related injuries	=	**Number of recordable work-related injuries** ———————— **Number of hours worked**	**x [200,000 or 1,000,000]**

RECOMMENDATIONS

2.2 The reporting organization should report the following additional information:

2.2.1 If the numbers and rates reported are significantly higher for certain types of injury, countries, business lines, or workers' demographics (e.g., sex, gender, migrant status, age, or worker type), a breakdown of these data;
2.2.2 A breakdown of the number of recordable work-related injuries by type of incident;
2.2.3 If chemical hazards have been identified in Disclosure 403-9-c, a list of the chemicals;
2.2.4 The number of high-potential work-related incidents identified;
2.2.5 The number of close calls identified.

GUIDANCE

Guidance for Disclosure 403-9
This disclosure covers work-related injuries. Data on work-related injuries are a measure of the extent of harm suffered by workers; they are not a measure of safety.

An increase in the number or rate of reported incidents does not necessarily mean that there have been a greater number of incidents than before; it can indicate an improvement in the recording and reporting of incidents.

If an increase in the number or rate of reported incidents is the result of the organization's actions to improve the reporting and recording of fatalities, injuries, and ill health, or its actions to expand the scope of its management system to cover more workers or workplaces, the reporting organization can explain this and report on these actions and their results.

Types of work-related injury can include death, amputation of a limb, laceration, fracture, hernia, burns, loss of consciousness, and paralysis, among others.

In the context of this Standard, work-related musculoskeletal disorders are covered under ill health (and not injuries) and are to be reported using Disclosure 403-10. If the organization operates in a jurisdiction where worker compensation systems classify musculoskeletal disorders as injuries, the organization can explain this and report these disorders using Disclosure 403-9. See references [5] and [16] in the Bibliography for a list of musculoskeletal disorders.

Injuries involving members of the public as a result of a work-related incident are not included in this disclosure, but the organization can report this information separately. For example, the organization can report incidents where a vehicle driven by a worker causes the deaths of other road users or incidents where visitors are injured during their visit to the organization's workplace.

Guidance for reporting on high-consequence work-related injuries
As per the definition of recordable work-related injury, the organization is required to report all work-related injuries as part of the 'number and rate of recordable work-related injuries'. In addition, the organization is required to separately report high-consequence work- related injuries, with a breakdown by:

- fatalities, to be reported using Disclosures 403-9-a-i and 403-9-b-i.
- other injuries from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months (e.g., fracture

with complications), to be reported using Disclosures 403-9-a-ii and 403-9-b-ii.

The definition of 'high-consequence work-related injury' uses 'recovery time', instead of 'lost time', as the criterion for determining the severity of an injury. Lost time is an indicator of the loss of productivity for an organization as a result of a work-related injury; it does not necessarily indicate the extent of harm suffered by a worker.

'Recovery time', in contrast, refers to the time needed for a worker to recover fully to pre-injury health status; it does not refer to the time needed for a worker to return to work. In some cases, a worker might return to work before full recovery.

In addition to reporting information on high-consequence work-related injuries based on recovery time as required by this disclosure, the organization can also report the number and rate of work-related injuries that resulted in lost-workday cases, the average number of lost days per lost-workday case, the number of lost workdays, and the absentee rate.

Guidance for Disclosure 403-9-c
This disclosure covers work-related hazards that pose a risk of high-consequence injury if not controlled, even when there are control measures in place. The hazards might have been identified proactively through risk assessment, or reactively as a result of either a high-potential incident or a high-consequence injury.

Examples of work-related hazards causing or contributing to high-consequence injuries include excessive workload demands, tripping hazards, or exposure to flammable materials.

If the identified work-related hazards vary significantly across different locations, the organization may group or disaggregate these by relevant categories, such as by geographical area or business line. Similarly, if there are a high number of hazards, the organization may group or categorize them to facilitate reporting.

When reporting how it has determined which work-related hazards pose a risk of high-consequence injury using Disclosure 403-9-c-i, the organization can describe the criteria or threshold used to determine which hazards pose such a risk and which do not. The processes to identify hazards and assess risks, and to apply the hierarchy of controls, are reported using Disclosure 403-2-a.

Disclosure 403-9-c-ii does not require reporting which work-related hazards have caused or contributed to which high-consequence injuries during the reporting period; it requires the aggregate analysis of all work-related hazards that resulted in high-consequence injuries.

If a work-related incident resulting in a high-consequence injury is still under investigation at the end of the reporting period, the organization can state this in its reported information. The organization can report on actions taken during the reporting period to eliminate hazards and minimize risks that were identified, or to address work-related incidents that took place, in prior reporting periods.

Guidance for Disclosure 403-9-d
This disclosure covers any actions taken or underway to eliminate other work-related hazards and minimize risks (i.e., not covered in Disclosure 403-9-c) using the hierarchy of controls. This disclosure can include actions taken in response to non-high-consequence work-related injuries, and work-related incidents with low probability of causing high-consequence injuries.

Guidance for Disclosure 403-9-f
Types of worker can be based on criteria such as full-time, part-time, non-guaranteed hours, permanent or temporary basis, type or degree of control (e.g., control of work or workplace, sole or shared control), and location, among others.

Guidance for Disclosure 403-9-g
If the organization follows the ILO code of practice on *Recording and notification of occupational accidents and diseases*, it can state this in response to Disclosure 403-9-g.

If the organization does not follow the ILO code of practice, it can indicate which system of rules it applies in recording and reporting work-related injuries and its relationship to the ILO code of practice.

If the organization cannot directly calculate the number of hours worked, it may estimate this on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (e.g., paid vacations, paid sick leave, public holidays) and explain this in its reported information.

When the organization cannot directly calculate or estimate the number of hours worked (e.g., because the workers performed non-routine work during an emergency situation, or because the performed work was not paid for by the hour), it is required to provide a reason for this omission as set out in *GRI 1: Foundation 2021*. See Requirement 6 in *GRI 1* for requirements on reasons for omission.

Guidance for clause 2.1.3
Clause 2.1.3 requires the organization to include injuries as a result of commuting incidents in cases where the transport has been organized by the organization (e.g., company or contracted bus or vehicle). The organization can report other commuting incidents separately; for example if this information is to be reported under local law.

Guidance for clause 2.1.4
Clause 2.1.4 requires the organization to calculate the rates based on either 200,000 or 1,000,000 hours worked.

Standardized rates allow for meaningful comparisons of statistics, for example between different periods or organizations, or help account for differences in the number of workers in the reference group and the number of hours worked by them.

A rate based on 200,000 hours worked indicates the number of work-related injuries per 100 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year. For example, a rate of 1.0 means that, on average, there is one work-related injury for every group of 100 full-time workers over a one-year timeframe. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full-time workers over a one-year timeframe.

A rate based on 200,000 hours worked might be more suitable for small organizations.

In addition to standardized rates, this disclosure requires the organization to report absolute data (i.e., numbers), to allow information users to calculate the rates themselves using other methodologies if needed.

Guidance for clauses 2.2.1 and 2.2.2
Target 8.8 of the UN Sustainable Development Goals aims to ‘protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment’. Some groups might be at increased risk of work-related injury due to demographic factors such as sex, gender, migrant status, or age; it can thus be beneficial to break down data on work-related injuries by these demographic criteria. See reference [14] in the Bibliography.

ILO Convention 143 ‘Migrant Workers (Supplementary Provisions) Convention’ defines ‘migrant worker’ as ‘a person who migrates or who has migrated from one country to another with a view to being employed otherwise than on his own account and includes any person regularly admitted as a migrant worker’. See ILO Convention 143 for more guidance.

If the data on work-related injuries are driven primarily by certain types of injury (e.g., amputation, paralysis) or incident (e.g., explosion, road accident), the organization can provide a breakdown of this information.

References
See reference [10] in the Bibliography.

Disclosure 403-10 Work-related ill health

REQUIREMENTS

The reporting organization shall report the following information:

a. For all employees:

i. The number of fatalities as a result of work-related ill health;
ii. The number of cases of recordable work-related ill health;
iii. The main types of work-related ill health.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

i. The number of fatalities as a result of work-related ill health;
ii. The number of cases of recordable work-related ill health;
iii. The main types of work-related ill health.

c. The work-related hazards that pose a risk of ill health, including:

i. how these hazards have been determined;
ii. which of these hazards have caused or contributed to cases of ill health during the reporting period;
iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.

d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.

e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Compilation requirements

2.3 When compiling the information specified in Disclosure 403-10, the reporting organization shall include fatalities as a result of work-related ill health in the calculation of the number of cases of recordable work-related ill health.

RECOMMENDATIONS

2.4 The reporting organization should report the following additional information:

2.4.1 If the numbers reported are significantly higher for certain types of ill health, countries, business lines, or workers' demographics (e.g., sex, gender, migrant status, age, or worker type), a breakdown of these data;
2.4.2 If chemical hazards have been identified in Disclosure 403-10-c, a list of the chemicals;
2.4.3 The number of employees and workers who are not employees but whose work and/or workplace is controlled by the organization, exposed to each hazard identified in Disclosure 403-10-c.

GUIDANCE

Guidance for Disclosure 403-10
Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (e.g., noise-induced hearing loss, vibration-caused diseases), and mental illnesses (e.g., anxiety, post-traumatic stress disorder). This disclosure covers, but is not limited to, the diseases included in the *ILO List of Occupational Diseases*. In the context of this Standard, work-related musculoskeletal disorders are covered under ill health (and not injuries) and are to be reported using this disclosure. See references [5] and [16] in the Bibliography.

This disclosure covers all cases of work-related ill health notified to the reporting organization or identified by the organization through medical surveillance, during the reporting period. The organization might be notified of cases of work-related ill health through reports by affected workers, compensation agencies, or healthcare professionals. The disclosure may include cases of work-related ill health that were detected during the reporting period among former workers. If the organization determines, for example through investigation, that the notified case of work-related ill health is not due to exposure whilst working for the organization, it can explain this in its reported information.

This disclosure covers both short-latency and long-latency work-related ill health. Latency refers to the time period between exposure and the onset of ill health.

Many cases of long-latency work-related ill health go undetected; if detected, they might not necessarily be due to exposures with one employer. For example, a worker might be exposed to asbestos while working for different employers over time, or might suffer from a long-latency disease that turns fatal many years after the worker has left the organization. For this reason, data on work-related ill health are to be complemented with information on work-related hazards.

In some situations, an organization might not be able to collect or publicly disclose data on work-related ill health. The following are examples of these situations:

- National or regional regulations, contractual obligations, health insurance provisions, and other legal requirements related to the privacy of workers' health-related information, might prevent organizations from collecting, maintaining, and publicly reporting these data.
- The nature of information on workers' exposure to psychosocial factors, largely based on self-disclosure and in many instances protected under healthcare privacy regulations, might limit organizations in disclosing this information.

In these situations, the organization is required to provide a reason for omission of these data as set out in *GRI 1: Foundation 2021*. See Requirement 6 in *GRI 1* for requirements on reasons for omission.

Cases of ill health involving members of the public as a result of a work-related incident are not included in this disclosure, but the organization can report this information separately. An example of such an incident is when a chemical substance spill causes ill health among members of a nearby community.

Guidance for Disclosure 403-10-c
This disclosure includes exposures to the 'International Agency for Research on Cancer (IARC) Group 1' (carcinogenic to humans), 'IARC Group 2A' (probably carcinogenic to humans), and 'IARC Group 2B' (possibly carcinogenic to humans) agents. See references [17] and [18] in the Bibliography.

See Guidance for Disclosure for 403-9-c for more information on reporting on hazards.

Guidance for Disclosure 403-10-d
Types of worker can be based on criteria such as full-time, part-time, non-guaranteed hours, permanent or temporary basis, type or degree of control (e.g., control of work or workplace, sole or shared control), and location, among others.

Guidance for Disclosure 403-10-e
If the organization follows the ILO code of practice on *Recording and notification of occupational accidents and diseases*, it can state this in response to Disclosure 403-10-e.

If the organization does not follow the ILO code of practice, it can indicate which system of rules it applies in recording and reporting work-related ill health and its relationship to the ILO code of practice.

Guidance for clause 2.4.1
If the data on work-related ill health are driven primarily by certain types of ill health or disease (e.g., respiratory diseases, skin diseases) or incident (e.g., exposure to bacteria or viruses), the organization can provide a breakdown of this information.

See also Guidance for clauses 2.2.1 and 2.2.2.

References
See references [5], [10], and [16] in the Bibliography.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

B

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

C

close call
work-related incident where no injury or ill health occurs, but which has the potential to cause these

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: A 'close call' might also be referred to as a 'near-miss' or 'near-hit'.

collective bargaining
all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Source: International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154); modified

commuting incident
incident that occurs when the worker is traveling between a place of private activity (e.g., residence, restaurant) and a place of work or workplace

Note: Modes of travel include motor vehicles (e.g., motorcycles, cars, trucks, buses), railed vehicles (e.g., trains, trams), bicycles, aircrafts, and walking, among others.

E

employee
individual who is in an employment relationship with the organization according to national law or practice

exposure
quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

F

formal agreement
written document signed by all relevant parties declaring a mutual intention to abide by what is stipulated in the document

Examples: a local collective bargaining agreement, a national or international framework agreement

formal joint management–worker health and safety committee
committee composed of management and worker representatives, whose function is integrated into an organizational structure, and which operates according to agreed written policies, procedures, and rules, and helps facilitate worker participation and consultation on matters of occupational health and safety

full-time employee
employee whose working hours per week, month, or year are defined according to national law or practice regarding working time

H

health promotion
process of enabling people to increase control over and improve their health

Source: World Health Organization (WHO), *Ottawa Charter for Health Promotion*, 1986

Note: The terms ‘health promotion’, ‘wellbeing’, and ‘wellness’ are often used interchangeably.

hierarchy of controls
systematic approach to enhance occupational health and safety, eliminate hazards, and minimize risks

Note 1: The hierarchy of controls seeks to protect workers by ranking the ways in which hazards can be controlled. Each control in the hierarchy is considered less effective than the one before it. The priority is to eliminate the hazard, which is the most effective way to control it.

Note 2: The International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems*, 2001 and ISO 45001:2018 list the following preventive and protective measures in the following order of priority:

- eliminate the hazard/risk;
- substitute the hazard/risk with less hazardous processes, operations, materials, or equipment;
- control the hazard/risk at source, through the use of engineering controls or organizational measures;
- minimize the hazard/risk by the design of safe work systems, which include administrative control measures;
- where residual hazards/risks cannot be controlled by collective measures, provide for appropriate personal protective equipment, including clothing, at no cost, and implement measures to ensure its use and maintenance.

high-consequence work-related injury
work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months

high-potential work-related incident
work-related incident with a high probability of causing a high-consequence injury

Examples: incidents involving explosions, malfunctioning equipment, vehicle collisions with a high probability of causing a high-consequence injury

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

I

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

M

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

N

non-guaranteed hours employee
employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required

Source: ShareAction, *Workforce Disclosure Initiative Survey Guidance Document*, 2020; modified

Examples: casual employees, employees with zero-hour contracts, on-call employees

O

occupational health and safety management system
set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001

occupational health and safety risk
combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018

occupational health services
services entrusted with essentially preventive functions, and responsible for advising the employer, the workers, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, which will facilitate optimal physical and mental health in relation to work and the adaptation of work to the capabilities of workers in the light of their state of physical and mental health

Source: International Labour Organization (ILO), *Occupational Health Services Convention*, 1985 (No. 161)

Examples: advice on ergonomics, and on individual and collective protective equipment; advice on occupational health, safety, and hygiene; organization of first aid and emergency treatment; promotion of the adaptation of work to the worker; surveillance of factors in the work environment, including any sanitary installations, canteens, and housing provided to workers, or in work practices, which might affect workers' health; surveillance of workers' health in relation to work

P

part-time employee
employee whose working hours per week, month, or year are less than the number of working hours for full-time employees

permanent employee
employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or part-time work

R

recordable work-related injury or ill health
work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness

Source: United States Occupational Safety and Health Administration (OSHA), *General recording criteria 1904.7,* https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9638, accessed on 1 June 2018; modified

S

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

T

temporary employee
employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)

V

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

W

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

worker consultation
seeking of workers' views before making a decision

Note 1: Worker consultation might be carried out through workers' representatives.

Note 2: Consultation is a formal process, whereby management takes the views of workers into account when making a decision. Therefore, consultation needs to take place before the decision is made. It is essential to provide timely information to workers or their representatives in order for them to provide meaningful and effective input before decisions are made. Genuine consultation involves dialogue.

Note 3: Worker participation and worker consultation are two distinct terms with specific meanings. See definition of 'worker participation'.

worker participation
workers' involvement in decision-making

Note 1: Worker participation might be carried out through workers' representatives.

Note 2: Worker participation and worker consultation are two distinct terms with specific meanings. See definition of 'worker consultation'.

worker representative
person who is recognized as such under national law or practice, whether they are:

- a trade union representative, namely, a representative designated or elected by trade unions or by members of such unions; or
- an elected representative, namely, a representative who is freely elected by the workers of the undertaking in accordance with provisions of national laws, regulations, or collective agreements, whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned.

