



GSSB Global
Sustainability
Standards Board

Barbara Strozziiaan 336
1083 HN Amsterdam
The Netherlands
info@gssb.globalreporting.org

Item 04 – Draft Project Proposal for the Review of GRI’s Human Rights-related Standards

For comments and feedback

Date 12 April 2017

Meeting 26 April 2017

Project Review of GRI’s Human Rights-related Standards

Description This paper sets out the draft project proposal for the review of GRI’s human rights-related Standards.
It is presented to the GSSB, the GRI Stakeholder Council and the GRI Board for input and comments – with the aim of bringing a final proposal to the GSSB for approval in May 2017.

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board’s discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information visit www.globalreporting.org.

About this paper

The Global Sustainability Standards Board (GSSB) has identified human rights as a priority area for reviewing the GRI Sustainability Reporting Standards in its [2017-2019 Work Program](#). This review would potentially encompass multiple Standards (i.e., *GRI 408: Child Labor*, *GRI 409: Forced or Compulsory Labor*, and *GRI 412: Human Rights Assessment*, amongst others), and could result in merging or restructuring the Standards.

This paper sets out the draft proposal for this review project, for comments and feedback from the GSSB, the GRI Stakeholder Council and GRI Board.

This draft project proposal incorporates initial feedback from the GSSB on a [discussion paper](#) prepared by the Standards Division, which was discussed during a public meeting on 22 March 2017.

Initial feedback included:

- expanding the scope of the project to explore the feasibility of applying key concepts of the UN Guiding Principles on Business and Human Rights ('due diligence', 'business relationships' and 'salience') to other areas of the Standards beyond just human rights
- carrying out consultation with reporting organizations to understand current reporting practices and reasons why organizations do not report on their human rights-related impacts

Input requested

Comments are invited on:

- The project **objectives and scope** outlined in this draft proposal, including the specific objectives to explore the feasibility of applying key concepts of the UN Guiding Principles to other areas of the Standards beyond just human rights, and to carry out consultation with reporters on human rights reporting practices.
- Any recommended **organizations or experts** which could be invited to join the ad hoc Technical Committee for Phase I of this project (see pages 5-6).

19 Project background

20 *Latest developments in the business and human rights field*

21 Since the last update of the GRI human rights-related disclosures in 2011, the United Nations
22 Guiding Principles on Business and Human rights – released that same year – have become the
23 authoritative global reference for preventing and addressing adverse impacts on human rights arising
24 from business-related activity. As a result, companies now have a better understanding of their
25 responsibilities vis-à-vis human rights, which they can consequently incorporate into their reporting
26 processes.¹

27 The widespread uptake of the Guiding Principles is evidenced by the many initiatives by a broad
28 array of actors that have been initiated in recent years. A UN Working Group on the issue of
29 human rights and transnational corporations and other business enterprises was established in 2011,
30 with the mandate to promote and contribute to the uptake and implementation of the Guiding
31 Principles, and has regularly reported on the uptake of the Principles.

32 In a May 2015 report, the Working Group noted that the greatest progress with regard to uptake of
33 the Principles had so far been the integration of key elements in global standards and initiatives
34 relating to responsible business conduct. Among the most notable frameworks with potential for
35 driving further progress, the Working Group reflected on the contributions of frameworks such as
36 the OECD Guidelines for Multinational Enterprises (as well as emerging, related guidance within the
37 OECD system), ISO 26000, GRI-G4, as well as sector-specific initiatives by industry bodies (e.g.,
38 ICMM and IPIECA) or involving the United Nations (e.g., the Global Compact and the UNEP Finance
39 Initiative).²

40 The last few years have also seen new business and human rights reporting frameworks and
41 initiatives emerge, such as the UN Guiding Principles Reporting Framework published in 2015 by
42 Shift and Mazars, or the Corporate Human Rights Benchmark pilot methodology launched in 2016 –
43 the results of which were published on 13 March 2017.^{3 4} The Danish Institute for Human Rights
44 also updated its Human Rights Compliance Assessment tool and indicators in 2016.⁵

45 An increasing number of States in different regions are also taking steps towards national action
46 plans on business and human rights. To date, 13 states have produced a national action plan to
47 implement the Guiding Principles, and 22 other states are in the process of developing one or have
48 committed to doing so.⁶ In 2016, GRI and the Danish Institute for Human Rights partnered to
49 promote sustainability reporting as part of governments' ongoing development and implementation
50 of national action plans on business and human rights.⁷

