Item 07 – Recommended option for incorporating human rights and due diligence disclosures in the GRI Standards (Paper A)

For GSSB discussion

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<th>Date</th>
<th>10 September 2019</th>
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<tr>
<td>Meeting</td>
<td>24-25 September 2019</td>
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<tr>
<td>Project</td>
<td>Review of GRI’s universal Standards</td>
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<tr>
<td>Description</td>
<td>This document presents the GRI Standards Division’s recommended option for incorporating human rights and due diligence disclosures in the GRI Standards, for the review of the Global Sustainability Standards Board (GSSB).</td>
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### Abbreviations used in this document:

14 **GSSB**: Global Sustainability Standards Board
15 **ILO**: International Labour Organization
16 **OECD**: Organisation for Economic Co-operation and Development
17 **SMEs**: Small and medium enterprises
18 **UN**: United Nations
Introduction

About this document

This document presents the GRI Standards Division’s recommended option for incorporating the human rights and due diligence disclosures developed by the GRI Technical Committee on Human Right Disclosure (Technical Committee) in the GRI Sustainability Reporting Standards (GRI Standards). This recommended option has been developed in consultation with the Technical Committee.

These recommendations form part of the project to review GRI’s universal Standards, as approved by the Global Sustainability Standards Board (GSSB) at its meeting on 25-26 March 2019.

This introduction explains how the disclosures were developed and sums up the ensuing discussion by the GSSB.

Section 1 explains the set of options explored by the Standards Division.

Section 2 presents the option recommended by the Standards Division and resulting implications for the GRI Standards, along with questions addressed to the GSSB.

Section 3 presents a mock-up of the recommended option.

It is advised to have the universal Standards available for reference when reading through the recommended revisions:

- **GRI 101: Foundation 2016**
- **GRI 102: General Disclosures 2016**
- **GRI 103: Management Approach 2016**

Background

As part of the project to review the human rights-related GRI Standards, the Technical Committee developed a set of recommended disclosures for organizations to report how they meet their responsibility to respect human rights:

**Disclosures on policies and governance for addressing human rights**

**Disclosure 1** Policy commitment to respect human rights

**Disclosure 2** Embedding of the policy commitment to respect human rights throughout the organization

**Disclosures on general processes for addressing human rights**

**Disclosure 3** Approach to stakeholder engagement in relation to respecting human rights

**Disclosure 4** Remediation processes and grievance mechanisms for human rights impacts

Disclosures on human rights due diligence and remedy to address material human rights topics

Disclosure 5 Material human rights topics

Disclosure 6 Actions to prevent, mitigate, and remediate human rights impacts
The requirements for these disclosures can be found in Annex 1, while guidance and other relevant content can be found in the Technical Committee’s report: Recommendations of the GRI Technical Committee on Human Rights Disclosure.

The Technical Committee has recommended that these disclosures be required for all organizations preparing a report in accordance with the GRI Standards. The Technical Committee has presented a number of arguments in favor of requiring human rights disclosures from all organizations, in Section 2.1 of their report. The main argument is for the GRI Standards to reflect the expectation introduced in the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) that all business enterprises have a responsibility to respect human rights and should communicate how they do this in practice.

The Technical Committee has also indicated that some of the disclosures they have developed could be adapted for reporting on how any economic, environmental, and social topic is managed. This would be consistent with the approach introduced in the OECD Guidelines for Multinational Enterprises (OECD Guidelines), and further elaborated in the OECD Due Diligence Guidance for Responsible Business Conduct (OECD Due Diligence Guidelines), where the concept of due diligence (that is, for organizations to identify, prevent, mitigate and account for how they address their negative impacts) is applied to other areas of responsible business conduct beyond human rights.

Given the nature of the Technical Committee’s recommendations, the Standards Division proposed, and the GSSB subsequently approved at its meeting on 25-26 March 2019, a project to review GRI’s universal Standards with a view to incorporate:

- human rights disclosures in the Standards, to be required for all reporting organizations;
- the due diligence concept into GRI 103;
- other appropriate revisions to the universal Standards.

The GSSB discussed the proposed disclosures and recommendations of the Technical Committee, and requested the Standards Division to research different options to achieve these recommendations. The Standards Division was requested to take into account potential implications, such as the feasibility of requiring these disclosures for SMEs, the risk of overstating the importance of reporting on human rights as compared to environmental issues and other social issues, and implications for other GRI Standards and disclosures.