Source: International Labour Organization (ILO), *Workers' Representatives Convention*, 1971 (No. 135)

work-related hazard
source or situation with the potential to cause injury or ill health

Source: International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems,* 2001; modified
International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: Hazards can be:

- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

work-related incident
occurrence arising out of or in the course of work that could or does result in injury or ill health

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note 1: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 2: An incident that results in injury or ill health is often referred to as an ‘accident’. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a ‘close call', ‘near-miss’, or ‘near-hit’.

work-related injury or ill health
negative impacts on health arising from exposure to hazards at work

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001; modified

Note 1: ‘Ill health’ indicates damage to health and includes diseases, illnesses, and disorders. The terms ‘disease’, ‘illness’, and ‘disorder’ are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 2: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 3: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities 'in the interest of the employer'. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining 'work-relatedness', see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/ oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 4: The terms 'occupational' and 'work-related' are often used interchangeably.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO), *An ILO code of practice on HIV/AIDS and the world of work*, 2001.
2. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention', 1981.
3. International Labour Organization (ILO) Convention 161, 'Occupational Health Services Convention', 1985.
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11. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2017.
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GRI 404: Training and Education 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 404: Training and Education 2016 contains disclosures for organizations to report information about their training and education-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its training and education-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's training and education-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of training and education. This includes an organization's approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

These concepts are covered in key instruments of the International Labour Organization and the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

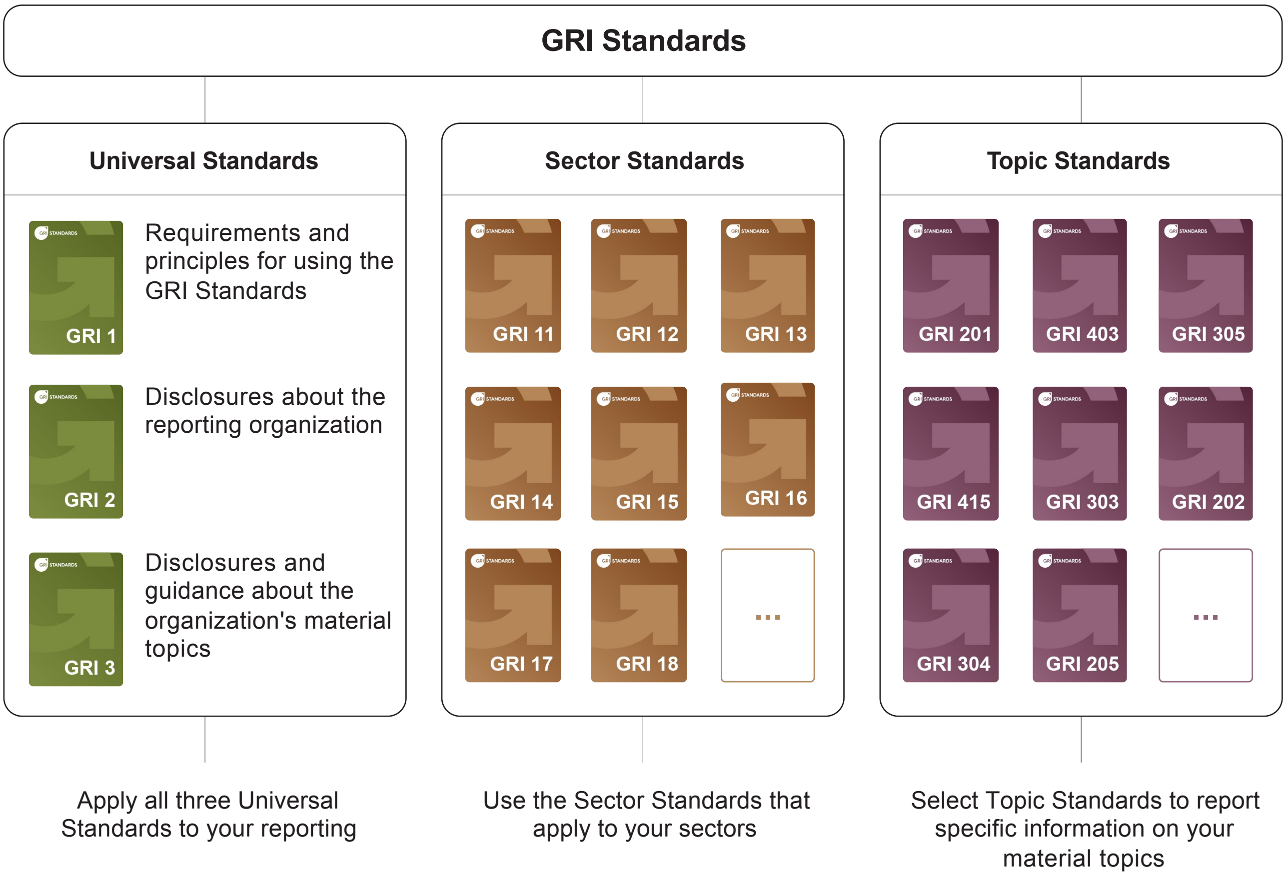
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its training and education-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined training and education to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's training and education-related impacts (Disclosure 404-1 through Disclosure 404-3).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined training and education to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages training and education using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 404-1 Average hours of training per year per employee

REQUIREMENTS

The reporting organization shall report the following information:

a. Average hours of training that the organization's employees have undertaken during the reporting period, by:

- **i. gender;**
- **ii. employee category.**

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 404-1, the reporting organization should:

- 2.1.1 express employee numbers as either head count or full-time equivalent (FTE), and disclose and apply the approach consistently in the period, and between periods;
- 2.1.2 use data from Disclosure 2-7 in *GRI 2: General Disclosures 2021* to identify the total number of employees;
- 2.1.3 draw from the information used for Disclosure 405-1 in *GRI 405: Diversity and Equal Opportunity 2016* to identify the total number of employees by employee category.

GUIDANCE

Guidance for Disclosure 404-1

This disclosure provides insight into the scale of an organization's investment in training, and the degree to which the investment is made across the entire employee base.

In the context of this Standard, 'training' refers to:

- all types of vocational training and instruction;
- paid educational leave provided by an organization for its employees;
- training or education pursued externally and paid for in whole or in part by an organization;
- training on specific topics.

Training does not include on-site coaching by supervisors.

To calculate the information in Disclosure 404-1, the reporting organization can use the following formulas:

$$\text{Average training hours per employee} = \frac{\text{Total number of training hours provided to employees}}{\text{Total number of employees}}$$

$$\text{Average training hours per female} = \frac{\text{Total number of training hours provided to female employees}}{\text{Total number of female employees}}$$

$$\text{Average training hours per male} = \frac{\text{Total number of training hours provided to male employees}}{\text{Total number of male employees}}$$

$$\text{Average training hours per employee category} = \frac{\text{Total number of training hours provided to each category of employees}}{\text{Total number of employees in category}}$$

A number of calculations can be undertaken to report on employee categories. These calculations are specific to each organization.

Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs

REQUIREMENTS

The reporting organization shall report the following information:

a. **Type and scope of programs implemented and assistance provided to upgrade employee skills.**

b. **Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.**

GUIDANCE

Guidance for Disclosure 404-2

Employee training programs that aim to upgrade skills can include:

- internal training courses;
- funding support for external training or education;
- the provision of sabbatical periods with guaranteed return to employment.

Transition assistance programs provided to support employees who are retiring or who have been terminated can include:

- pre-retirement planning for intended retirees;
- retraining for those intending to continue working;
- severance pay, which can take into account employee age and years of service;
- job placement services;
- assistance (such as training, counselling) on transitioning to a non-working life.

Background

Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. More skilled employees enhance the organization's human capital and contribute to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they are supported in their transition from work to retirement.

Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 404-3, the reporting organization should:

2.2.1 use data from Disclosure 2-7 in *GRI 2: General Disclosures 2021* to identify the total number of employees;

2.2.2 draw from the information used for Disclosure 405-1 in *GRI 405: Diversity and Equal Opportunity 2016* to identify the total number of employees by employee category.

GUIDANCE

Background

This disclosure measures the extent to which an organization regularly appraises employee performance. This aids the personal development of individual employees. It also contributes to skills management and to the development of human capital within the organization. This disclosure also demonstrates the extent to which this system is applied throughout the organization, and whether there is inequity of access to these opportunities.

Regular performance and career development reviews can also enhance employee satisfaction, which correlates with improved organizational performance. This disclosure helps demonstrate how an organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with Disclosure 404-2, the disclosure also helps to illustrate how the organization approaches skills enhancement.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

continued employability
adaptation to the changing demands of the workplace through the acquisition of new skills

employee
individual who is in an employment relationship with the organization according to national law or practice

employee category
breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

regular performance and career development review
review based on criteria known to the employee and his or her superior

Note 1: The review is undertaken with the knowledge of the employee at least once per year.

Note 2: The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future

generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms ‘sustainability’ and ‘sustainable development’ are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
2. International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
3. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.
4. International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
5. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprise*s, 2011.

GRI STANDARDS

GRI 405: Diversity and Equal Opportunity 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 405: Diversity and Equal Opportunity 2016 contains disclosures for organizations to report information about their impacts related to diversity and equal opportunity at work, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to diversity and equal opportunity at work.
- Section 2 contains two disclosures, which provide information about the organization's impacts related to diversity and equal opportunity at work.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of an organization's approach to diversity and equal opportunity at work.

When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.

These concepts are covered in key instruments of the International Labour Organization, the Organisation for Economic Co-operation and Development, and the United Nations: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

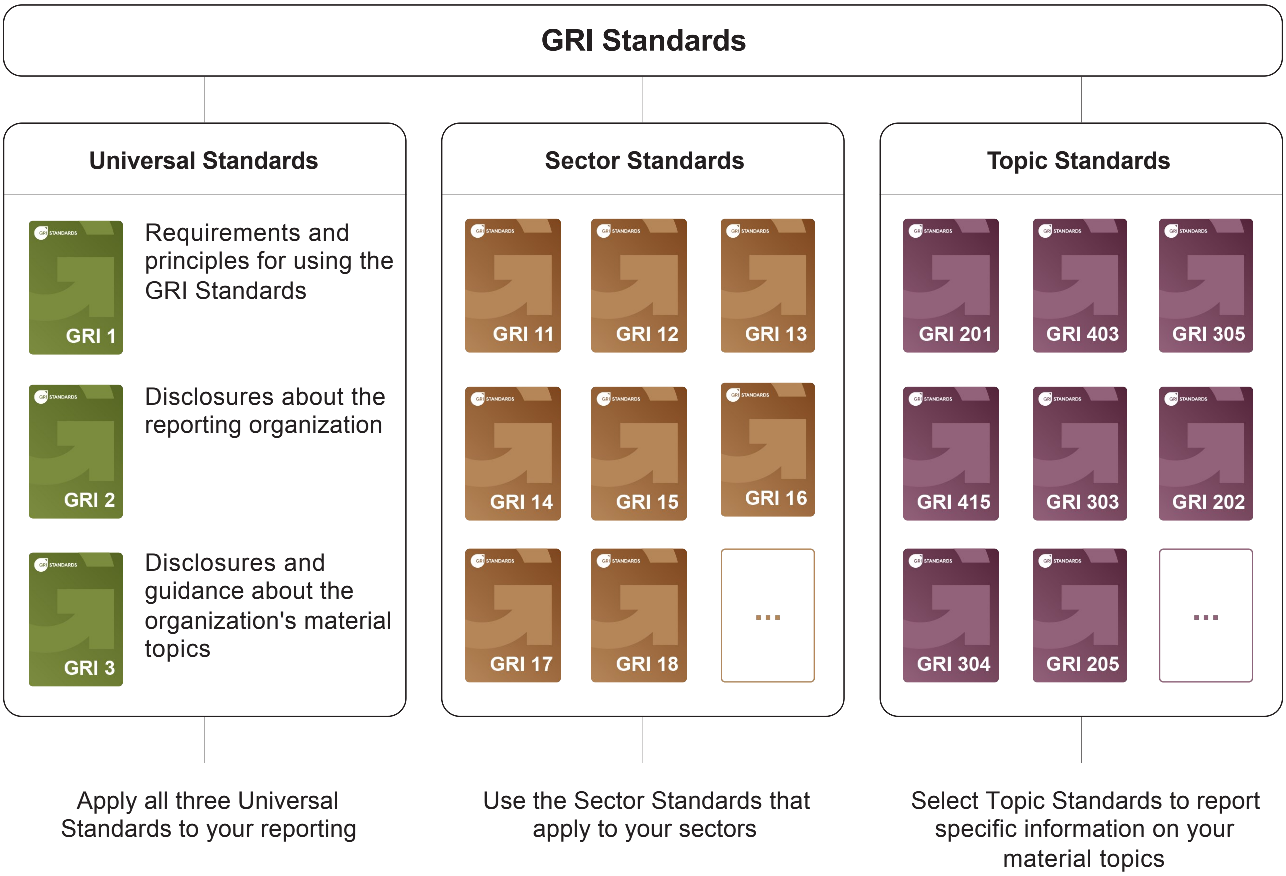
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to diversity and equal opportunity at work. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 404: Training and Education 2016* and *GRI 406: Non-discrimination 2016*.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined diversity and equal opportunity to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization’s impacts related to diversity and equal opportunity at work (Disclosure 405-1 through Disclosure 405-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined diversity and equal opportunity to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages diversity and equal opportunity using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also describe the legal and socioeconomic environment that provides opportunities for, and barriers to, gender equity.

This can include the share of female workers performing the organization's activities, their equal remuneration, and their participation at the highest governance level.

2. Topic disclosures

Disclosure 405-1 Diversity of governance bodies and employees

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

i. Gender;
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:

i. Gender;
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 405-1, the reporting organization should use data from Disclosure 2-7 in *GRI 2: General Disclosures 2021* to identify the total number of employees.

GUIDANCE

Guidance for Disclosure 405-1
Examples of governance bodies that exist within an organization can be the board of directors, management committee, or a similar body for a non-corporate organization.

An organization can identify any other indicators of diversity used in its own monitoring and recording that are relevant for reporting.

Background
This disclosure provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. Comparisons between broad employee diversity and management team diversity offer information on equal opportunity. Information reported in this disclosure also helps in assessing which issues can be of particular relevance to certain segments of the governance bodies or employees.

Disclosure 405-2 Ratio of basic salary and remuneration of women to men

REQUIREMENTS

The reporting organization shall report the following information:

a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

b. The definition used for 'significant locations of operation'.

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 405-2, the reporting organization should base remuneration on the average pay of each gender grouping within each employee category.

GUIDANCE

Guidance for Disclosure 405-2

The reporting organization can draw from the information used for Disclosure 405-1 to identify the total number of employees in each employee category by gender.

Background

An organization can take an active role in reviewing its operations and decisions, in order to promote diversity, eliminate gender bias, and support equal opportunity. These principles apply equally to recruitment, opportunities for advancement, and remuneration policies. Equality of remuneration is also an important factor in retaining qualified employees.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

basic salary
fixed, minimum amount paid to an employee for performing his or her duties

Note: Basic salary excludes any additional remuneration, such as payments for overtime working or bonuses.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

employee
individual who is in an employment relationship with the organization according to national law or practice

employee category
breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indicator of diversity
indicator of diversity for which the organization gathers data

Examples: age, ancestry and ethnic origin, citizenship, creed, disability, gender

indigenous peoples
Indigenous Peoples are generally identified as:
- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

local community
individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities

Note: The local community can range from those living adjacent to the organization's operations to those living at a distance.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

remuneration

basic salary plus additional amounts paid to a worker

Note: Examples of additional amounts paid to a worker can include those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances, such as transportation, living and childcare allowances.

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

stakeholder
individual or group that has an interest that is affected or could be affected by the organization's activities

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group
group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
2. International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
3. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
4. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
5. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
6. United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
7. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
8. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
9. United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
10. United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
11. United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.
12. United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.

GRI 406: Non-discrimination 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 406: Non-discrimination 2016 contains disclosures for organizations to report information about their impacts related to discrimination, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its discrimination-related impacts.
- Section 2 contains one disclosure, which provides information about the organization's discrimination-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of non-discrimination.

For the purpose of this Standard, discrimination is defined as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, instead of treating each person fairly on the basis of individual merit. Discrimination can also include harassment. This is defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

An organization is expected to avoid discriminating against any person on any grounds, including avoiding discrimination against workers at work. It is also expected to avoid discriminating against customers with respect to the provision of products and services, or against any other stakeholder, including suppliers or business partners.

These concepts are covered in key instruments of the International Labour Organization, the Organisation for Economic Co-operation and Development, and the United Nations (UN): see the Bibliography.