¹ http://www.un.org/en/ga/search/view_doc.asp?symbol=A/70/216 (paragraph I.A.2) and <https://www.globalreporting.org/information/news-and-press-center/Pages/spotlight-on-the-unwg-on-business-and-human-rights.aspx>

² http://www.ohchr.org/Documents/Issues/Business/Session11/A_HRC_WG.12_11_1.docx

³ <http://www.ungpreporting.org/>

⁴ <https://business-humanrights.org/en/corporate-human-rights-benchmark>

⁵ <https://hrca2.humanrightsbusiness.org/>

⁶ <http://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>

⁷ <https://www.globalreporting.org/information/news-and-press-center/Pages/GRI-and-DIHR-partner-to-bridge-business-and-government-action-on-human-rights.aspx>

51 A number of European and national level legislative initiatives are also indicative of a growing trend
52 towards regulating human rights due diligence, either through transparency requirements, or
53 through obligations to conduct due diligence.

54 In February of 2017, the French Parliament adopted corporate duty of vigilance law, which
55 establishes a legally binding obligation for parent companies to identify and prevent adverse human
56 rights and environmental impacts resulting from their own activities, from activities of companies
57 they control, and from activities of their subcontractors and suppliers, with whom they have an
58 established commercial relationship.

59 In 2016, the UK adopted the Transparency in Supply Chain Clause of the Modern Slavery Act. This
60 provision requires companies domiciled or doing business in the UK to report on the measures they
61 take to prevent slavery or human rights trafficking in their supply chains. This also follows the
62 California Transparency in Supply Chains Act – signed into law in October 2010 and into effect since
63 January 2012 – which requires certain companies to report on their specific actions to eradicate
64 slavery and human trafficking in their supply chains.⁸

65 Another example is the EU Non-Financial Reporting Directive, under which 6,000 large EU
66 companies and financial corporations are required to report on their principal impacts and risks
67 regarding human rights, environmental, social and labor, and anti-corruption matters, including the
68 due diligence processes implemented to address these issues.⁹

69 Finally, in 2014, the UN Human Rights Council decided to establish an open-ended
70 intergovernmental working group on transnational corporations and other business enterprises with
71 respect to human rights, whose mandate is to elaborate an international legally binding instrument to
72 regulate, in international human rights law, the activities of transnational corporations and other
73 business enterprises. The working group will hold its third session from 23 to 27 October 2017.¹⁰
74 While the timeline for this treaty is unclear, experts consulted by the GRI Standards Division have
75 commented that the negotiation process will likely take many years.

76 *Additional implications of the UN Guiding Principles*

77 The influence of the UN Guiding Principles has, however, spanned beyond the field of human rights,
78 and its core concepts and principles are increasingly being applied to other areas of responsible
79 business conduct.

80 For example, when the OECD updated its Guidelines for Multinational Enterprises in 2011 to
81 include a new human rights chapter in line with the UN Guiding Principles, they also introduced a
82 new and comprehensive approach to due diligence and responsible supply chain covering other areas
83 beyond human rights, such as the environment, employment and industrial relations, bribery, and
84 consumer interests. The OECD is now developing specific guidance to help companies implement
85 the due diligence recommendations in the OECD Guidelines.¹¹

86 In addition, some key concepts of the UN Guiding Principles have already been incorporated into
87 selected sections of the G4 Guidelines (and now the GRI Standards). These include the disclosures
88 on topic Boundary, management approach and supply chain. However, GRI's initial research and
89 consultation suggests that there might be room for aligning some of these contents even more with
90 the Guiding Principles, for example by looking at 'business relationships' in a more holistic way
91 (including the value chain), as opposed to just 'supply chain'.

⁸ Lines 61-64: <https://www.dol.gov/ilab/child-forced-labor/California-Transparency-in-Supply-Chains-Act.htm>

⁹ Lines 51-61 and 65-68: <http://corporatejustice.org/documents/publications/french-corporate-duty-of-vigilance-law-faq.pdf>

¹⁰ <http://www.ohchr.org/EN/HRBodies/HRC/WGTransCorp/Pages/IWGOnTNC.aspx>

¹¹ <http://www.oecd.org/corporate/mne/due-diligence-guidance-for-responsible-business-conduct.htm>

92 Project objectives and scope

93 The GSSB has identified three overarching objectives for this review, based on initial research and
94 consultation.

95 The main objective of this project is to bring the GRI human rights-related Standards in line with key
96 authoritative intergovernmental instruments in this area, namely the UN Guiding Principles on
97 Business and Human Rights.