This document presents the outcomes of the research carried out by the Standards Division, describing the different options explored and the recommended option.
Section 1. Options explored

The Standards Division has explored three different options for incorporating the human rights and due diligence disclosures developed by the Technical Committee in the GRI Standards:

- Option A – Human-rights specific disclosures incorporated into GRI 102
- Option B – New universal Standard dedicated to human rights
- Option C – New topic-specific Standard dedicated to human rights

All three options propose incorporating the due diligence-related disclosures recommended by the Technical Committee into GRI 102 and GRI 103, as generic disclosures on how organizations identify, prevent, mitigate, and account for how they address their negative impacts.
Option A – Human-rights specific disclosures incorporated into GRI 102

The following disclosures would be included in GRI 102, under these sections:

**New responsible business conduct section:**
- **Disclosure 1** Policy commitment to respect human rights
- **Disclosure 2** Embedding of the policy commitment to respect human rights throughout the organization
- **Disclosure 4** Remediation processes and grievance mechanisms for human rights impacts

**Stakeholder engagement section:**
- **Disclosure 3** Approach to stakeholder engagement in relation to respecting human rights

**Report content section:**
- **Disclosures 5-a** (material human rights topics) and **5-b** (process to identify material topics)

The following disclosures would be included as generic disclosures within GRI 103, and would be required for each material topic identified:

- **Disclosures 5-a** (impacts) and **5-a-ii** (involvement with the impacts)
- **Disclosure 6** Actions to prevent, mitigate, and remediate human rights impacts

Under this option, Disclosures 1 and 2 regarding the policy commitment to respect human rights, and how this is embedded throughout the organization, would be incorporated into GRI 102 (in a new sub-section dedicated to responsible business conduct) and be required for all organizations using the Standards.

Disclosures 3 and 4 would be adapted as general disclosures (not human rights-specific) about an organization’s approach to stakeholder engagement and remediation processes and grievance mechanisms. These disclosures would be included within the existing section on stakeholder engagement and the new section for responsible business conduct, respectively.


The existing Disclosure 103-2-c-vi, to report grievance mechanisms for each material topic, would be replaced by Disclosure 4. See Item 10 – Recommended revisions to GRI 102: General Disclosures 2016 (Paper D), page 14, and Item 09 – Recommendations for changes to GRI 103 Management Approach 2016 (Paper C), page 10.

The content of Disclosure 5-b would be incorporated into Disclosure 102-46 (Defining report content and topic Boundaries) as generic content on how impacts have been identified and prioritized. Disclosure 102-47 (List of material topics) would be expanded to include Disclosure 5-a.
on the material topics that represent the organization’s significant actual and potential negative human rights impacts.

In addition, Disclosures 5-a-i and 5-a-ii on identified impacts and the organization’s involvement with these impacts, as well as Disclosure 6 on actions taken in relation to impacts, would be included as generic disclosures within GRI 103. These would be required for each material topic identified.

For disclosures that are proposed to be made generally applicable, the guidance sections would explain how these disclosures apply to human rights. For example, for the disclosure on remediation processes and grievance mechanisms, the guidance section would explain that this disclosure also covers mechanisms to deal with human rights-related complaints.

Section 3 presents a mock-up of this option.

**Option B – New universal Standard dedicated to human rights**

<table>
<thead>
<tr>
<th>GRI 104: Human Rights</th>
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<tr>
<td>The following disclosures would be included in a new universal Standard dedicated to human rights:</td>
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<tr>
<td><strong>Disclosure 1</strong> Policy commitment to respect human rights</td>
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<td><strong>Disclosure 2</strong> Embedding of the policy commitment to respect human rights throughout the organization</td>
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<tr>
<td><strong>Disclosure 3</strong> Approach to stakeholder engagement in relation to respecting human rights</td>
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<tr>
<td><strong>Disclosure 4</strong> Remediation processes and grievance mechanisms for human rights impacts</td>
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<td><strong>Disclosure 5</strong> Material human rights topics</td>
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<td><strong>Disclosure 6</strong> Actions to prevent, mitigate, and remediate human rights impacts</td>
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<th>GRI 102</th>
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<td>The following disclosures would be included as generic disclosures within GRI 102:</td>
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<td><strong>Report content section:</strong></td>
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<tr>
<td><strong>Disclosures 5-b</strong> (process to identify material topics)</td>
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<th>GRI 103</th>
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<td>The following disclosures would be included as generic disclosures within GRI 103, and would be required to be reported for each material topic identified:</td>
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<tr>
<td><strong>Disclosures 5-a-i</strong> (impacts) and <strong>5-a-ii</strong> (involvement with the impacts)</td>
</tr>
<tr>
<td><strong>Disclosure 6</strong> Actions to prevent, mitigate, and remediate human rights impacts</td>
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Under this option, a new universal Standard dedicated to human rights would be created containing all disclosures developed by the Technical Committee (e.g., a new ‘GRI 104: Human Rights’).

In addition, similar to option A, the content of Disclosure 5-b would be incorporated into Disclosure 102-46 (Defining report content and topic Boundaries) as generic content on how impacts have been identified and prioritized. Further, Disclosures 5-a-i and 5-a-ii on identified
impacts and the organization’s involvement with these impacts, as well as Disclosure 6 on actions taken in relation to impacts, would be included as generic disclosures within GRI 103. These would be required for each material topic identified.