A number of international conventions and declarations address discrimination against specific groups of people or on specific grounds. Examples include the UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and the UN International Convention on the Elimination of All Forms of Racial Discrimination.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

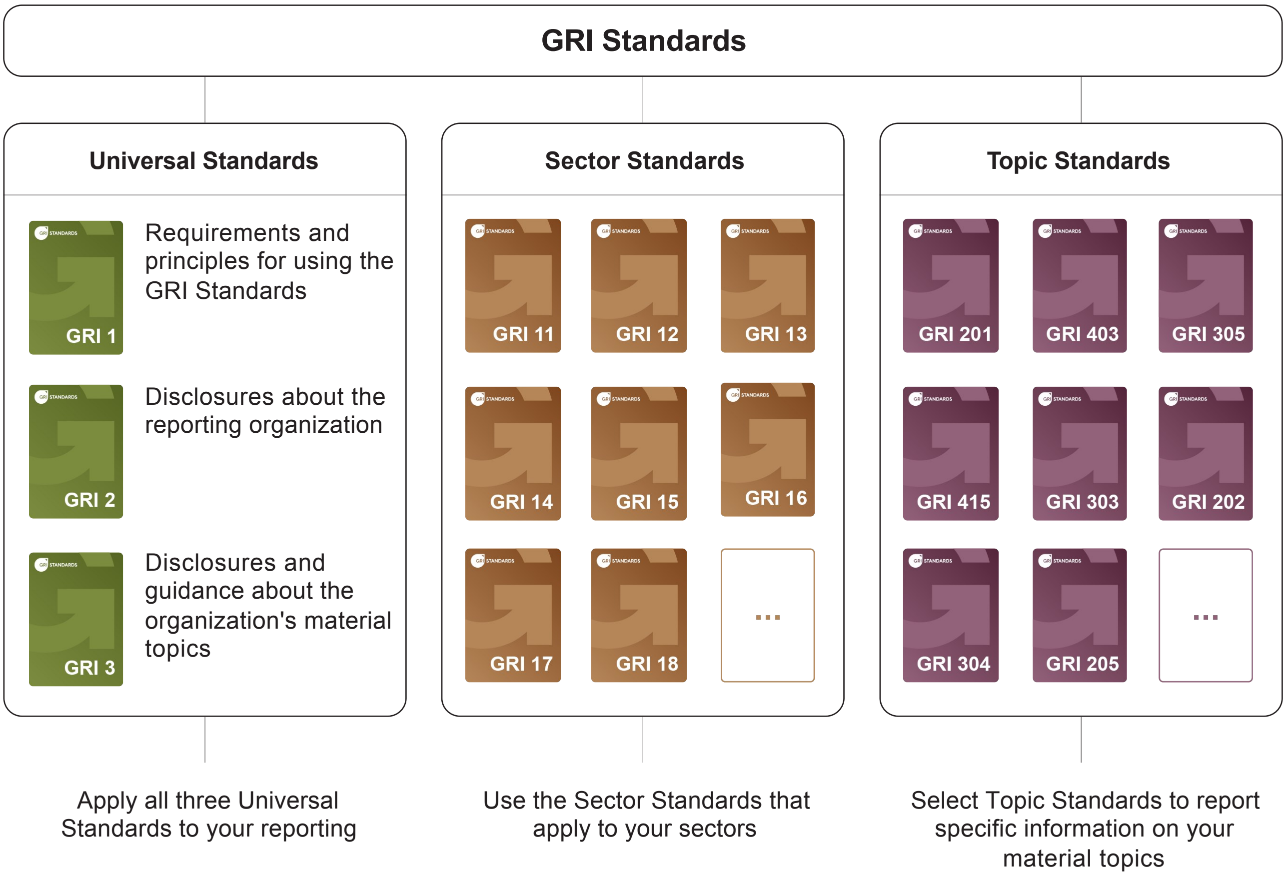
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation

to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to discrimination.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined non-discrimination to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization’s discrimination-related impacts (Disclosure 406-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this

information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined non-discrimination to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages non-discrimination using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 406-1 Incidents of discrimination and corrective actions taken

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of incidents of discrimination during the reporting period.

b. Status of the incidents and actions taken with reference to the following:

- **i. Incident reviewed by the organization;**
- **ii. Remediation plans being implemented;**
- **iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;**
- **iv. Incident no longer subject to action.**

Compilation requirements

2.1 When compiling the information specified in Disclosure 406-1, the reporting organization shall include incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.

GUIDANCE

Guidance for Disclosure 406-1
In the context of this disclosure, an 'incident' refers to a legal action or complaint registered with the reporting organization or competent authorities through a formal process, or an instance of non-compliance identified by the organization through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.

An incident is no longer subject to action if it is resolved, the case is completed, or no further action is required by the organization. For example, an incident for which no further action is required can include cases that were withdrawn or where the underlying circumstances that led to the incident no longer exist.

Background
According to ILO instruments, discrimination can occur on the grounds of race, color, sex, religion, political opinion, national extraction, and social origin. Discrimination can also occur based on factors such as age, disability, migrant status, HIV and AIDS, gender, sexual orientation, genetic predisposition, and lifestyles, among others.[1]

The presence and effective implementation of policies to avoid discrimination are a basic expectation of responsible business conduct.

1 Source: International Labour Organization (ILO), *Report I(B) - Equality at work: The continuing challenge - Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*, 2011.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

discrimination
act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit

Note: Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

grievance
perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
2. International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
4. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
5. United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
6. United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966, and related Protocol.
7. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
8. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
9. United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
10. United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
11. United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.
12. United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.

GRI 407: Freedom of Association and Collective Bargaining 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 407: Freedom of Association and Collective Bargaining 2016 contains disclosures for organizations to report information about their impacts related to freedom of association and collective bargaining, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to freedom of association and collective bargaining.
- Section 2 contains one disclosure, which provides information about the organization's impacts related to freedom of association and collective bargaining.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of freedom of association and collective bargaining.

Freedom of association is a human right as defined by international declarations and conventions. In this context, freedom of association refers to the right of employers and workers to form, to join and to run their own organizations without prior authorization or interference by the state or any other entity.

The right of workers to collectively bargain the terms and conditions of work is also an internationally recognized human right. Collective bargaining refers to all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.[1]

These concepts are covered in key instruments of the International Labour Organization, the Organisation for Economic Co-operation and Development, and the United Nations: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

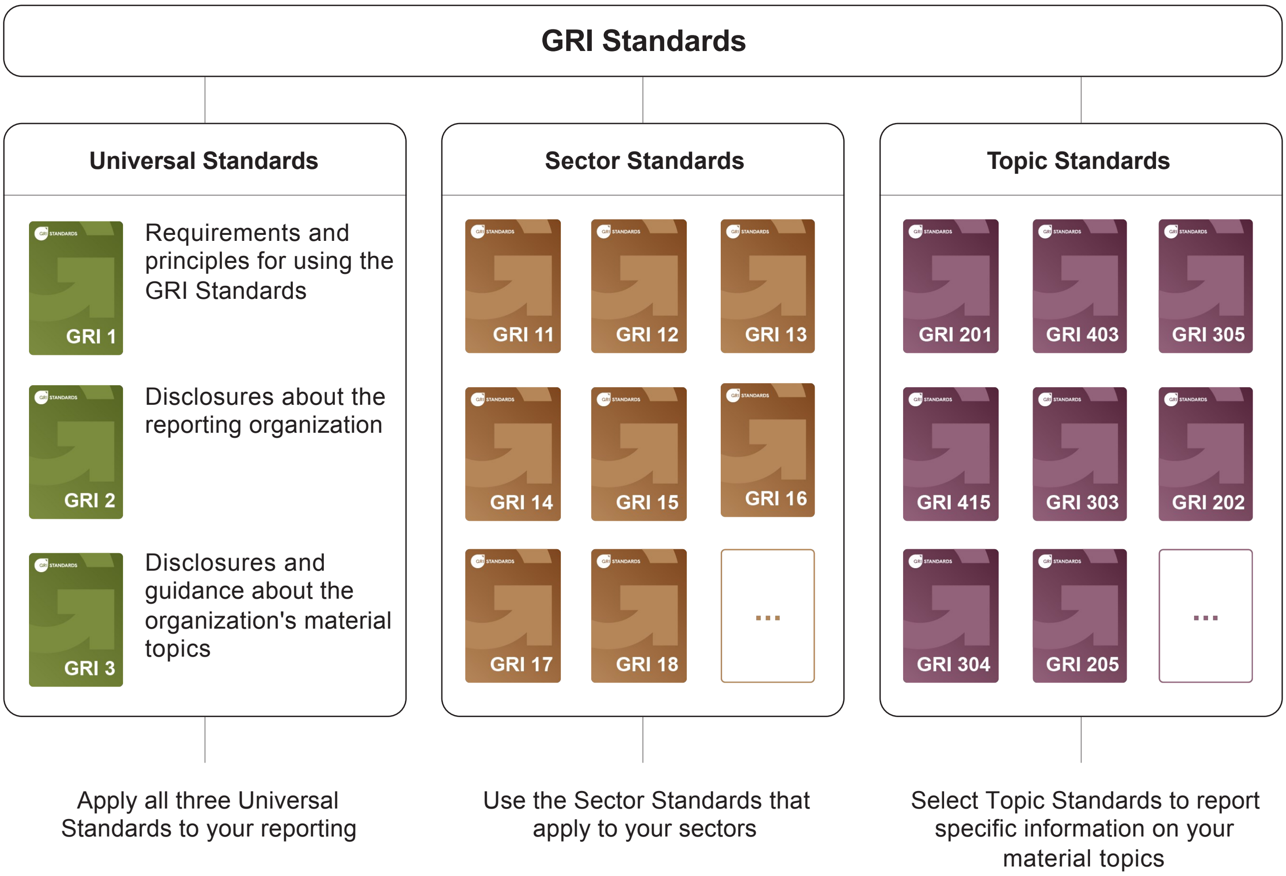
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

1 This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to freedom of association and collective bargaining. In addition to this Standard, Disclosure 2-30 in *GRI 2: General Disclosures 2021* requires reporting on the percentage of total employees covered by collective bargaining agreements.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined freedom of association and collective bargaining to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's impacts related to freedom of association and collective bargaining (Disclosure 407-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this

information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined freedom of association and collective bargaining to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages freedom of association and collective bargaining using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

RECOMMENDATIONS

1.2 The reporting organization should describe any policy or policies considered likely to affect workers' decisions to form or join a trade union, to bargain collectively or to engage in trade union activities.

2. Topic disclosures

Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

REQUIREMENTS

The reporting organization shall report the following information:

a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:

i. type of operation (such as manufacturing plant) and supplier;
ii. countries or geographic areas with operations and suppliers considered at risk.

b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.

GUIDANCE

Guidance for Disclosure 407-1
The process for identifying operations and suppliers, as specified in Disclosure 407-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the various outcomes of the ILO Supervisory bodies and the recommendations of the ILO Committee of Freedom of Association (see reference [4] in the Bibliography).

When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

Background
This disclosure concerns an organization's due diligence with respect to any negative impacts its activities have had on the human rights of workers to form or join trade unions and to bargain collectively. This can include policies and processes with respect to the organization's business relationships, including its suppliers. It can also include the due diligence process to identify operations and suppliers where these rights are at risk.

It also aims to reveal actions that have been taken to support these rights across an organization's range of operations. This disclosure does not require the organization to express a specific opinion on the quality of national legal systems.

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 agreements can cover specific groups of workers, for example, those performing a specific activity or working at a specific location.

An organization is expected to respect the rights of workers to exercise freedom of association and collective bargaining. It is also expected to not benefit from or contribute to such violations through its business relationships (e.g., suppliers).

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

collective bargaining
all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Source: International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154); modified

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law or practice

freedom of association
right of employers and workers to form, to join and to run their own organizations without prior

authorization or interference by the state or any other entity

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier

entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
2. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
3. International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
4. International Labour Organization (ILO), *NORMLEX, Freedom of association cases*, http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:20060:0::NO:::, accessed on 1 September 2016.
5. International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
6. International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 2006.
7. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
8. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
9. United Nations (UN) International Bill of Rights:
   - 9.1 United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.
   - 9.2 United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
   - 9.3 United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.
10. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
11. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

GRI 408: Child Labor 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-119-8

Content

Introduction

GRI 408: Child Labor 2016 contains disclosures for organizations to report information about their impacts related to child labor, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to child labor.
- Section 2 contains one disclosure, which provides information about the organization's impacts related to child labor.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of child labor. Abolishing child labor is a key principle and objective of major human rights instruments and legislation, and is the subject of national legislation in almost all countries.

Child labor is work that 'deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age.'[1]

Child labor does not refer to youth employment or to children working. It refers to a universally-recognized human rights abuse. The internationally-agreed understanding of the meaning of child labor is set out in the International Labour Organization (ILO) Convention 138 'Minimum Age Convention'.

The minimum age for hazardous work is 18 years for all countries. Hazardous child labor is defined by Article 3 (d) of ILO Convention 182 'Worst Forms of Child Labour Convention' as 'work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.'

Due diligence is expected of an organization in order to prevent the use of child labor in its activities. It is also expected to avoid contributing to, or becoming complicit in, the use of child labor through its relationships with others (e.g., suppliers, clients).

These concepts are covered in key instruments of the ILO, the Organisation for Economic Co-operation and Development, and the United Nations: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

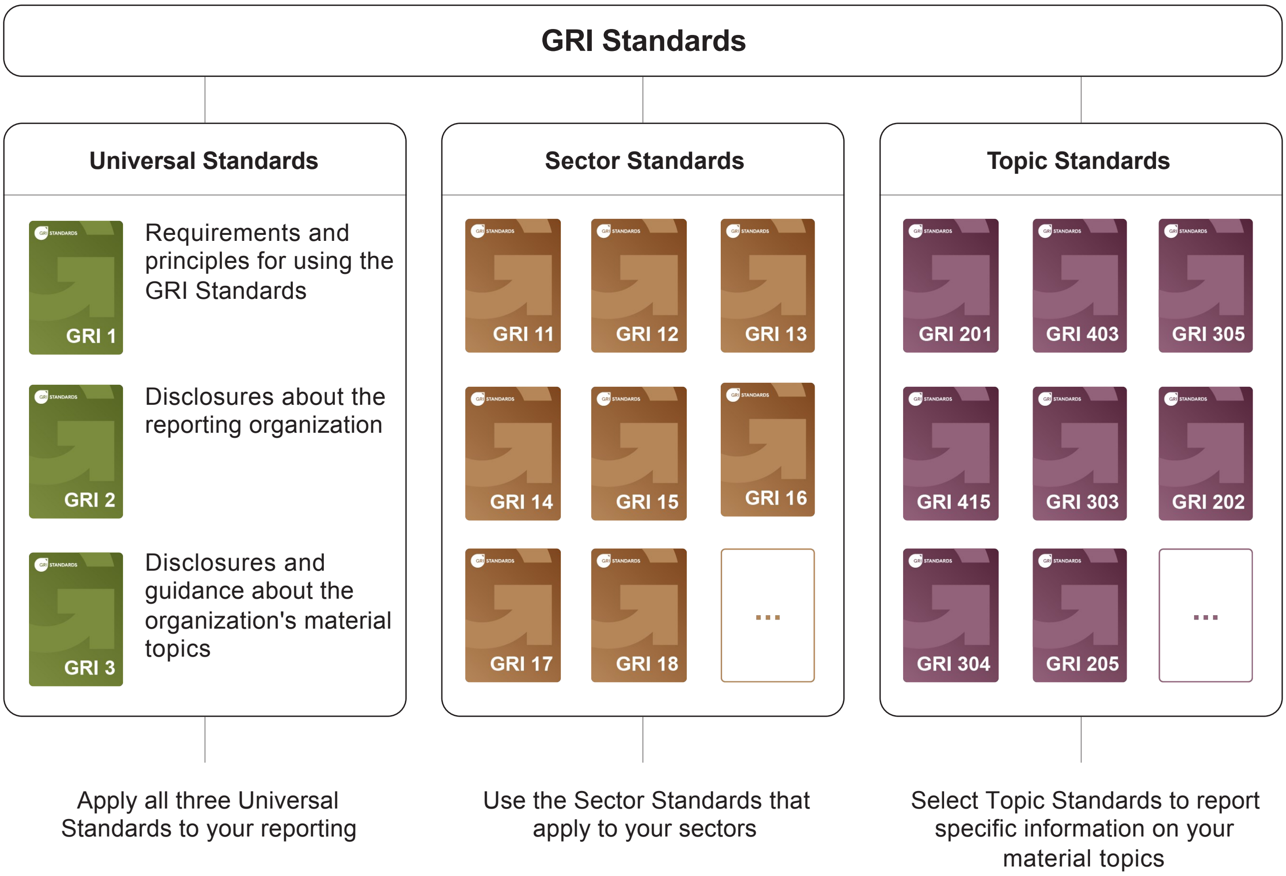
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to

1 International Labour Organization (ILO) and International Organisation of Employers (IOE), *How to do business with respect for children's right to be free from child labour: ILO-IOE child labour guidance tool for business*, 2015.

report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to child labor.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined child labor to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's impacts related to child labor (Disclosure 408-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined child labor to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages child labor using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor

REQUIREMENTS

The reporting organization shall report the following information:

a. Operations and suppliers considered to have significant risk for incidents of:

  i. child labor;
  ii. young workers exposed to hazardous work.

b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:

  i. type of operation (such as manufacturing plant) and supplier;
  ii. countries or geographic areas with operations and suppliers considered at risk.

c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.

GUIDANCE

Guidance for Disclosure 408-1
The process for identifying operations and suppliers, as specified in Disclosure 408-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the ILO *Information and reports on the application of Conventions and Recommendations* (see reference [1] in the Bibliography).

When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

In the context of the GRI Standards, a 'young worker' is defined as a person above the applicable minimum working age and younger than 18 years of age. Note that Disclosure 408-1 does not require quantitative reporting on child labor or the number of young workers. Rather, it asks for reporting on the *operations and suppliers* considered to have significant risk for incidents of child labor or young workers exposed to hazardous work.

Background
Child labor is subject to ILO Conventions 138 'Minimum Age Convention' (ILO Convention 138) and 182 'Worst Forms of Child Labour Convention' (ILO Convention 182).

'Child labor' refers to an abuse, which is not to be confused with 'children working' or with 'young persons working', which may not be abuses as stipulated in ILO Convention 138.

The minimum age for working differs by country. ILO Convention 138 specifies a minimum age of 15 years or the age of completion of compulsory schooling (whichever is higher). However, there is an exception for certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply. These countries of exception are specified by the ILO in response to special application by the country concerned, and in consultation with representative organizations of employers and workers.

ILO Convention 138 stipulates that 'national laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is (a) not likely to be harmful to their health or development; and (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received'.

While child labor takes many different forms, a priority is to eliminate without delay the worst forms of child labor as defined by Article 3 of ILO Convention 182. This includes all forms of slavery or practices similar to slavery (such as sale, trafficking, forced or compulsory labor, serfdom, recruitment for armed conflict); the use, procuring or offering of a child for prostitution or illicit activities and any work that is likely to harm the health, safety or morals of children. ILO Convention 182 is intended to set priorities for states; however, organizations are expected not to use this convention to justify forms of child labor.