98 In doing so, the GSSB will also consider whether the concepts of ‘salience’, ‘due diligence’, and
99 ‘business relationships’ from the UN Guiding Principles can also be expanded to other areas of the
100 Standards beyond human rights – in a similar manner as the OECD has done.

101 The second objective consists in revising the range of human rights-related topics covered in the
102 GRI Standards, based on expert feedback that key human rights-topics may not yet be covered.

103 And finally, the third objective consists in reviewing the human rights-related topic-specific
104 disclosures, based on expert feedback that existing disclosures may have limitations and may not
105 reflect best measurement of the associated impacts.

106 Given the dependencies between these objectives, the GSSB will carry out this project in two
107 phases:

108 *Phase 1: Conceptual review and alignment with the UN Guiding Principles*

109 The GSSB will convene an ad hoc Technical Committee for Phase I, with the mandate to provide
110 recommendations in the following areas:

- 111 • The development of human rights-related disclosures in line with the UN Guiding Principles
112 on Business and Human Rights.

113 These may be ‘generic’ disclosures that an organization could use with each material human
114 rights topic. The ad hoc Technical Committee should advise the GSSB on where these
115 contents should sit within the existing GRI Standards structure (whether within the
116 Universal or the topic-specific Series).

117 As part of this review, the ad hoc Technical Committee should take due consideration of
118 the content in *GRI 412: Human Rights Assessment*, and should suggest necessary updates to
119 these contents as well as where in the structure of GRI Standards these may be located.

120 This step will also consider the feasibility of developing minimum human rights disclosures
121 for all organizations reporting in accordance with the GRI Standards (either within *GRI 102:*
122 *General Disclosures*, or other suitable location) – to reflect the universal expectation that all
123 businesses should respect human rights.

- 124 • Whether and how the concepts of ‘salience’, ‘due diligence’, and ‘business relationships’ in
125 the UN Guiding Principles can also be expanded to other areas of the Standards beyond
126 human rights.

127 This may include the development of a couple of mock-up options for the consideration of
128 the GSSB.

- 129 • Which human rights topic Standards should be reviewed, and whether new ones should be
130 created.

- 131 • A recommended approach for developing topic-specific disclosures (including consideration
132 of the feasibility of, and need for, developing quantitative disclosures, as well as disclosures
133 of actual impacts).

134 The ad-hoc Technical Committee will seek to develop content in alignment with key authoritative
135 inter-governmental instruments and consider the content of other business and human rights
136 reporting frameworks, such as the UN Guiding Principles Reporting Framework.

137 As input for this phase, the Standards Division will carry out consultation with reporting
138 organizations to understand current reporting practices and reasons why organizations do not
139 report on their human rights-related impacts.

140 This project will follow the GSSB Due Process Protocol, the implementation of which will be
141 overseen by the Due Process Oversight Committee (DPOC).

142 As per due process, the GSSB will appoint an ad hoc Technical Committee in a manner that brings
143 the right balance of technical expertise to the topic discussion. The ad hoc Technical Committee
144 may contain participants, such as external experts, who are not members of the GSSB but who shall
145 have experience relevant to the subject matter. Membership may include representatives of
146 organizations whose standards are referenced in the GRI Standards and guidance.

147 Upon approval of this project proposal, the GSSB will issue a Terms of Reference for the ad hoc
148 Technical Committee, which will outline the specific mandate of the Committee and a detailed
149 timeline for Phase I.

150 ***Phase 2: Updating of individual human rights topic Standards***

151 This phase would look at updating individual human rights topic Standards (e.g., *GRI 408: Child Labor*,
152 *GRI 409: Forced or Compulsory Labor*), and developing new ones where needed, as advised by the ad
153 hoc Technical Committee.

154 The review of these Standards could be carried out by different ad hoc Technical Committee(s)
155 and/or Project Working Group(s), and may be organized as a series of staggered sub-projects –
156 likely spanning beyond 2017/2018.

157 Before commencing Phase 2, the GSSB will issue project proposals for each individual sub-project,
158 with specific objectives and scopes.