**Option C – New topic-specific Standard dedicated to human rights**

The following disclosures would be included in a new topic-specific Standard dedicated to human rights:

**Disclosure 1** Policy commitment to respect human rights

**Disclosure 2** Embedding of the policy commitment to respect human rights throughout the organization

**Disclosure 3** Approach to stakeholder engagement in relation to respecting human rights

**Disclosure 4** Remediation processes and grievance mechanisms for human rights impacts

**Disclosure 5** Material human rights topics

**Disclosure 6** Actions to prevent, mitigate, and remediate human rights impacts

The following disclosures would be included as generic disclosures within GRI 103:

*Report content section:*

**Disclosures 5-b** (process to identify material topics)

The following disclosures would be included as generic disclosures within GRI 103, and would be required to be reported for each material topic identified:

**Disclosures 5-a-i** (impacts) and **5-a-ii** (involvement with the impacts)

**Disclosure 6** Actions to prevent, mitigate, and remediate human rights impacts

Under this option, a new topic-specific Standard dedicated to human rights would be developed containing all disclosures developed by the Technical Committee (e.g., similar to the existing GRI 412: Human Rights Assessment 2016).

In addition, similar to options A and B, the content of Disclosure 5-b would be incorporated into Disclosure 102-46 (Defining report content and topic Boundaries) as generic content on how impacts have been identified and prioritized. Further, Disclosures 5-a-i and 5-a-ii on identified impacts and the organization’s involvement with these impacts, as well as Disclosure 6 on actions taken in relation to impacts, would be included as generic disclosures within GRI 103. These would be required for each material topic identified.
Section 2. Recommended option

The Standards Division has assessed the advantages and disadvantages of all three options, as well as resulting implications for the GRI Standards. Based on the evidence gathered, the Standards Division recommends implementing option A.

The following sections present the rationale for recommending option A, as well as recommendations for addressing concerns associated with requiring human rights disclosure for all organizations and the resulting implications for the GRI Standards.

Rationale for the recommended option

The main advantage of option A is that it prompts all reporting organizations to consider human rights when defining report content and to report how they respect human rights.

The proposal to include required human rights disclosure in the GRI Standards aims, first and foremost, to reflect the expectation introduced in the UN Guiding Principles. These principles state that all business enterprises have a responsibility to respect human rights. In order to meet this responsibility, they are expected to have in place policies and processes appropriate to their size and circumstances. These include (as per Principle 15):

a) a policy commitment to meet their responsibility to respect human rights;

b) a human rights due diligence process to identify, prevent, mitigate, and account for how they address their impacts on human rights; and

c) processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

These policies and processes are expected to be in place, regardless of the specific human rights risks for a given enterprise. If enterprises cannot address all their negative human rights impacts simultaneously, they should first seek to prevent and mitigate those impacts that would be most severe.

In addition, the UN Guiding Principles make clear that all business enterprises should communicate how they respect human rights in practice, and that enterprises ‘whose operations or operating contexts pose risks of severe human rights impacts’ should report formally on how they address these impacts.

The proposed disclosures would enable organizations to fulfill this expectation to communicate and report on how they meet their responsibility to respect human rights.

It is important to note that with this approach it would still be up to each reporting organization to determine which specific human rights-related topics (e.g., discrimination, freedom of association) are material to report on, based on an assessment of their most severe human rights impacts. For the identified material topics, organizations would be required to report the management approach disclosures in GRI 103 and the disclosures in relevant topic-specific Standards, if available for the identified topics.

The inclusion of required disclosure on human rights in the GRI Standards would not only be consistent with, and support organizations to implement, the UN Guiding Principles; it would also:

- support organizations to comply with (increasing) reporting requirements specified by national and regional regulations on mandatory human rights due diligence, and by investors and benchmarks;
increase reporting on human rights (an area largely underreported to date). If an organization is to report on its economic, environmental, and social impacts, as required by the GRI Standards, the Technical Committee has stressed that it needs to be able to show how it understands, identifies, and addresses its most acute impacts on people: its impacts on their human rights;

- prompt organizations to report on human rights, even if they fail to identify specific human rights topics as material. They might, for example, not think of their activities as having human rights impacts due to lack of understanding of what a human rights impact is. Or they might identify material topics solely from the perspective of risks to the business, and thus omit severe human rights impacts if these are deemed to not have significant consequences for the business.

   Even if organizations do not identify specific human rights-related topics as material, they still have a responsibility to respect human rights and should be able to communicate their general approach to this.

While option B could help highlight human rights within the structure of the GRI Standards as compared to option A (where human rights disclosures would be included among several other general disclosures), option A is still preferable overall and could be more effective for driving human rights reporting.