Child labor results in under-skilled and unhealthy workers for tomorrow and perpetuates poverty across generations, thus impeding sustainable development. The abolition of child labor is therefore necessary for both economic and human development.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law

or practice

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

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means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

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The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier

entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report III - Information and reports on the application of Conventions and Recommendations*, updated annually.
2. International Labour Organization (ILO) Convention 138, ‘Minimum Age Convention’, 1973.
3. International Labour Organization (ILO) Convention 142, ‘Human Resources Development Convention’, 1975.
4. International Labour Organization (ILO) Convention 182, ‘Worst Forms of Child Labour Convention’, 1999.
5. International Labour Organization (ILO), ‘Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy’, 2006.
6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
7. United Nations (UN) Convention, ‘Convention on the Rights of the Child’, 1989.
8. United Nations (UN), ‘Guiding Principles on Business and Human Rights, Implementing the United Nations “Protect, Respect and Remedy” Framework’, 2011.
9. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
10. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

GRI 409: Forced or Compulsory Labor 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

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ISBN 978-90-8866-120-4

Content

Introduction

GRI 409: Forced or Compulsory Labor 2016 contains disclosures for organizations to report information about their impacts related to forced or compulsory labor, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to forced or compulsory labor.
- Section 2 contains one disclosure, which provides information about the organization's impacts related to forced or compulsory labor.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of forced or compulsory labor.

Not to be subjected to forced or compulsory labor is a fundamental human right. According to International Labour Organization (ILO) Convention 29 'Forced Labour Convention', forced or compulsory labor is defined as 'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.'[1]

Forced and compulsory labor affects all world regions, countries, and economic sectors, and includes workers in both formal and informal employment.[2]

Some of the most common forms of forced labor include forced labor in prisons (except for prisoners that have been convicted in a court of law, and whose labor is under the supervision and control of a public authority), human trafficking for the purpose of forced labor, coercion in employment, forced labor linked to exploitative labor contract systems, and debt-induced forced labor, also known as 'debt-bondage' or 'bonded labor'.[3]

The victims are most likely from groups subject to discrimination or performing work on an informal or precarious basis. This can include women and girls forced into prostitution, migrants trapped in debt bondage, and sweatshop or farm workers, among other groups.[4]

Due diligence is expected of an organization in order to prevent and combat all forms of forced or compulsory labor in its activities. It is also expected to avoid contributing to or becoming linked to the use of forced or compulsory labor through its relationships with others (e.g., suppliers, clients).

These concepts are covered in key instruments of the ILO, the Organisation for Economic Co-operation and Development, and the United Nations: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

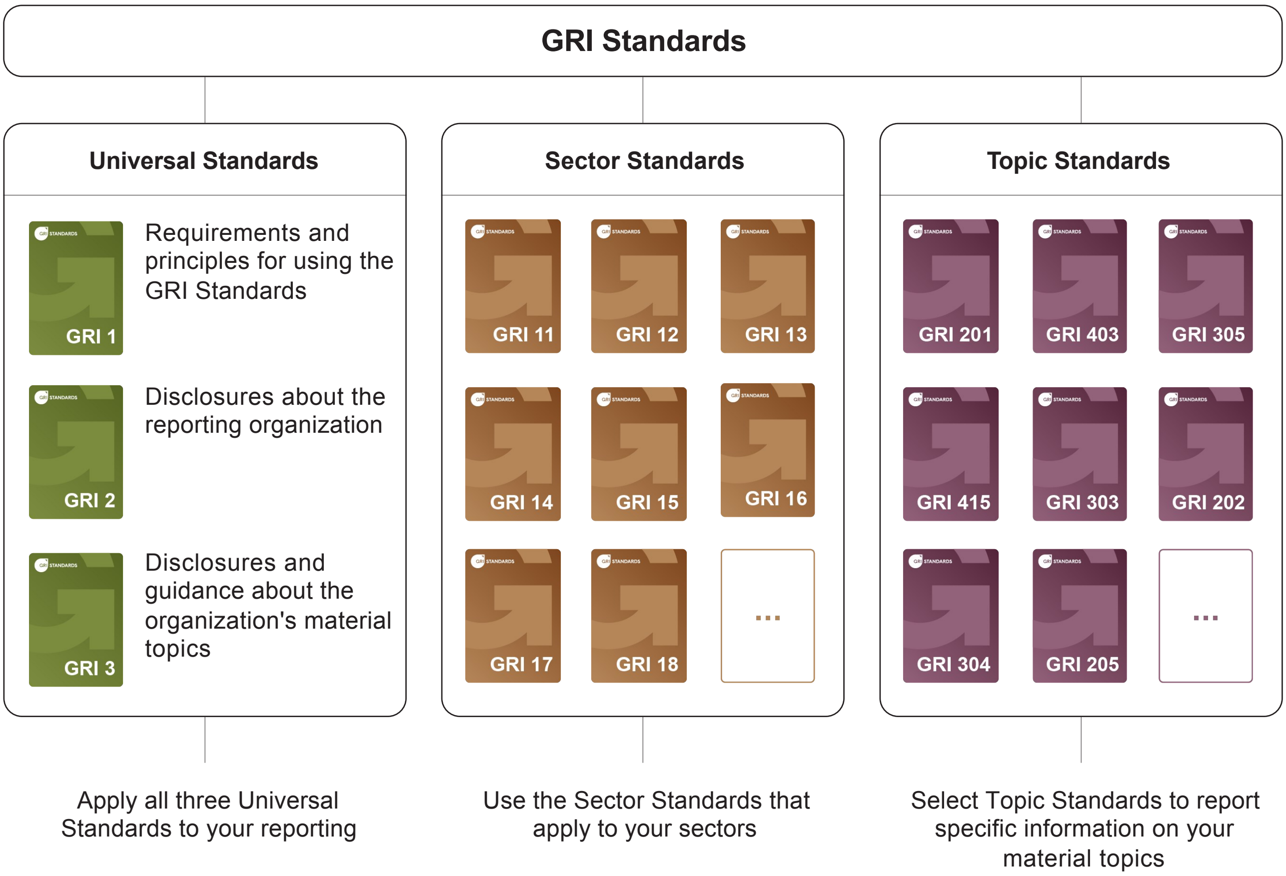
1 International Labour Organization (ILO) Convention 29, 'Forced Labour Convention',
2 International Labour Organization (ILO), *Combating Forced A Handbook for Employers & Business*, 2015.
3 International Labour Organization (ILO), *Combating Forced Labour. A Handbook for Employers & Business,* 2015.
4 International Labour Organization (ILO), *Forced labour, human trafficking and slavery,* http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm, accessed on 1 September 2016.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to forced or compulsory labor. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 408: Child Labor 2016*.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined forced or compulsory labor to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization’s impacts related to forced or compulsory labor (Disclosure 409-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined forced or compulsory labor to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages forced or compulsory labor using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

REQUIREMENTS

The reporting organization shall report the following information:

a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:

- **i. type of operation (such as manufacturing plant) and supplier;**
- **ii. countries or geographic areas with operations and suppliers considered at risk.**

b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.

GUIDANCE

Guidance for Disclosure 409-1

The process for identifying operations and suppliers, as specified in Disclosure 409-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the ILO *Information and reports on the application of Conventions and Recommendations* (see reference [1] in the Bibliography).

When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

Background

Forced or compulsory labor exists globally in a variety of forms. The most extreme examples are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Indicators of forced labor can also include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

Eliminating forced labor remains an important challenge. Forced labor is not only a serious violation of a fundamental human right, it also perpetuates poverty and is a hindrance to economic and human development.[5]

The presence and effective implementation of policies for eliminating all forms of forced or compulsory labor are a basic expectation of responsible business conduct. Organizations with multinational operations are required by law in some countries to provide information on their efforts to eradicate forced labor in their supply chains.

5 International Labour Organization (ILO), *International Labour Standards on Forced labour* http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/forced-labour/lang--en/index.htm#P23_4987, accessed on 1 September 2016.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law or practice

forced or compulsory labor
all work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily

Source: International Labour Organization (ILO), *Forced Labour Convention*, 1930 (No. 29); modified

Note 1: The most extreme examples of forced or compulsory labor are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor.

Note 2: Indicators of forced labor include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report III - Information and reports on the application of Conventions and Recommendations*, updated annually.
2. International Labour Organization (ILO) Convention 29, ‘Forced Labour Convention’, 1930.
3. International Labour Organization (ILO) Convention 105, ‘Abolition of Forced Labour Convention’, 1957.
4. International Labour Organization (ILO), ‘Protocol to Convention 29’, 2014.
5. International Labour Organization (ILO) Recommendation 203, ‘Forced Labour (Supplementary Measures) Recommendation’, 2014.
6. International Labour Organization (ILO), ‘Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy’, 2006.
7. League of Nations Convention, ‘Convention to Suppress the Slave Trade and Slavery’, 1926.
8. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
9. United Nations (UN) Declaration, ‘Universal Declaration of Human Rights’, 1948.
10. United Nations (UN), ‘Guiding Principles on Business and Human Rights, Implementing the United Nations “Protect, Respect and Remedy” Framework’, 2011.
11. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
12. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.
13. United Nations (UN) Supplementary Convention, ‘Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery’, 1956.

GRI 410: Security Practices 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

ISBN 978-90-8866-121-1

Content

Introduction

GRI 410: Security Practices 2016 contains disclosures for organizations to report information about their security practice-related impacts, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its security practice-related impacts.
- Section 2 contains one disclosure, which provides information about the organization's security practice-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of security practices. It focuses on the conduct of security personnel towards third parties, and the potential risk for excessive use of force or other violations of human rights. Security personnel can refer to employees of the reporting organization or employees of third-party organizations that provide security forces.

The use of security personnel can have negative impacts on local populations, and on the upholding of human rights and the rule of law. Providing effective training in human rights therefore helps to make sure that security personnel understand when to use force in an appropriate way, and how to ensure respect for human rights.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

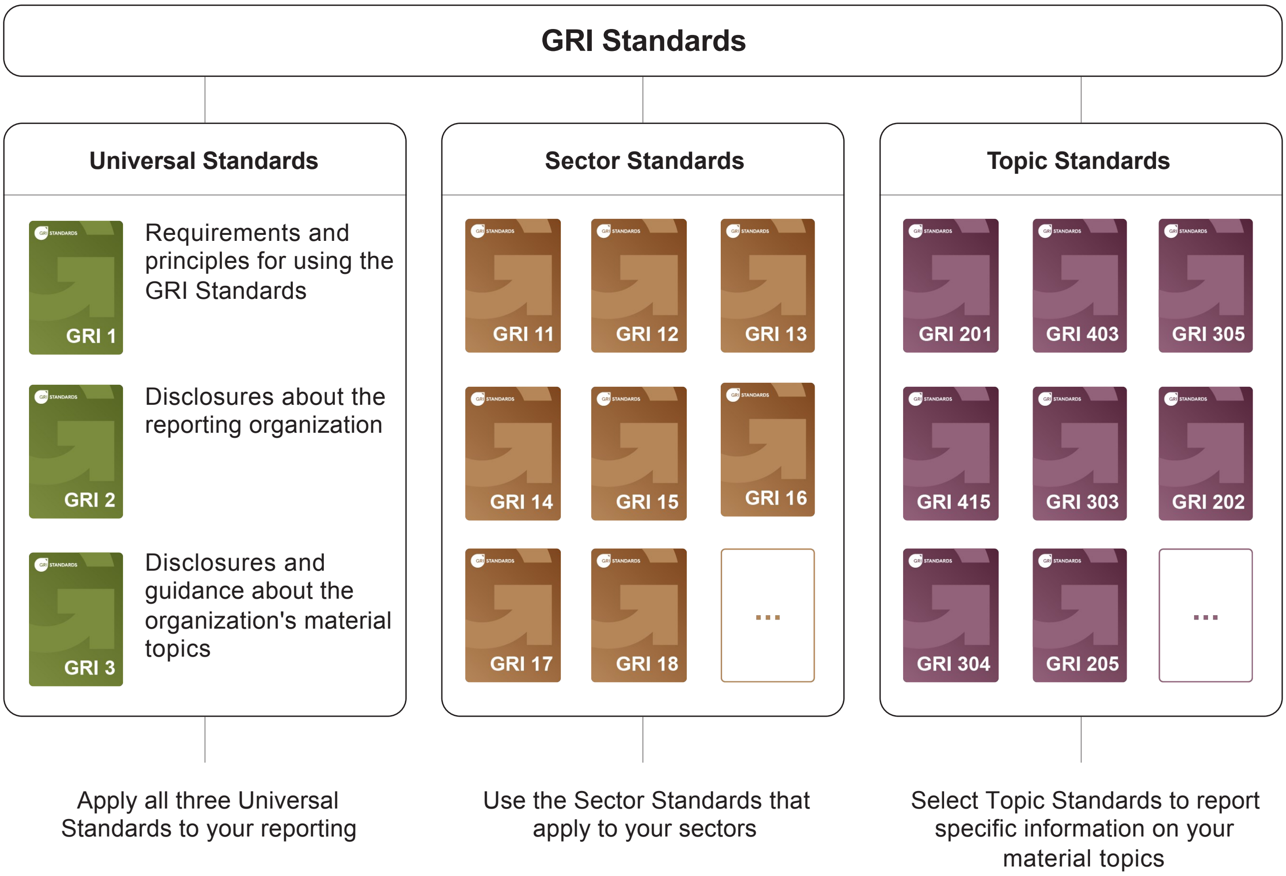
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its security practice-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined security practices to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's security practice-related impacts (Disclosure 410-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms

The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined security practices to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages security practices using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 410-1 Security personnel trained in human rights policies or procedures

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.

b. Whether training requirements also apply to third-party organizations providing security personnel.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 410-1-a, the reporting organization should:

2.1.1 calculate the percentage using the total number of security personnel, whether they are employees of the organization or employees of third-party organizations;

2.1.2 state whether employees of third-party organizations are also included in the calculation.

GUIDANCE

Guidance for Disclosure 410-1

The training can refer either to training dedicated to the subject of human rights or to a human rights module within a general training program. Training can cover issues such as the use of force, inhuman or degrading treatment or discrimination, or identification and registering.

Background

The use of security personnel can play an essential role in allowing an organization to operate in a safe and productive manner, and can contribute to the security of local communities and populations.

However, as set out in the International Code of Conduct for Private Security Service Providers, the use of security personnel can also have negative impacts on local populations and on the upholding of human rights and the rule of law.

According to the UN Human Rights Office of the High Commissioner, 'human rights education constitutes an essential contribution to the long-term prevention of human rights abuses and represents an important investment in the endeavor to achieve a just society in which all human rights of all persons are valued and respected.[1]

Training security personnel in human rights can therefore help to ensure their appropriate conduct towards third parties, particularly regarding the use of force. This disclosure indicates the proportion of the security force that can reasonably be assumed to be aware of an organization's expectations of human rights performance. Information provided under this disclosure can demonstrate the extent to which management systems pertaining to human rights are implemented.

1 United Nations Human Rights Office of the High Commissioner (OHCHR), http://www.ohchr.org/EN/Issues/Education/Training/Pages/HREducationTrainingIndex.aspx, accessed on 1 September 2016.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

employee
individual who is in an employment relationship with the organization according to national law or practice

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

security personnel
individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

Bibliography

This section lists references used in developing this Standard.

References:

1. International Code of Conduct for Private Security Service Providers, 2010.
2. Voluntary Principles on Security and Human Rights, http://voluntaryprinciples.org/, accessed on 1 September 2016.

GRI 411: Rights of Indigenous Peoples 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
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Content

Introduction

GRI 411: Rights of Indigenous Peoples 2016 contains disclosures for organizations to report information about their impacts related to the rights of indigenous peoples, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to the rights of indigenous peoples.
- Section 2 contains one disclosure, which provides information about the organization's impacts related to the rights of indigenous peoples.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the rights of indigenous peoples. While there is no universal definition of indigenous peoples, they are generally identified as:[1]
- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Many indigenous peoples have suffered from historic injustices and therefore are considered a vulnerable group. Such a group could experience negative impacts as a result of the organization's activities more severely than the general population.[2]

In addition to their collective rights, each person belonging to indigenous peoples shares universal human rights.

These concepts are covered in key instruments of the International Labour Organization and the United Nations: see the Bibliography.

