

**GRI 407: FREEDOM OF ASSOCIATION  
AND COLLECTIVE BARGAINING**  
2016

**GRI**  
**407**

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## About this Standard

<b>Responsibility</b>	This Standard is issued by the <a href="#">Global Sustainability Standards Board (GSSB)</a> . Any feedback on the GRI Standards can be submitted to <a href="mailto:standards@globalreporting.org">standards@globalreporting.org</a> for the consideration of the GSSB.
<b>Scope</b>	<i>GRI 407: Freedom of Association and Collective Bargaining</i> sets out reporting requirements on the topic of freedom of association and collective bargaining. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
<b>Normative references</b>	This Standard is to be used together with the most recent versions of the following documents. <a href="#">GRI 101: Foundation</a> <a href="#">GRI 103: Management Approach</a> <a href="#">GRI Standards Glossary</a>  In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
<b>Effective date</b>	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

**Note:** This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

# Introduction

## A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). These Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at [www.globalreporting.org/standards/](http://www.globalreporting.org/standards/).

There are three universal Standards that apply to every organization preparing a sustainability report:

*GRI 101: Foundation*

*GRI 102: General Disclosures*

*GRI 103: Management Approach*

***GRI 101: Foundation is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.***

An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics. These Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics) and 400 (Social topics).

Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

***GRI 407: Freedom of Association and Collective Bargaining is a topic-specific GRI Standard in the 400 series (Social topics).***

## B. Using the GRI Standards and making claims

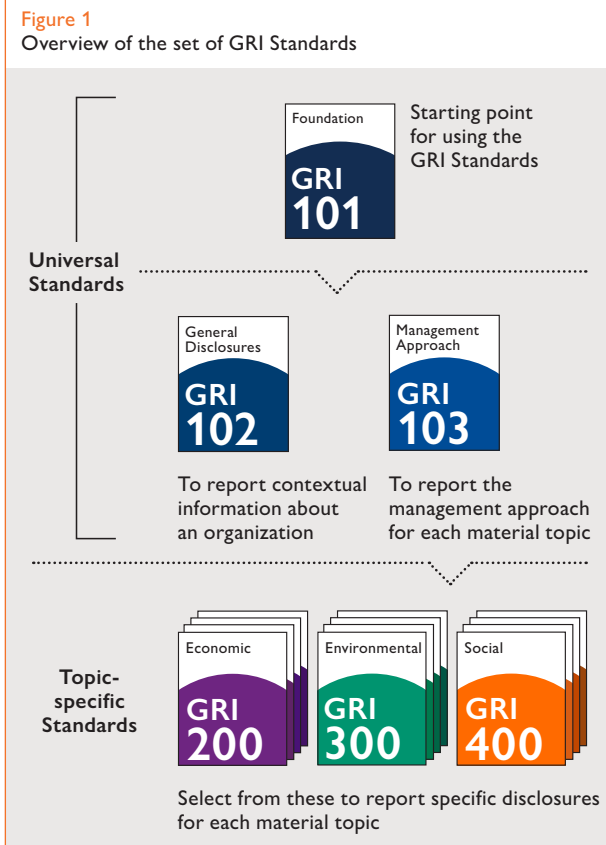
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 407: Freedom of Association and Collective Bargaining*, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

**See Section 3 of *GRI 101: Foundation* for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.**



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### C. Requirements, recommendations and guidance

The GRI Standards include:

**Requirements.** These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, an organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

**Recommendations.** These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

**Guidance.** These sections include background information, explanations and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

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### D. Background context

In the context of the GRI Standards, the social dimension of sustainability concerns an organization's impacts on the social systems within which it operates.

*GRI 407* 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 which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.<sup>1</sup>

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 [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to freedom of association and collective bargaining, and how it manages these impacts.

[Disclosure 102-41](#) in *GRI 102: General Disclosures* requires reporting on the percentage of total employees covered by collective bargaining agreements.

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<sup>1</sup> This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

# GRI 407: Freedom of Association and Collective Bargaining

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

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## 1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic, as well as reporting topic-specific disclosures for those topics.

Therefore, this topic-specific Standard is designed to be used together with *GRI 103: Management Approach* in order to provide full disclosure of the organization's impacts. *GRI 103* specifies how to report on the management approach and what information to provide.

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### Reporting requirements

- 1.1 The reporting organization shall report its management approach for freedom of association and collective bargaining using *GRI 103: Management Approach*.

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### Reporting 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-specific disclosures

### Disclosure 407-1

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

#### Reporting 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.

Disclosure  
407-1

#### 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 [References section](#)).

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 adverse 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 at the level of the organization; at the industry level, in countries where that is the practice; or at both. 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 includes definitions for terms used in this Standard, which apply when using this Standard. These definitions 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.

## collective bargaining

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

**Note 1:** Collective agreements can be at the level of the organization; at the industry level, in countries where that is the practice; or at both.

**Note 2:** Collective agreements can cover specific groups of workers; for example, those performing a specific activity or working at a specific location.

**Note 3:** This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

## due diligence

In the context of the GRI Standards, 'due diligence' refers to a process to identify, prevent, mitigate and account for how an organization addresses its actual and potential negative impacts.

**Note:** This definition is based on the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011, and the United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

## 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

## impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

**Note 1:** In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

**Note 2:** Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

## material topic

topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

**Note 1:** For more information on identifying a material topic, see the [Reporting Principles for defining report content](#) in *GRI 101: Foundation*.

**Note 2:** To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

**Note 3:** Material topics can include, but are not limited to, the topics covered by the GRI Standards in the 200, 300, and 400 series.

## supplier

organization or person that provides a product or service used in the supply chain of the reporting organization

**Note 1:** A supplier is further characterized by a genuine direct or indirect commercial relationship with the organization.

**Note 2:** Examples of suppliers can include, but are not limited to:

- Brokers: Persons or organizations that buy and sell products, services, or assets for others, including contracting agencies that supply labor.
- Consultants: Persons or organizations that provide expert advice and services on a legally recognized professional and commercial basis. Consultants are legally recognized as self-employed or are legally recognized as employees of another organization.
- Contractors: Persons or organizations working onsite or offsite on behalf of an organization. A contractor can contract their own workers directly, or contract sub-contractors or independent contractors.
- Distributors: Persons or organizations that supply products to others.
- Franchisees or licensees: Persons or organizations that are granted a franchise or license by the reporting organization. Franchises and licenses permit specified commercial activities, such as the production and sale of a product.
- Home workers: Persons at home or in other premises of their choice, other than the workplace of the employer, who perform work for remuneration and which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used.
- Independent contractors: Persons or organizations working for an organization, a contractor, or a sub-contractor.
- Manufacturers: Persons or organizations that make products for sale.
- Primary producers: Persons or organizations that grow, harvest, or extract raw materials.
- Sub-contractors: Persons or organizations working onsite or offsite on behalf of an organization that have a direct contractual relationship with a contractor or sub-contractor, but not necessarily with the organization. A sub-contractor can contract their own workers directly or contract independent contractors.
- Wholesalers: Persons or organizations that sell products in large quantities to be retailed by others.

## worker

person that performs work

**Note 1:** The term 'workers' includes, but is not limited to, employees.

**Note 2:** Further examples of workers include interns, apprentices, self-employed persons, and persons working for organizations other than the reporting organization, e.g., for suppliers.

**Note 3:** In the context of the GRI Standards, in some cases it is specified whether a particular subset of workers is to be used.



# References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

## Authoritative intergovernmental 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*,  [accessed on 1 September 2016.](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:20060:0::NO::;)
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:
  - United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.
  - United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
  - 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.

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