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GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

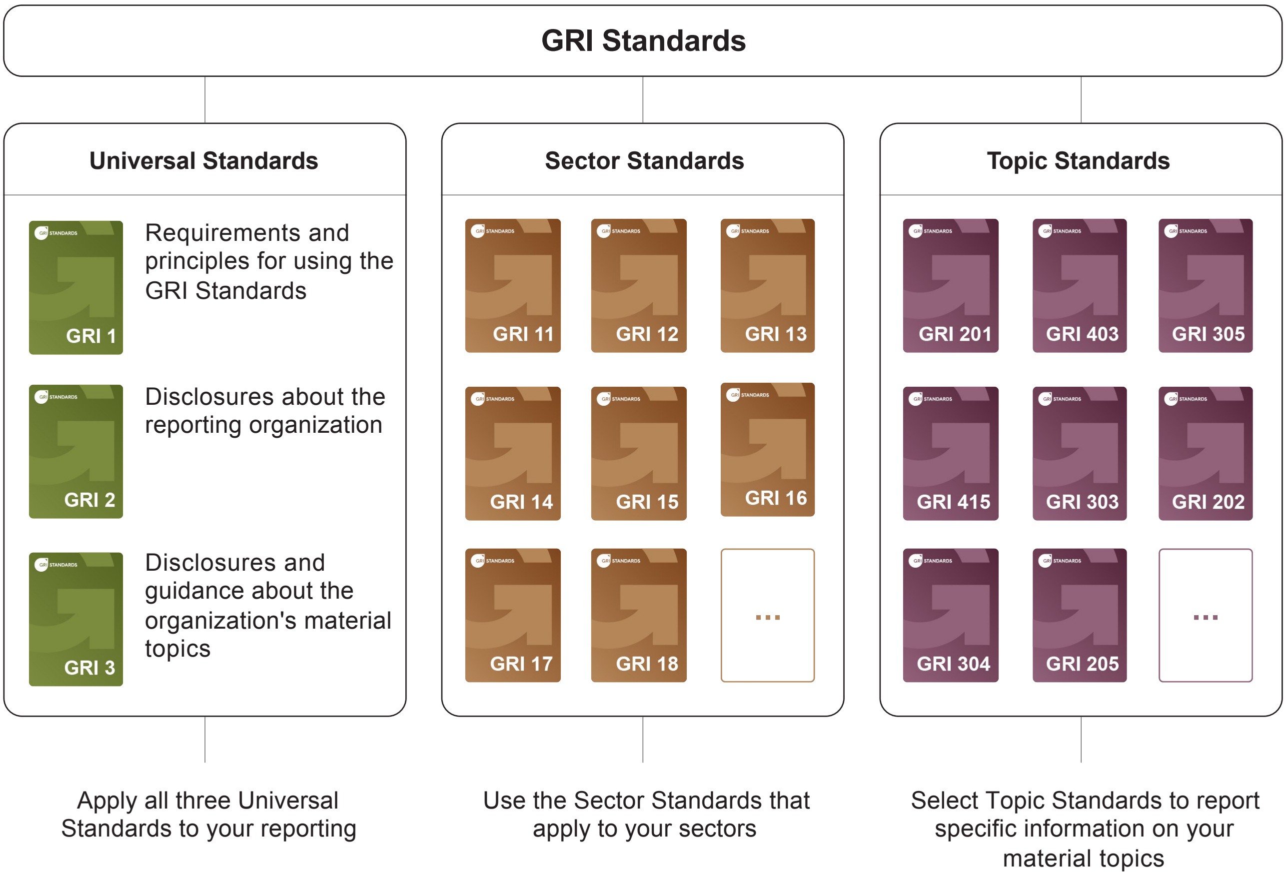
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

1 Source: International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1989.
2 Source: United Nations (UN) Declaration, 'United Nations Declaration on the Rights of Indigenous Peoples', 2007.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to the rights of indigenous peoples.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined the rights of indigenous peoples to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization’s impacts related to the rights of indigenous peoples (Disclosure 411-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined the rights of indigenous peoples to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages the rights of indigenous peoples using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The United Nations (UN) Declaration on the Rights of Indigenous Peoples and the International Labour Organization Convention 169 'Indigenous and Tribal Peoples' address the rights of indigenous peoples. Indigenous peoples have both collective and individual rights, as set out in these instruments.

The collective rights of indigenous peoples include, for example, the right to retain their own customs and institutions, and the right to self-determination. According to the UN Declaration on the Rights of Indigenous Peoples, the right to self-determination enables indigenous peoples to 'freely determine their political status and freely pursue their economic, social and cultural development' and have the right to 'autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.'

Indigenous peoples also have the right to occupy and use their lands or territories, including those who hold or use land pursuant to informal or customary rights. Indigenous peoples cannot be relocated without free, prior, and informed consent. They also have the right to redress in cases where their lands or resources have been occupied or damaged without their free, prior, and informed consent.

Due diligence is expected of an organization in order to avoid infringing on the rights of indigenous peoples through its activities. An organization is also expected to respect the rights of indigenous peoples to free, prior, and informed consent in certain matters affecting them. This is the case when, for example, an organization intends to start operations on land that is inhabited or owned by indigenous peoples.

2. Topic disclosures

Disclosure 411-1 Incidents of violations involving rights of indigenous peoples

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.

b. Status of the incidents and actions taken with reference to the following:

- **i. Incident reviewed by the organization;**
- **ii. Remediation plans being implemented;**
- **iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;**
- **iv. Incident no longer subject to action.**

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 411-1, the reporting organization should include incidents involving the rights of indigenous peoples among:

- 2.1.1 workers performing the organization's activities;
- 2.1.2 communities likely to be affected by existing or planned activities of the organization.

GUIDANCE

Guidance for Disclosure 411-1

In the context of this disclosure, an 'incident' refers to a legal action or complaint registered with the reporting organization or competent authorities through a formal process, or an instance of non-compliance identified by the organization through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.

Background

The number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information helps to indicate the state of relations with stakeholder communities. This is particularly important in regions where indigenous peoples reside, or have interests near operations of the organization.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law or practice

grievance
perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO) Convention 169, ‘Indigenous and Tribal Peoples Convention’, 1989.
2. United Nations (UN) Convention, ‘International Covenant on Civil and Political Rights’, 1966.
3. United Nations (UN) Convention, ‘International Covenant on Economic, Social, and Cultural Rights’, 1966.
4. United Nations (UN) Declaration, ‘Declaration on the Right to Development’, 1986.
5. United Nations (UN) Declaration, ‘United Nations Declaration on the Rights of Indigenous Peoples’, 2007.
6. United Nations (UN) Declaration, ‘Universal Declaration of Human Rights’, 1948.

Additional references:

7. International Finance Corporation (IFC), ‘Performance Standards on Environmental and Social Sustainability’, 2012.

GRI 413: Local Communities 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 413: Local Communities 2016 contains disclosures for organizations to report information about their impacts related to local communities, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to local communities.
- Section 2 contains two disclosures, which provide information about the organization's impacts related to local communities.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of local communities. In the GRI Standards, local communities are defined as individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities. The local community can range from those living adjacent to the organization's operations to those living at a distance.

An organization's activities and infrastructure can have significant economic, social, cultural, and/or environmental impacts on local communities. Where possible, organizations are expected to anticipate and avoid negative impacts on local communities. Establishing a timely and effective stakeholder identification and engagement process is important to help organizations understand the vulnerability of local communities and how these might be affected by the organization's activities.

Due to the heterogeneous nature of local communities, an organization is expected to consider the differentiated nature of communities and the distinct and specific vulnerabilities these groups can suffer as a result of the organization's activities.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development and the United Nations: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

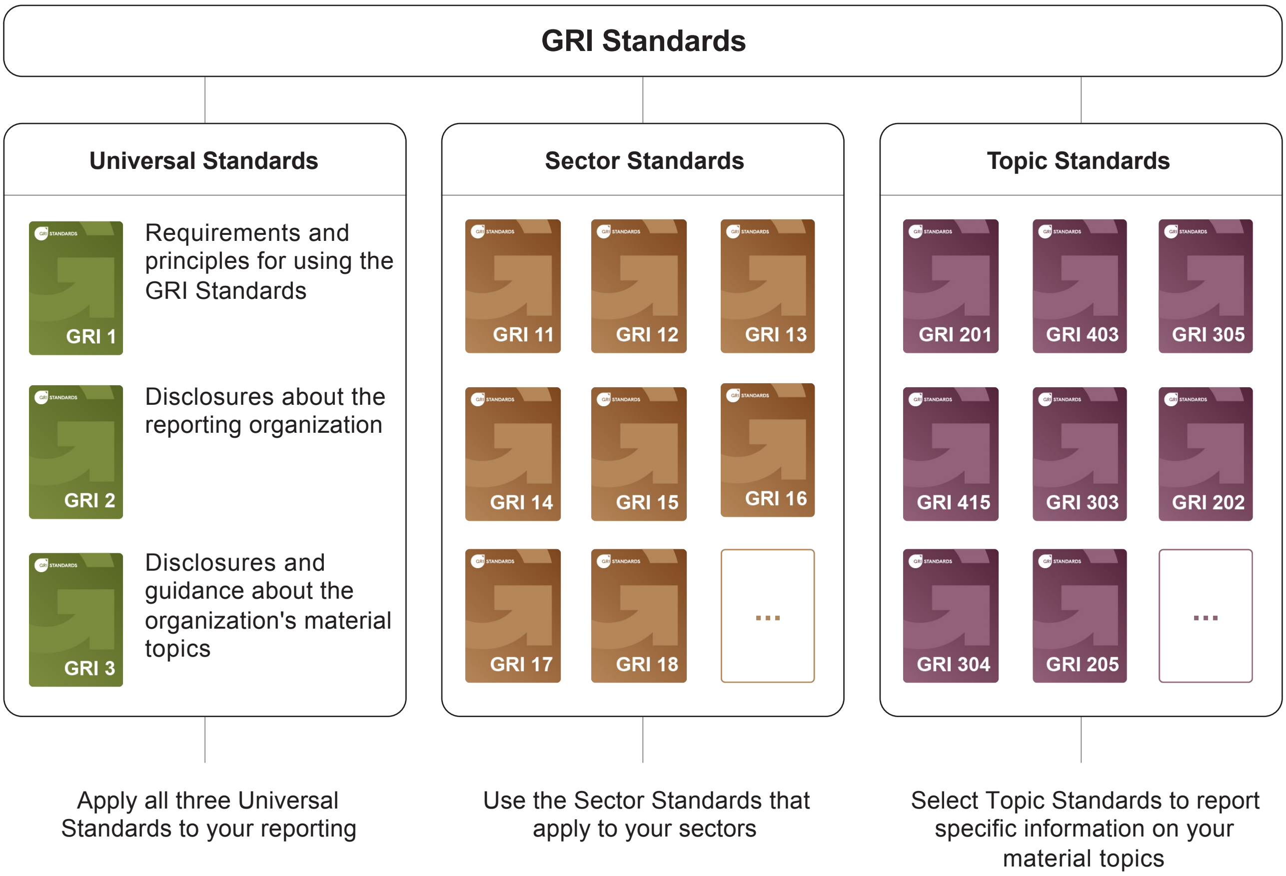
GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards
The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to local communities.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined local communities to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's impacts related to local communities (Disclosure 413-1 through Disclosure 413-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined local communities to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages local communities using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also describe:

- the means by which stakeholders are identified and engaged with;
- which vulnerable groups have been identified;
- any collective or individual rights that have been identified that are of particular concern for the community in question;
- how it engages with stakeholder groups that are particular to the community (for example, groups defined by age, indigenous background, ethnicity or migration status);
- the means by which its departments and other bodies address risks and impacts, or support independent third parties to engage with stakeholders and address risks and impacts.

Background

Communities have individual and collective rights deriving from, among others, international declarations and conventions such as:

- the United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948;
- the United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966;
- the United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966;
- the United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.

Other standards such as the International Finance Corporation's (IFC) Performance Standards (PS) also provide widely-accepted good practice approaches for organizational assessment, engagement and treatment of community-related impact issues (see IFC PS1 – Assessment and Management of Environmental and Social Risks and Impacts, and PS4 – Community Health, Safety, and Security).

2. Topic disclosures

Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:

i. social impact assessments, including gender impact assessments, based on participatory processes;
ii. environmental impact assessments and ongoing monitoring;
iii. public disclosure of results of environmental and social impact assessments;
iv. local community development programs based on local communities' needs;
v. stakeholder engagement plans based on stakeholder mapping;
vi. broad based local community consultation committees and processes that include vulnerable groups;
vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;
viii. formal local community grievance processes.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 413-1, the reporting organization should use the data from Disclosure 2-6 in *GRI 2: General Disclosures 2021* to identify the total number of operations, if the organization has reported its total number of operations when describing its activities.

GUIDANCE

Background
A key element in managing impacts on people in local communities is assessment and planning in order to understand the actual and potential impacts, and strong engagement with local communities to understand their expectations and needs. There are many elements that can be incorporated into local community engagement, impact assessments, and development programs. This disclosure seeks to identify which elements have been consistently applied, organization-wide.

Where possible, organizations are expected to anticipate and avoid negative impacts on local communities. Where this is not possible, or where residual impacts remain, organizations are expected to manage those impacts appropriately, including grievances, and to compensate local communities for negative impacts.

Establishing a timely and effective stakeholder identification and engagement process is important to help organizations understand the vulnerability of local communities and how these might be affected by the organization's activities. A stakeholder engagement process both in early planning stages as well as during operations, can help establish lines of communication between an organization's various departments (planning, finance, environment, production, etc.) and key stakeholder interest groups in the community. This enables an organization to consider the views of community stakeholders in its decisions, and to address its potential impacts on local communities in a timely manner.

Organizations can utilize a number of useful tools to engage communities, including social and human rights impact assessments, which include a diverse set of approaches for proper identification of stakeholders and community characteristics. These can be based on issues such as ethnic background, indigenous descent, gender, age, migrant status, socioeconomic status, literacy levels, disabilities, income level, infrastructure availability or specific human health vulnerabilities which may exist within stakeholder communities.

An organization is expected to consider the differentiated nature of local communities and to take specific action to identify and engage vulnerable groups. This might require adopting differentiated measures to allow the effective participation of vulnerable groups, such as making information available in alternate languages or format for those who are not literate or who do not have access to printed materials. Where necessary, organizations are expected to establish additional or separate processes so that negative impacts on vulnerable or disadvantaged groups are avoided, minimized, mitigated or compensated.[1]

1 International Finance Corporation (IFC), *Guidance Notes: Performance Standards on Environmental and Social Sustainability*, 2012.

Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities

REQUIREMENTS

The reporting organization shall report the following information:

a. Operations with significant actual and potential negative impacts on local communities, including:

i. the location of the operations;
ii. the significant actual and potential negative impacts of operations.

RECOMMENDATIONS

2.2 When compiling the information specified in Disclosure 413-2, the reporting organization should:

2.2.1 report the vulnerability and risk to local communities from potential negative impacts due to factors including:
2.2.1.1 the degree of physical or economic isolation of the local community;
2.2.1.2 the level of socioeconomic development, including the degree of gender equality within the community;
2.2.1.3 the state of socioeconomic infrastructure, including health and education infrastructure;
2.2.1.4 the proximity to operations;
2.2.1.5 the level of social organization;
2.2.1.6 the strength and quality of the governance of local and national institutions around local communities;

2.2.2 report the exposure of the local community to its operations due to higher than average use of shared resources or impact on shared resources, including:
2.2.2.1 the use of hazardous substances that have an impact on the environment and human health in general, and specifically have an impact on reproductive health;
2.2.2.2 the volume and type of pollution released;
2.2.2.3 the status as major employer in the local community;
2.2.2.4 land conversion and resettlement;
2.2.2.5 natural resource consumption;

2.2.3 for each of the significant actual and potential negative economic, social, cultural, and/or environmental impacts on local communities and their rights, describe:
2.2.3.1 the intensity or severity of the impact;
2.2.3.2 the likely duration of the impact;
2.2.3.3 the reversibility of the impact;
2.2.3.4 the scale of the impact.

GUIDANCE

Guidance for Disclosure 413-2
Internal sources of information about actual and potential negative impacts of operations on local communities can include:

- actual performance data;
- internal investment plans and associated risk assessments;
- all data collected with topic disclosures as they relate to individual communities. For example: *GRI 203: Indirect Economic Impacts 2016*, *GRI 301: Materials 2016*, *GRI 302: Energy 2016*, *GRI 303: Water and Effluents 2018*, *GRI 304: Biodiversity 2016*, *GRI 305: Emissions 2016*, *GRI 306: Waste 2020*, *GRI 403: Occupational Health and Safety 2018*, *GRI 408: Child Labor 2016*, *GRI 409: Forced or Compulsory Labor 2016*, *GRI 410: Security Practices 2016*, *GRI 411: Rights of Indigenous Peoples 2016*, and *GRI 416: Customer Health and Safety 2016*.

Background
This disclosure is focused on significant actual and potential negative impacts related to an organization's operations and not on community investments or donations, which are addressed by *GRI 201: Economic Performance 2016*.

This disclosure informs stakeholders about an organization's awareness of its negative impacts on local communities. It also enables the organization to better prioritize and improve its organization-wide attention to local communities.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

community development program
plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

employee
individual who is in an employment relationship with the organization according to national law or practice

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indigenous peoples
Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

local community
individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities

Note: The local community can range from those living adjacent to the organization's operations to those living at a distance.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

operation with significant actual or potential negative impacts on local communities
operation, considered alone or in combination with the characteristics of local communities, that has a higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental well-being of local communities

Note: Examples of negative impacts on local communities can include impacts to local community health and safety.

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group
group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
2. Organisation for Economic Co-operation and Development (OECD), *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*, 2006.
3. United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
4. United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.
5. United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.
6. United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.

Additional references:

7. International Finance Corporation (IFC), *Performance Standards on Environmental and Social Sustainability*, 2012.
8. International Finance Corporation (IFC), *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, 2007.

GRI 414: Supplier Social Assessment 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 414: Supplier Social Assessment 2016 contains disclosures for organizations to report information about their social impacts in their supply chain, and how they manage these impacts. The disclosures enable an organization to provide information on its approach to preventing and mitigating negative social impacts in its supply chain.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its social impacts in its supply chain.
- Section 2 contains two disclosures, which provide information about the organization's supplier assessment and social impacts in its supply chain.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of supplier social assessment.

An organization may be involved with negative social impacts either through its own activities or as a result of its business relationships with other parties. Due diligence is expected of an organization in order to prevent, mitigate, and address actual and potential negative social impacts in the supply chain. These include negative impacts the organization either causes or contributes to, or that are directly linked to its operations, products, or services by its relationship with a supplier.

These concepts are covered in key instruments of the United Nations: see the Bibliography.

Suppliers can be assessed for a range of social criteria, including human rights (such as child labor and forced or compulsory labor); employment practices; health and safety practices; industrial relations; incidents (such as of abuse, coercion or harassment); wages and compensation; and working hours. Some of these criteria are covered in other GRI Topic Standards (e.g., *GRI 401: Employment 2016*, *GRI 403: Occupational Health and Safety 2018*, *GRI 408: Child Labor 2016*, *GRI 409: Forced or Compulsory Labor 2016*).

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

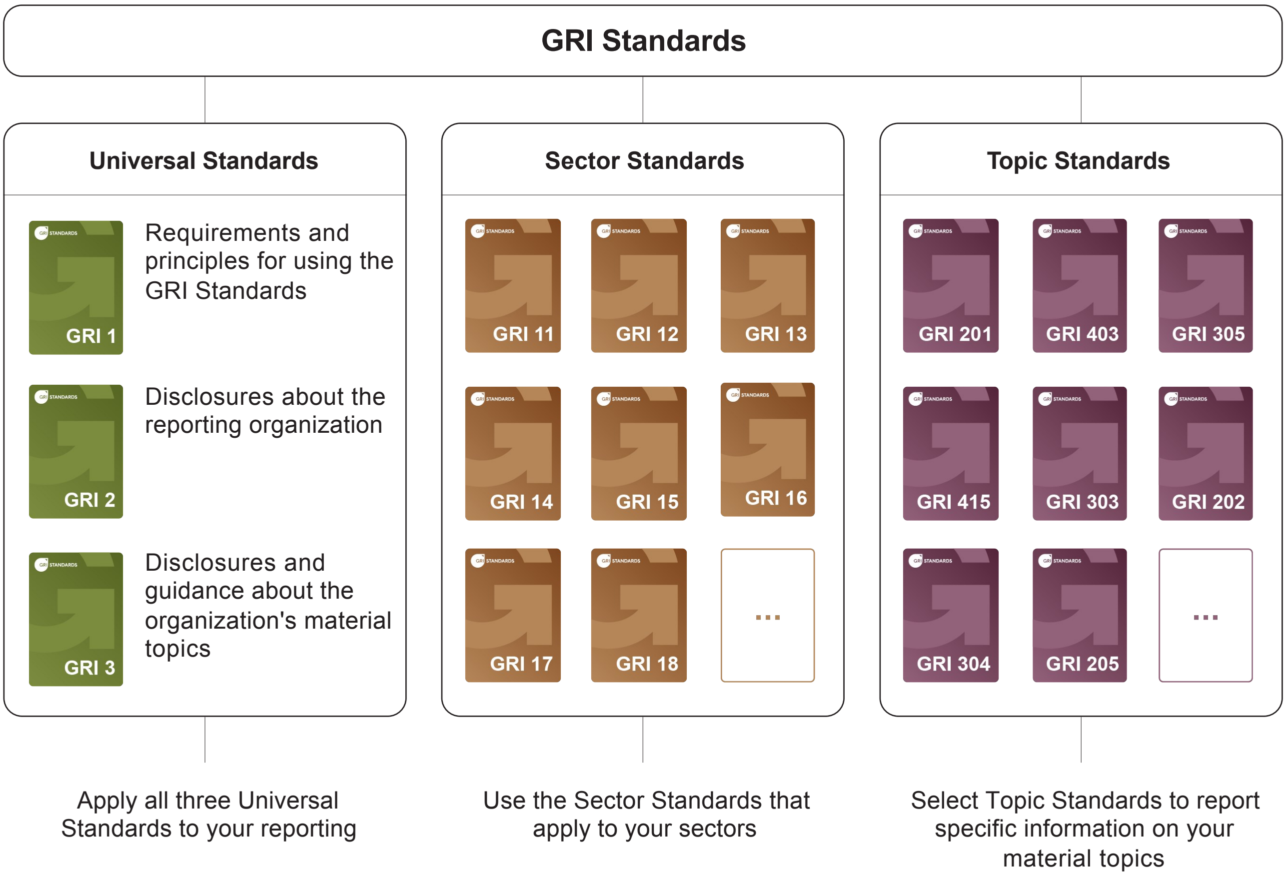
The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation

to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its social impacts in its supply chain. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 308: Supplier Environmental Assessment 2016*.

If the reporting organization has determined both supplier social assessment and supplier environmental assessment to be material, it can combine its disclosures for *GRI 308* and *GRI 414*. For example, if the organization uses the same approach for managing both topics, it can provide one combined explanation of how the organization manages both topics.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined supplier social assessment to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's social impacts in its supply chain (Disclosure 414-1 through Disclosure 414-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined supplier social assessment to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages supplier social assessment using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also disclose:

- the systems used to screen new suppliers using social criteria, and a list of the social criteria used to screen new suppliers;
- processes used, such as due diligence, to identify and assess significant actual and potential negative social impacts in the supply chain;
- how the organization identifies and prioritizes suppliers for assessment of social impacts;
- actions taken to address the significant actual and potential negative social impacts identified in the supply chain and whether the actions are intended to prevent, mitigate, or remediate the impacts;
- how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative social impacts, including targets and objectives;
- whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative social impacts;
- practices for assessing and auditing suppliers and their products and services using social criteria;
- a list of the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited;
- the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing the supplier for social impacts, and the organization's strategy to mitigate those impacts.

Social criteria or assessments of suppliers for social impacts can include the topics covered in other GRI Topic Standards (e.g., *GRI 401: Employment 2016*, *GRI 403: Occupational Health and Safety 2018*, *GRI 408: Child Labor 2016*, *GRI 409: Forced or Compulsory Labor 2016*).

Negative impacts can include those that are either caused or contributed to by an organization, or that are directly linked to its operations, products, or services by its relationship with a supplier.

Assessments can be informed by audits, contractual reviews, two-way engagement, and complaint and grievance mechanisms.

Actions taken to address social impacts can include changing an organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships.

Assessments and audits of suppliers and their products and services using social criteria can be undertaken by an organization, by a second party, or by a third party.

2. Topic disclosures

Disclosure 414-1 New suppliers that were screened using social criteria

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of new suppliers that were screened using social criteria.

GUIDANCE

Guidance for Disclosure 414-1

Social criteria can include the topics covered in other GRI Topic Standards (e.g., *GRI 401: Employment 2016*, *GRI 403: Occupational Health and Safety 2018*, *GRI 408: Child Labor 2016*, *GRI 409: Forced or Compulsory Labor 2016*).

Background

This disclosure informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for social impacts.

An organization is expected to initiate due diligence as early as possible in the development of a new relationship with a supplier.

Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.

Disclosure 414-2 Negative social impacts in the supply chain and actions taken

REQUIREMENTS

The reporting organization shall report the following information:

a. Number of suppliers assessed for social impacts.

b. Number of suppliers identified as having significant actual and potential negative social impacts.

c. Significant actual and potential negative social impacts identified in the supply chain.

d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.

e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

RECOMMENDATIONS

2.1 When compiling the information specified in Disclosure 414-2, the reporting organization should, where it provides appropriate context on significant impacts, provide a breakdown of the information by:

2.1.1 the location of the supplier;
2.1.2 the significant actual and potential negative social impact.

GUIDANCE

Guidance for Disclosure 414-2
Negative impacts include those that are either caused or contributed to by an organization, or that are directly linked to its operations, products, or services by its relationship with a supplier.

Assessments for social impacts can include the topics covered in other GRI Topic Standards (e.g., *GRI 401: Employment 2016*, *GRI 403: Occupational Health and Safety 2018*, *GRI 408: Child Labor 2016*, *GRI 409: Forced or Compulsory Labor 2016*).

Assessments can be made against agreed performance expectations that are set and communicated to the suppliers prior to the assessment.

Assessments can be informed by audits, contractual reviews, two-way engagement, and complaint and grievance mechanisms.

Improvements can include changing an organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Background
This disclosure informs stakeholders about an organization's awareness of significant actual and potential negative social impacts in the supply chain.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

employee
individual who is in an employment relationship with the organization according to national law or practice

grievance
perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supplier screening
formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
2. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
3. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

Additional references:

4. United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.
5. United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*, 2010.

GRI 415: Public Policy 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

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Content

Introduction

GRI 415: Public Policy 2016 contains disclosures for organizations to report information about their public policy-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its public policy-related impacts.
- Section 2 contains two disclosures, which provides information about the organization's public policy-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of public policy. This includes an organization's participation in the development of public policy, through activities such as lobbying and making financial or in-kind contributions to political parties, politicians, or causes.

While an organization can positively support the public political process and encourage the development of public policy that benefits society at large, this can also bring risks associated with corruption, bribery, and undue influence, among others.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

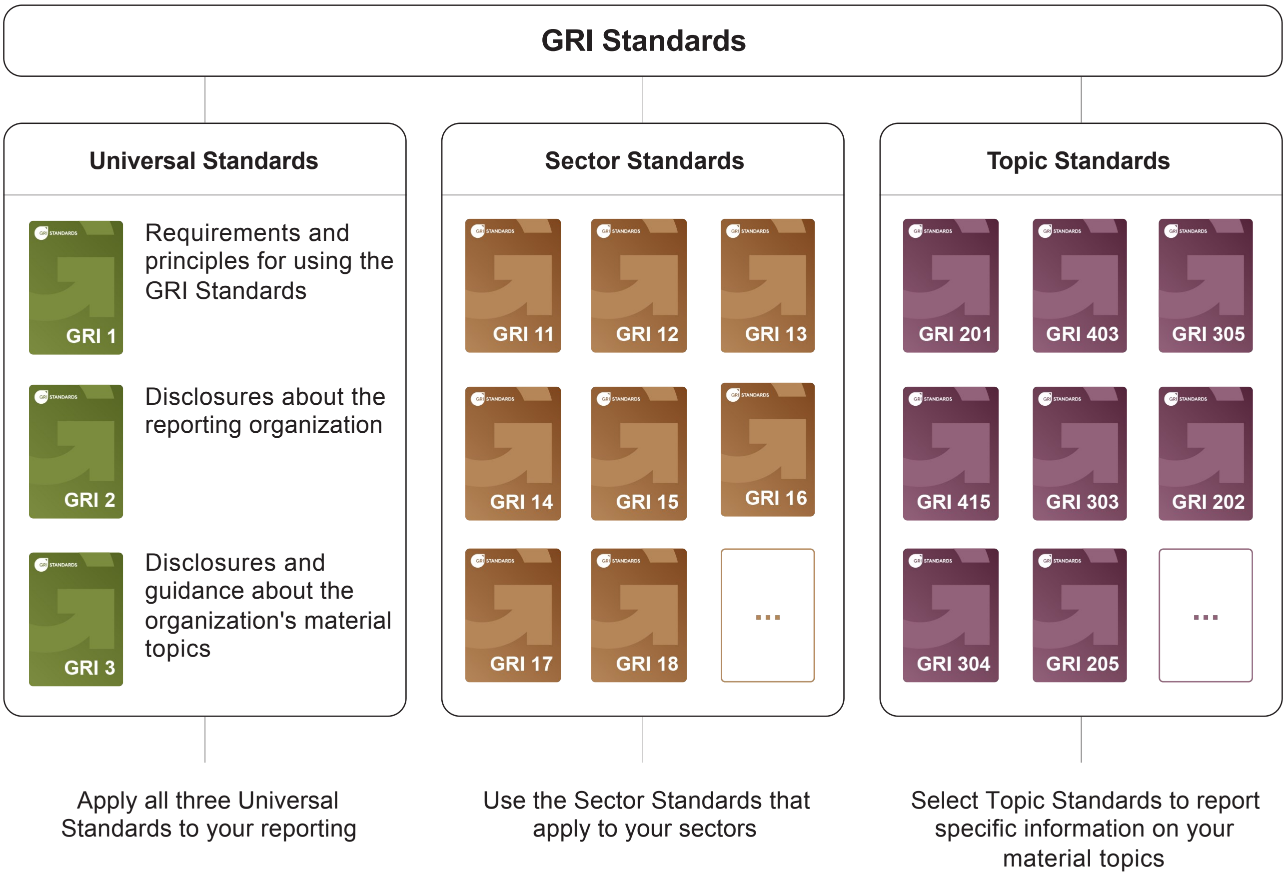
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its public policy-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined public policy to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's public policy-related impacts (Disclosure 415-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined public policy to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3.*

REQUIREMENTS

1.1 The reporting organization shall report how it manages public policy using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

RECOMMENDATIONS

1.2 The reporting organization should report:

1.2.1 the significant issues that are the focus of its participation in public policy development and lobbying;

1.2.2 its stance on these issues, and any differences between its lobbying positions and any stated policies, goals, or other public positions.

2. Topic disclosures

Disclosure 415-1 Political contributions

REQUIREMENTS

The reporting organization shall report the following information:

a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.

b. If applicable, how the monetary value of in-kind contributions was estimated.

Compilation requirements

2.1 When compiling the information specified in Disclosure 415-1, the reporting organization shall calculate financial political contributions in compliance with national accounting rules, where these exist.

GUIDANCE

Background

The purpose of this disclosure is to identify an organization's support for political causes.

This disclosure can provide an indication of the extent to which an organization's political contributions are in line with its stated policies, goals, or other public positions.

Direct or indirect contributions to political causes can also present corruption risks, because they can be used to exert undue influence on the political process. Many countries have legislation that limits the amount an organization can spend on political parties and candidates for campaigning purposes. If an organization channels contributions indirectly through intermediaries, such as lobbyists or organizations linked to political causes, it can improperly circumvent such legislation.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

indirect political contribution
financial or in-kind support to political parties, their representatives, or candidates for office made through an intermediary organization such as a lobbyist or charity, or support given to an organization such as a think tank or trade association linked to or supporting particular political parties or causes

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

political contribution
financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office

Note 1: Financial contributions can include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events.

Note 2: In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms ‘sustainability’ and ‘sustainable development’ are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
2. Organisation for Economic Co-operation and Development (OECD) Principles, 'G20/OECD Principles of Corporate Governance', 2015.
3. Organisation for Economic Co-operation and Development (OECD) Recommendation, 'Recommendation of the Council on Principles for Transparency and Integrity in Lobbying', 2010.

GRI 416: Customer Health and Safety 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Supervisory Board, Management Board, and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Supervisory Board, Management Board, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 416: Customer Health and Safety 2016 contains disclosures for organizations to report information about their impacts related to customer health and safety, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its impacts related to customer health and safety.
- Section 2 contains two disclosures, which provide information about the organization's impacts related to customer health and safety.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of customer health and safety, including an organization's systematic efforts to address health and safety across the life cycle of a product or service, and its adherence to customer health and safety regulations and voluntary codes.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

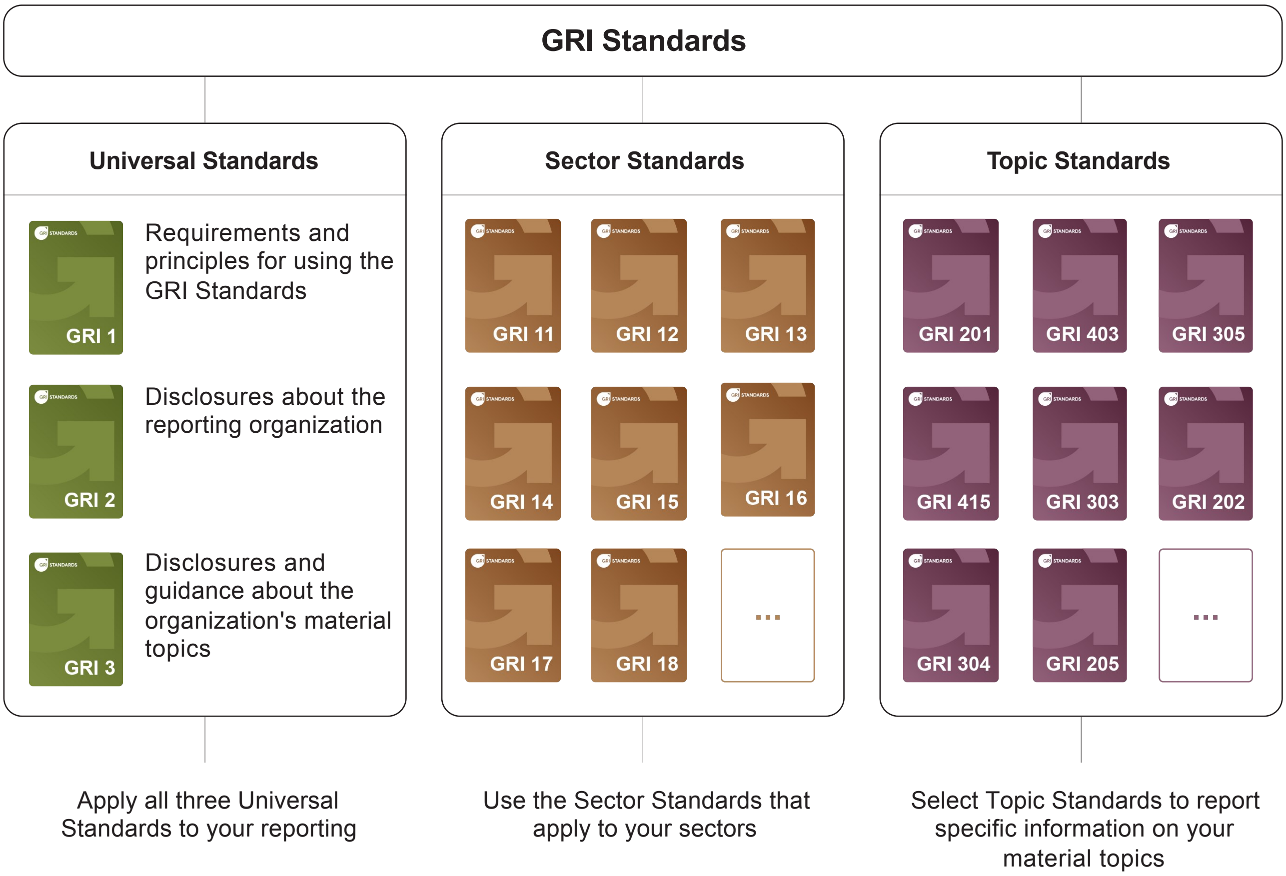
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to customer health and safety. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 417: Marketing and Labeling 2016*.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined customer health and safety to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's impacts related to customer health and safety (Disclosure 416-1 through Disclosure 416-2).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined customer health and safety to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages customer health and safety using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

GUIDANCE

The reporting organization can also disclose whether the health and safety impacts of products and services are assessed for improvement in each of the following life cycle stages:

- Development of product concept
- Research and development
- Certification
- Manufacturing and production
- Marketing and promotion
- Storage, distribution, and supply
- Use and service
- Disposal, reuse, or recycling

2. Topic disclosures

Disclosure 416-1 Assessment of the health and safety impacts of product and service categories

REQUIREMENTS

The reporting organization shall report the following information:

a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

GUIDANCE

Guidance for Disclosure 416-1

This measure helps to identify the existence and range of systematic efforts to address health and safety across the life cycle of a product or service. In reporting the information in Disclosure 416-1, the reporting organization can also describe the criteria used for the assessment.

Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:

i. incidents of non-compliance with regulations resulting in a fine or penalty;
ii. incidents of non-compliance with regulations resulting in a warning;
iii. incidents of non-compliance with voluntary codes.

b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

Compilation requirements

2.1 When compiling the information specified in Disclosure 416-2, the reporting organization shall:

2.1.1 exclude incidents of non-compliance in which the organization was determined not to be at fault;
2.1.2 exclude incidents of non-compliance related to Incidents related to labeling are reported in Disclosure 417-2 of *GRI 417: Marketing and Labelling 2016*;
2.1.3 if applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

GUIDANCE

Guidance for Disclosure 416-2
The incidents of non-compliance that occur within the reporting period can relate to incidents formally resolved during the reporting period, whether they occurred in periods prior to the reporting period or not.

Background
Protection of health and safety is a recognized goal of many national and international regulations. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. Customers have a right to non-hazardous products. Where their health and safety is affected, customers also have the right to seek redress.

This disclosure addresses the life cycle of the product or service once it is available for use, and therefore subject to regulations and voluntary codes concerning the health and safety of products and services.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

product or service category
group of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

GRI 417: Marketing and Labeling 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

ISBN 978-90-8866-128-0

Content

Introduction

GRI 417: Marketing and Labeling 2016 contains disclosures for organizations to report information about their impacts related to marketing and labeling, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains a requirement, which provides information about how the organization manages its marketing and labeling-related impacts.
- Section 2 contains three disclosures, which provide information about the organization's marketing and labeling-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of product and service information and labeling and marketing communications. This includes customer access to accurate and adequate information on the positive and negative economic, environmental, and social impacts of the products and services they consume – both from a product and service labeling and a marketing communications perspective.

Fair and responsible marketing communications, as well as access to information about the composition of products, and their proper use and disposal, can help customers to make informed choices.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

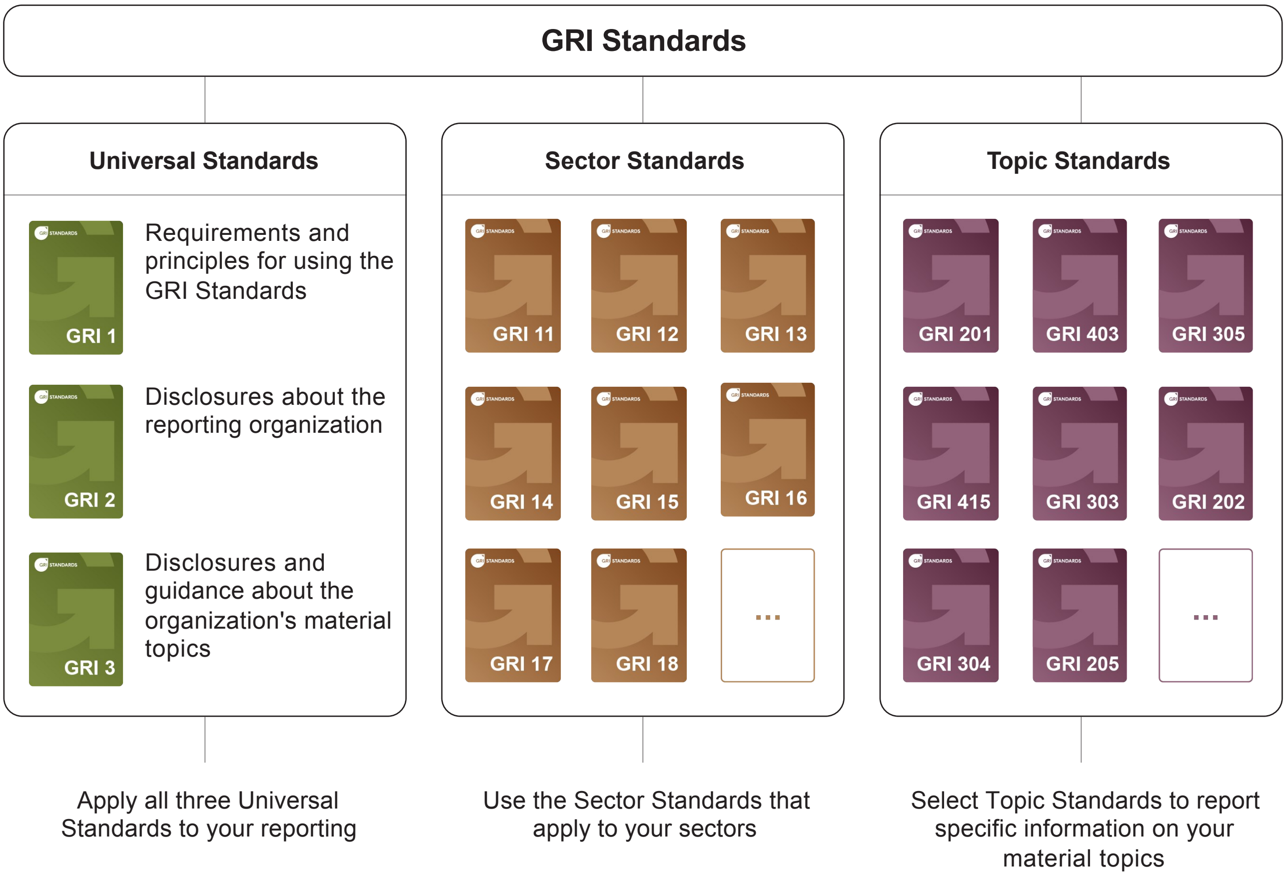
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to marketing and labeling.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined marketing and labeling to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization’s marketing and labeling-related impacts (Disclosure 417-1 through Disclosure 417-3).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms

The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined marketing and labeling to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages marketing and labeling using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 417-1 Requirements for product and service information and labeling

REQUIREMENTS

The reporting organization shall report the following information:

a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:

i. The sourcing of components of the product or service;
ii. Content, particularly with regard to substances that might produce an environmental or social impact;
iii. Safe use of the product or service;
iv. Disposal of the product and environmental or social impacts;
v. Other (explain).

b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.

GUIDANCE

Background
Customers and end users need accessible and adequate information about the positive and negative environmental and social impacts of products and services. This can include information on the safe use of a product or service, the disposal of the product, or the sourcing of its components. Access to this information helps customers to make informed purchasing choices.

Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:

i. incidents of non-compliance with regulations resulting in a fine or penalty;
ii. incidents of non-compliance with regulations resulting in a warning;
iii. incidents of non-compliance with voluntary codes.

b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

Compilation requirements

2.1 When compiling the information specified in Disclosure 417-2, the reporting organization shall:

2.1.1 exclude incidents of non-compliance in which the organization was determined not to be at fault;
2.1.2 if applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

GUIDANCE

Guidance for Disclosure 417-2
The incidents of non-compliance that occur within the reporting period can relate to incidents formally resolved during the reporting period, whether they occurred in periods prior to the reporting period or not.

Background
Providing appropriate information and labeling with respect to economic, environmental, and social impacts can be linked to compliance with certain types of regulations, laws, and codes. It is, for example, linked to compliance with regulations, national laws, and the Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises*. It is also potentially linked to compliance with strategies for brand and market differentiation.

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance can indicate either inadequate internal management systems and procedures or ineffective implementation. The trends revealed by this disclosure can indicate improvements or a deterioration in the effectiveness of internal controls.

Disclosure 417-3 Incidents of non-compliance concerning marketing communications

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:

   i. incidents of non-compliance with regulations resulting in a fine or penalty;
   ii. incidents of non-compliance with regulations resulting in a warning;
   iii. incidents of non-compliance with voluntary codes.

b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

Compilation requirements

2.2 When compiling the information specified in Disclosure 417-3, the reporting organization shall:

   2.2.1 exclude incidents of non-compliance in which the organization was determined not to be at fault;
   2.2.2 if applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

GUIDANCE

Guidance for Disclosure 417-3
The incidents of non-compliance that occur within the reporting period can relate to incidents formally resolved during the reporting period, whether they occurred in periods prior to the reporting period or not.

Background
Marketing is an important method of communication between organizations and customers, and is subject to many regulations, laws, and voluntary codes, such as the International Chamber of Commerce (ICC)'s *Consolidated Code of Advertising and Marketing Communication Practice*.

An organization is expected to use fair and responsible practices in its business and dealings with customers. Fair and responsible marketing requires the organization to communicate transparently about the economic, environmental, and social impacts of its brands, products, and services. Fair and responsible marketing also avoids any deceptive, untruthful, or discriminatory claims, and does not take advantage of a customers' lack of knowledge or choices.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

marketing communication
combination of strategies, systems, methods, and activities used by the organization to promote its reputation, brands, products, and services to target audiences

Examples: advertising, personal selling, promotion, public relations, social media, sponsorship

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

product and service information and labeling
information and labeling are used synonymously, and describe communication delivered with the product or service, describing its characteristics

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Additional references:

2. International Chamber of Commerce (ICC), *Consolidated Code of Advertising and Marketing Communication Practice*, 2011.

GRI 418: Customer Privacy 2016

Topic Standard

Effective Date
This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility
This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process
This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability
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Content

Introduction

GRI 418: Customer Privacy 2016 contains disclosures for organizations to report information about their impacts related to customer privacy, and how they manage these impacts.

The Standard is structured as follows:
- Section 1 contains a requirement, which provides information about how the organization manages its customer privacy-related impacts.
- Section 2 contains one disclosure, which provides information about the organization's customer privacy-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of customer privacy, including losses of customer data and breaches of customer privacy. These can result from non-compliance with existing laws, regulations and/or other voluntary standards regarding the protection of customer privacy.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see the Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

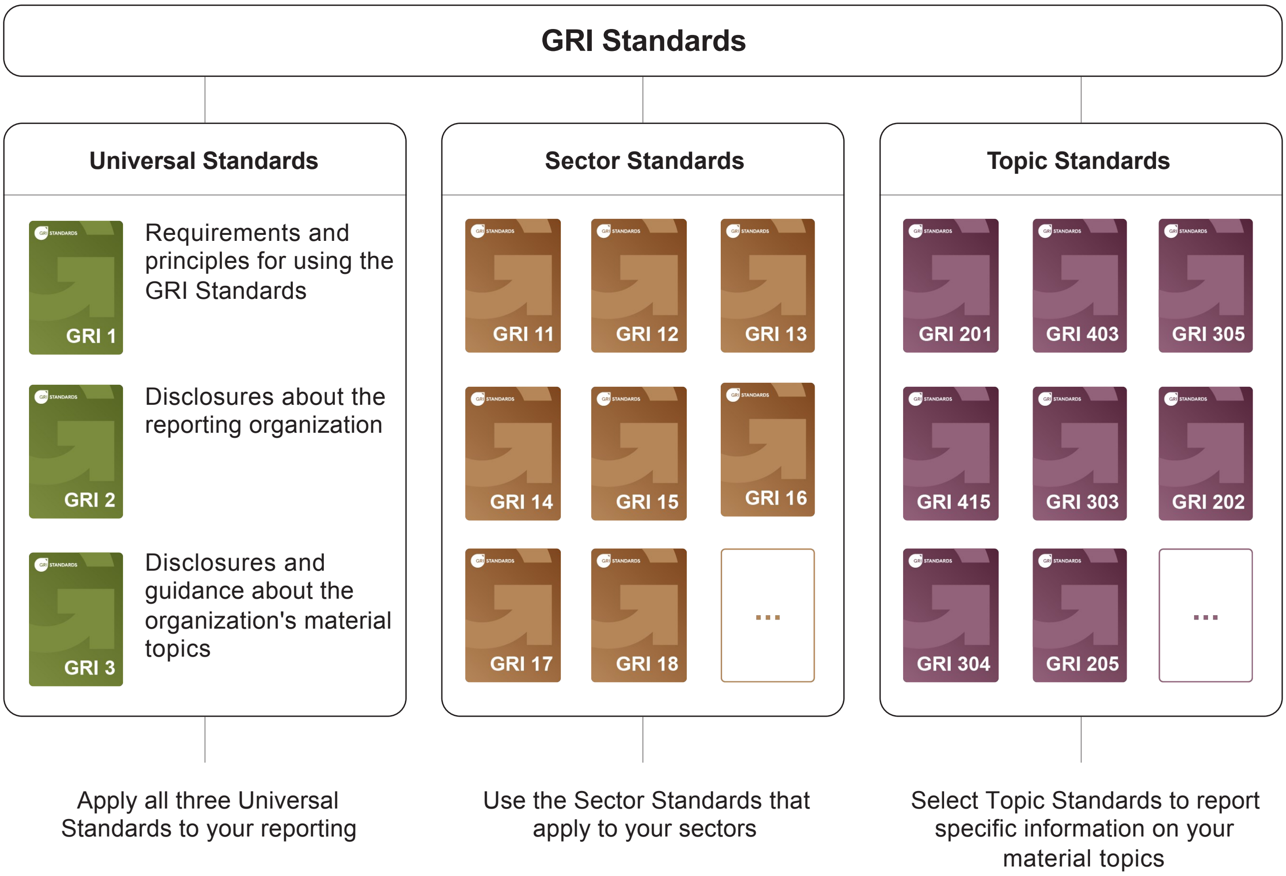
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to customer privacy.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined customer privacy to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization’s customer privacy-related impacts (Disclosure 418-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1: Foundation 2021* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms
The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word ‘should’ indicates a recommendation, and the word ‘can’ indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined customer privacy to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

REQUIREMENTS

1.1 The reporting organization shall report how it manages customer privacy using Disclosure 3-3 in *GRI 3: Material Topics 2021*.

2. Topic disclosures

Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

REQUIREMENTS

The reporting organization shall report the following information:

a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:

i. complaints received from outside parties and substantiated by the organization;
ii. complaints from regulatory bodies.

b. Total number of identified leaks, thefts, or losses of customer data.

c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.

Compilation requirements

2.1 When compiling the information specified in Disclosure 418-1, the reporting organization shall indicate if a substantial number of these breaches relate to events in preceding years.

GUIDANCE

Background

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. As set out in the Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises*, organizations are expected to ‘respect consumer privacy and take reasonable measures to ensure the security of personal data that they collect, store, process or disseminate’.

To protect customer privacy, an organization is expected to limit its collection of personal data, to collect data by lawful means, and to be transparent about how data are gathered, used, and secured. The organization is also expected to not disclose or use personal customer information for any purposes other than those agreed upon, and to communicate any changes in data protection policies or measures to customers directly.

This disclosure provides an evaluation of the success of management systems and procedures relating to customer privacy protection.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

breach of customer privacy
non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy

customer privacy
right of the customer to privacy and personal refuge

Examples: the obligation to observe confidentiality; the protection of data; the protection of information or data from misuse or theft; the use of information or data for their original intended purpose only, unless specifically agreed otherwise

Note: Customers are understood to include end-customers (consumers) as well as business-to-business customers.

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

substantiated complaint
written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms ‘sustainability’ and ‘sustainable development’ are used interchangeably in the GRI Standards.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

GRI Standards Glossary

The terms and definitions in the GRI Standards Glossary apply in the context of using the GRI Sustainability Reporting Standards (GRI Standards). All defined terms are underlined. If a term is not defined in the GRI Standards Glossary, or in the Glossary section of a specific GRI Standard, definitions that are commonly used and understood apply.

Responsibility
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Content

Glossary

anti-competitive behavior
action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

Examples: allocating customers, suppliers, geographic areas, and product lines; coordinating bids; creating market or output restrictions; fixing prices; imposing geographic quotas

anti-trust and monopoly practice
action of the organization that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition

Examples: abuse of market position, anti-competitive mergers, cartels, price-fixing, unfair business practices

area of high biodiversity value
area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

area protected
area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

area restored
area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

base year
historical datum (such as year) against which a measurement is tracked over time

baseline
starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

basic salary
fixed, minimum amount paid to an employee for performing his or her duties

Note: Basic salary excludes any additional remuneration, such as payments for overtime working or bonuses.

benefit
direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

biogenic carbon dioxide (CO2) emission
emission of CO_2 from the combustion or biodegradation of biomass

breach of customer privacy
non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy

business partner
entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships
relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

carbon dioxide (CO2) equivalent
measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

Note: The CO_2 equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

catchment
area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

CFC11 (trichlorofluoromethane) equivalent
measure used to compare various substances based on their relative ozone depletion potential (ODP)

Note: The reference level of 1 is the potential of CFC-11 (trichlorofluoromethane) and CFC-12 (dichlorodifluoromethane) to cause ozone depletion.

child
person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

circularity measures
measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

close call
work-related incident where no injury or ill health occurs, but which has the potential to cause these

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: A ‘close call’ might also be referred to as a ‘near-miss’ or ‘near-hit’.

collective action to combat corruption
voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture, in order to combat corruption

Examples: proactive collaboration with civil society organizations, governments and the wider public sector, peers, trade unions

collective bargaining
all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Source: International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154); modified

community development program
plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

commuting incident
incident that occurs when the worker is traveling between a place of private activity (e.g., residence, restaurant) and a place of work or workplace

Note: Modes of travel include motor vehicles (e.g., motorcycles, cars, trucks, buses), railed vehicles (e.g., trains, trams), bicycles, aircrafts, and walking, among others.

confirmed incident of corruption
incident of corruption that has been found to be substantiated

Note: Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.

conflict of interest
situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities

conservation and efficiency initiative
organizational or technological modification that allows a defined process or task to be carried out using less energy

Examples: conversion and retrofitting of equipment such as energy-efficient lighting, elimination of unnecessary energy use due to changes in behavior, process redesign

continued employability
adaptation to the changing demands of the workplace through the acquisition of new skills

corruption
'abuse of entrusted power for private gain', which can be instigated by individuals or organizations

Source: Transparency International, *Business Principles for Countering Bribery*, 2011

Note: Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

customer privacy
right of the customer to privacy and personal refuge

Examples: the obligation to observe confidentiality; the protection of data; the protection of information or data from misuse or theft; the use of information or data for their original intended purpose only, unless specifically agreed otherwise

Note: Customers are understood to include end-customers (consumers) as well as business-to-business customers.

defined benefit plan
post-employment benefit plan other than a defined contribution plan

defined contribution plan
post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods

direct (Scope 1) GHG emissions
greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

Examples: CO_2 emissions from fuel consumption

Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

discrimination
act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit

Note: Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

disposal
any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC)

Note: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

due diligence
process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified
United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See section 2.3 in *GRI 1: Foundation 2021* for more information on 'due diligence'.

effluent
treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

employee
individual who is in an employment relationship with the organization according to national law or practice

employee category
breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

employee turnover
employees who leave the organization voluntarily or due to dismissal, retirement, or death in service

energy indirect (Scope 2) GHG emissions
greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization

energy reduction
amount of energy no longer used or needed to carry out the same processes or tasks

Note: Energy reduction does not include overall reduction in energy consumption from reducing production capacity or outsourcing organizational activities.

entry level wage
full-time wage in the lowest employment category

Note: Intern or apprentice wages are not considered entry level wages.

environmental laws and regulations
laws and regulations related to all types of environmental issues applicable to the organization

Note 1: Environmental issues can include those such as emissions, effluents, and waste, as well as material use, energy, water, and biodiversity.

Note 2: Environmental laws and regulations can include binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation.

Note 3: Voluntary agreements can be applicable if the organization directly joins the agreement, or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

environmental protection expenditure
expenditure on environmental protection by the organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards

Examples: expenditures on clean-up, disposal, sanitation, treatment

exposure
quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

financial assistance
direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred

Note: The provider of financial assistance does not expect a direct financial return from the assistance offered.

forced or compulsory labor
all work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily

Source: International Labour Organization (ILO), *Forced Labour Convention*, 1930 (No. 29); modified

Note 1: The most extreme examples of forced or compulsory labor are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor.

Note 2: Indicators of forced labor include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

formal agreement
written document signed by all relevant parties declaring a mutual intention to abide by what is stipulated in the document

Examples: a local collective bargaining agreement, a national or international framework agreement

formal joint management–worker health and safety committee
committee composed of management and worker representatives, whose function is integrated into an organizational structure, and which operates according to agreed written policies, procedures, and rules, and helps facilitate worker participation and consultation on matters of occupational health and safety

freedom of association
right of employers and workers to form, to join and to run their own organizations without prior authorization or interference by the state or any other entity

freshwater
water with concentration of total dissolved solids equal to or below 1,000 mg/L

Source: Environmental management — Water footprint — Principles, requirements and guidelines. Geneva: ISO, 2014; modified
United States Geological Survey (USGS), Water Science Glossary of Terms, *water.usgs.gov/edu/dictionary.html*, accessed on 1 June 2018; modified
World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017; modified

full coverage
plan assets that meet or exceed plan obligations

full-time employee
employee whose working hours per week, month, or year are defined according to national law or practice regarding working time

global warming potential (GWP)
value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO_2 over a given period of time

Note: GWP values convert GHG emissions data for non-CO_2 gases into units of CO2 equivalent.

governance body
formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

greenhouse gas (GHG)
gas that contributes to the greenhouse effect by absorbing infrared radiation

greenhouse gas (GHG) trade
purchase, sale or transfer of greenhouse gas (GHG) emission offsets or allowances

grievance
perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

grievance mechanism
routinized process through which grievances can be raised and remedy can be sought

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater
water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

hazardous waste
waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

health promotion
process of enabling people to increase control over and improve their health

Source: World Health Organization (WHO), *Ottawa Charter for Health Promotion*, 1986

Note: The terms 'health promotion', 'wellbeing', and 'wellness' are often used interchangeably.

hierarchy of controls
systematic approach to enhance occupational health and safety, eliminate hazards, and minimize risks

Note 1: The hierarchy of controls seeks to protect workers by ranking the ways in which hazards can be controlled. Each control in the hierarchy is considered less effective than the one before it. The priority is to eliminate the hazard, which is the most effective way to control it.

Note 2: The International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems*, 2001 and ISO 45001:2018 list the following preventive and protective measures in the following order of priority:

- eliminate the hazard/risk;
- substitute the hazard/risk with less hazardous processes, operations, materials, or equipment;
- control the hazard/risk at source, through the use of engineering controls or organizational measures;
- minimize the hazard/risk by the design of safe work systems, which include administrative control measures;
- where residual hazards/risks cannot be controlled by collective measures, provide for appropriate personal protective equipment, including clothing, at no cost, and implement measures to ensure its use and maintenance.

high-consequence work-related injury
work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months

highest governance body
governance body with the highest authority in the organization

Note: In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body.

high-potential work-related incident
work-related incident with a high probability of causing a high-consequence injury

Examples: incidents involving explosions, malfunctioning equipment, vehicle collisions with a high probability of causing a high-consequence injury

human rights
rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact
effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

incineration
controlled burning of waste at high temperatures

Source: United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997

Note: Incineration of waste can be carried out with or without energy recovery. Incineration with energy recovery is also known as waste to energy. In the context of waste reporting, incineration with energy recovery is considered a disposal operation.

indicator of diversity
indicator of diversity for which the organization gathers data

Examples: age, ancestry and ethnic origin, citizenship, creed, disability, gender

indigenous peoples
Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989 (No. 169)

indirect political contribution
financial or in-kind support to political parties, their representatives, or candidates for office made through an intermediary organization such as a lobbyist or charity, or support given to an organization such as a think tank or trade association linked to or supporting particular political parties or causes

infrastructure
facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit

Examples: hospitals, roads, schools, water supply facilities

landfilling
final depositing of solid waste at, below, or above ground level at engineered disposal sites

Source: United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997

Note: In the context of waste reporting, landfilling refers to depositing of solid waste in sanitary landfills, and excludes uncontrolled waste disposal such as open burning and dumping.

local community
individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities

Note: The local community can range from those living adjacent to the organization's operations to those living at a distance.

local minimum wage
minimum compensation for employment per hour, or other unit of time, allowed under law

Note: Some countries have numerous minimum wages, such as by state or province or by employment category.

local supplier
organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no transnational payments are made to a local supplier)

Note: The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.

marketing communication
combination of strategies, systems, methods, and activities used by the organization to promote its reputation, brands, products, and services to target audiences

Examples: advertising, personal selling, promotion, public relations, social media, sponsorship

material topics
topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

mitigation
action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

non-guaranteed hours employee
employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required

Source: ShareAction, *Workforce Disclosure Initiative Survey Guidance Document*, 2020; modified

Examples: casual employees, employees with zero-hour contracts, on-call employees

non-renewable energy source
energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes

Examples: coal; fuels distilled from petroleum or crude oil, such as gasoline, diesel fuel, jet fuel, and heating oil; fuels extracted from natural gas processing and petroleum refining, such as butane, propane, and liquefied petroleum gas (LPG); natural gas, such as compressed natural gas (CNG), and liquefied natural gas (LNG); nuclear power

non-renewable material
resource that does not renew in short time periods

Examples: coal, gas, metals, minerals, oil

occupational health and safety management system
set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001

occupational health and safety risk
combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018

occupational health services
services entrusted with essentially preventive functions, and responsible for advising the employer, the workers, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, which will facilitate optimal physical and mental health in relation to work and the adaptation of work to the capabilities of workers in the light of their state of physical and mental health

Source: International Labour Organization (ILO), *Occupational Health Services Convention*, 1985 (No. 161)

Examples: advice on ergonomics, and on individual and collective protective equipment; advice on occupational health, safety, and hygiene; organization of first aid and emergency treatment; promotion of the adaptation of work to the worker; surveillance of factors in the work environment, including any sanitary installations, canteens, and housing provided to workers, or in work practices, which might affect workers' health; surveillance of workers' health in relation to work

operation with significant actual or potential negative impacts on local communities
operation, considered alone or in combination with the characteristics of local communities, that has a higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental well-being of local communities

Note: Examples of negative impacts on local communities can include impacts to local community health and safety.

other indirect (Scope 3) GHG emissions
indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

ozone-depleting substance (ODS)
substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer

Note: Most ODS are controlled under the United Nations Environment Programme (UNEP), *Montreal Protocol on Substances that Deplete the Ozone Layer*, 1987, and its amendments, and include chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons, and methyl bromide.

parental leave
leave granted to men and women employees on the grounds of the birth of a child

part-time employee
employee whose working hours per week, month, or year are less than the number of working hours for full-time employees

permanent employee
employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or part-time work

political contribution
financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office

Note 1: Financial contributions can include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events.

Note 2: In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.

preparation for reuse
checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Source: European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC); modified

produced water
water that enters the organization's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organization

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

product and service information and labeling
information and labeling are used synonymously, and describe communication delivered with the product or service, describing its characteristics

product or service category
group of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market

protected area
geographic area that is designated, regulated, or managed to achieve specific conservation objectives

reclaimed
refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives

Note 1: Collection and treatment can be carried out by the manufacturer of the product or by a contractor.

Note 2: Reclaimed items can include products and their packaging materials that are collected by or on behalf of the organization; separated into raw materials (such as steel, glass, paper, some kinds of plastic) or components; and/or used by the organization or other users.

recordable work-related injury or ill health
work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness

Source: United States Occupational Safety and Health Administration (OSHA), *General recording criteria 1904.7,* https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9638, accessed on 1 June 2018; modified

recovery
operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

Examples: preparation for reuse, recycling

Note: In the context of waste reporting, recovery operations do not include energy recovery.

recycled input material
material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organization

recycling
reprocessing of products or components of products that have become waste, to make new materials

Sources: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989; modified

reduction of greenhouse gas (GHG) emissions
decrease in greenhouse gas (GHG) emissions or increase in removal or storage of GHG from the atmosphere, relative to baseline emissions

Note: Primary effects will result in GHG reductions, as will some secondary effects. An initiative's total GHG reductions are quantified as the sum of its associated primary effect(s) and any significant secondary effects (which may involve decreases or countervailing increases in GHG emissions).

regular performance and career development review
review based on criteria known to the employee and his or her superior

Note 1: The review is undertaken with the knowledge of the employee at least once per year.

Note 2: The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.

remedy / remediation
means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

remuneration
basic salary plus additional amounts paid to a worker

Note: Examples of additional amounts paid to a worker can include those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances, such as transportation, living and childcare allowances.

renewable energy source
energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

Examples: biomass, geothermal, hydro, solar, wind

renewable material
material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation

Source: European Environment Information and Observation Network (EIONET), *GEMET Thesaurus – Renewable Raw Material*, http://www.eionet.europa.eu/gemet/concept?ns=1&cp=7084, accessed on 1 September 2016; modified
Organisation for Economic Co-operation and Development (OECD), *Resource Productivity in the G8 and the OECD – A report in the Framework of the Kobe 3R Action Plan*, http://www.oecd.org/env/waste/47944428.pdf, accessed on 1 September 2016; modified
United Nations (UN), European Commission (EC), International Monetary Fund (IMF), Organisation for Economic and Co-operation and Development (OECD), and World Bank, *Integrated Environmental and Economic Accounting – Handbook of National Accounting*, 2003; modified

reporting period
specific time period covered by the reported information

Examples: fiscal year, calendar year

runoff
part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO), *UNESCO International Glossary of Hydrology*, 2012; modified

scope of GHG emissions
classification of the operational boundaries where greenhouse gas (GHG) emissions occur

Note 1: Scope classifies whether GHG emissions are created by the organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.

Note 2: There are three classifications of Scope: Scope 1, Scope 2 and Scope 3.

Note 3: The classification of Scope derives from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), *GHG Protocol Corporate Accounting and Reporting Standard,* Revised Edition, 2004.

seawater
water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

security personnel
individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

senior executive
high-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body

services supported
services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organization's own employees

Note: Public benefit can also include public services.

severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified
United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

significant air emission
air emission regulated under international conventions and/or national laws or regulations

Note: Significant air emissions include those listed on environmental permits for the organization's operations.

significant impact on biodiversity
impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained

Note 1: On a species level, a significant impact causes a population decline or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations.

Note 2: A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

significant operational change
alteration to the organization's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organization's activities

Examples: closures, expansions, mergers, new openings, outsourcing of operations, restructuring, sale of all or part of the organization, takeovers

significant spill
spill that is included in the organization's financial statements, for example due to resulting liabilities, or is recorded as a spill by the organization

spill
accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater

stakeholder
individual or group that has an interest that is affected or could be affected by the organization's activities

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

standard benefit
benefit typically offered to the majority of full-time employees

Note: Standard benefits do not need to be offered to every single full-time employee of the organization. The intention of reporting on standard benefits is to disclose what full-time employees can reasonably expect.

substantiated complaint
written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization

supplier
entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supplier screening
formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier

supply chain
range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

surface water
water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

tax jurisdiction
country or territory with autonomous taxing powers similar to a country

Note 1: Territories with autonomous taxing powers similar to a country are those that have a level of autonomy such that they can participate in the Organisation for Economic Co-operation and Development (OECD) and Council of Europe's The Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Examples of such territories include Bermuda, Hong Kong, and Jersey.

Note 2: The definition for tax jurisdiction includes those countries or territories that choose not to exercise their fiscal autonomy to charge taxes.

temporary employee
employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)

third-party water
municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

under-represented social group
group of individuals who are less represented within a subset (e.g., a body or committee, employees of an organization) relative to their numbers in the general population, and who therefore have less opportunity to express their economic, social, or political needs and views

Note 1: Under-represented social groups may include minority groups.

Note 2: The groups included under this definition depend on the organization's operating context and are not uniform for every organization.

value chain
range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group
group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; 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 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste
anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

waste disposal method
method by which waste is treated or disposed of

Examples: composting, deep well injection, incineration, landfill, on-site storage, recovery, recycling, reuse

water consumption
sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water discharge
sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stewardship
use of water that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Good water stewards understand their own water use; catchment context; and shared risk in terms of water governance, water balance, and water quality; and engage in meaningful individual and collective actions that benefit people and nature. Further:

- Socially equitable water use recognizes and implements the human right to water and sanitation and helps ensure human wellbeing and equity;
- Environmentally sustainable water use maintains or improves biodiversity and ecological and hydrological processes at the catchment level;
- Economically beneficial water use contributes to long-term efficiency, and development and poverty alleviation for water users, local communities, and society at large.

water storage
water held in water storage facilities or reservoirs

water stress
ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal
sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker
person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

worker consultation
seeking of workers' views before making a decision

Note 1: Worker consultation might be carried out through workers' representatives.

Note 2: Consultation is a formal process, whereby management takes the views of workers into account when making a decision. Therefore, consultation needs to take place before the decision is made. It is essential to provide timely information to workers or their representatives in order for them to provide meaningful and effective input before decisions are made. Genuine consultation involves dialogue.

Note 3: Worker participation and worker consultation are two distinct terms with specific meanings. See definition of 'worker participation'.

worker participation
workers' involvement in decision-making

Note 1: Worker participation might be carried out through workers' representatives.

Note 2: Worker participation and worker consultation are two distinct terms with specific meanings. See definition of 'worker consultation'.

worker representative
person who is recognized as such under national law or practice, whether they are:

- a trade union representative, namely, a representative designated or elected by trade unions or by members of such unions; or
- an elected representative, namely, a representative who is freely elected by the workers of the undertaking in accordance with provisions of national laws, regulations, or collective agreements, whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned.

Source: International Labour Organization (ILO), *Workers' Representatives Convention*, 1971 (No. 135)

work-related hazard
source or situation with the potential to cause injury or ill health

Source: International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems,* 2001; modified
International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note: Hazards can be:

- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

work-related incident
occurrence arising out of or in the course of work that could or does result in injury or ill health

Source: International Organization for Standardization. ISO 45001:2018. *Occupational health and safety management systems — Requirements with guidance for use.* Geneva: ISO, 2018; modified

Note 1: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 2: An incident that results in injury or ill health is often referred to as an 'accident'. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near-miss', or 'near-hit'.

work-related injury or ill health
negative impacts on health arising from exposure to hazards at work

Source: International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001; modified

Note 1: 'Ill health' indicates damage to health and includes diseases, illnesses, and disorders. The terms 'disease', 'illness', and 'disorder' are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 2: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 3: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities 'in the interest of the employer'. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining 'work-relatedness', see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/ oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 4: The terms 'occupational' and 'work-related' are often used interchangeably.

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