The main disadvantage of option B is that creating another universal Standard could result in the need to split GRI 102 into many more universal Standards (e.g., Governance) to ensure consistency, thereby increasing complexity in the structure of the GRI Standards. In addition, the Disclosures 5-a-i, 5-a-ii, 5-b, and 6 in GRI 102 and GRI 103 would overlap with the new GRI 104, which may be confusing for users.

Option A is also preferable to option C (a topic-specific Standard for human rights). The topic-specific Standards are designed to cover specific topics, such as anti-corruption, water and effluents, or occupational health and safety. These Standards are selected by organizations based on their identified material topics.

Human rights is not a specific topic but a subject area covering more than 30 different topics. These include, for example, freedom of association and collective bargaining, non-discrimination, forced or compulsory labor, child labor, privacy, and the rights of indigenous peoples or people with disabilities. Many of these topics are already covered in the GRI Standards in the form of topic-specific Standards.

Therefore, having a topic-specific Standard for human rights (option C) has the potential to:

- undermine the importance of human rights, by demoting a whole subject area to a topic (this would be equivalent to creating a topic-specific Standard for the ‘environment’ as a whole). Key instruments, such as the OECD Guidelines and the ISO standard on social responsibility (ISO 26000:2010) already regard human rights as a subject area at the same level as the environment;

- be inconsistent with the intent of the Materiality principle, as it would lead organizations to state whether human rights are material to them in general; whereas the intent of this principle is for organizations to identify which specific (human rights) topics, for example, child labor or discrimination, are material, and for organizations to be clear about their specific impacts on people;

- lead to less reporting on human rights, if organizations do not think of ‘human rights’ as a topic and therefore omit it from their materiality assessment;
• lead to duplication, as the topic-specific Standards already cover specific human rights topics; and to confusing and inconsistent reporting, if organizations identify specific human rights topics as material but not the entire topic of ‘human rights’.

In addition, human rights cut across the economic, environmental, and social dimensions. For example, an organization’s water use might affect the rights of local communities to access freshwater. Or an organization’s tax practices might affect people’s rights to an adequate standard of living (including access to education, healthcare, and cultural activities), as the amount of tax revenue could affect a government’s ability to ensure such rights.

This further supports the inclusion of human rights disclosures in the universal Standards, as it would provide the framework for reporting on a wide range of topics. The human rights perspective is an essential lens to apply when considering impacts, and option A would encourage and guide organizations to do so.

In addition, when included in GRI 102, human rights disclosures would complement the existing general disclosures on ethics and integrity, which require information about an organization’s values, principles, standards, and norms of behavior.

Addressing concerns associated with requiring human rights disclosure for all organizations

The proposal to require human rights disclosure for all organizations has raised concerns from GSSB members about its feasibility for SMEs. GSSB members also noted that requiring human rights disclosure for all organizations could be perceived as a shift in the GRI framework to focus on reporting through the lens of human rights. This could lead to confusion or to overstating the importance of reporting on human rights as compared to environmental issues and other social issues. The GSSB asked the Standards Division to consider these concerns and the implications for other Standards and disclosures.

The following sections describe these concerns, and how they could be addressed.

Feasibility for small and medium sized enterprises

The responsibility to respect human rights applies to all businesses, including SMEs.

To facilitate reporting by SMEs and other organizations, the Standards Division recommends in Item 11 – Recommended revisions to the GRI reporting model (Paper E), pages 18-19, that the reasons for omission: ‘confidentiality constraints’, ‘specific legal prohibitions’, and ‘information unavailable or incomplete’, be permitted for Disclosures 1-4 on the human rights policy commitment and embedding, stakeholder engagement, and grievance mechanisms, among other general disclosures.

In addition, the Standards Division recommends that when an organization does not have policies or processes required in these disclosures, a statement to clarify this is enough to satisfy the requirements.

For example, Disclosure 1 requires the organization to describe its publicly available policy commitment to respect human rights, or if it doesn’t have a publicly available commitment, to report the reason for not having one. The absence of a policy commitment to respect human rights would not prevent an organization from reporting in accordance with the Standards, as long as the
organization reports why it does not have a policy commitment. Similarly, if the organization does not have any grievance mechanisms or other remediation processes, as required by Disclosure 4, it can simply state that in response to this disclosure.

Additionally, the Technical Committee suggested that a short guide could be developed for SMEs, as well as for other organizations, on unpacking the new human rights disclosures.

**Overstating the importance of human rights compared to other areas**

The UN Guiding Principles and the OECD-related instruments stipulate that all businesses should respect human rights and have a policy commitment, and due diligence and remedy processes in place. In addition, human rights are not a topic but a subject area comprising multiple topics, which cut across the economic, environmental, and social dimensions. All of this supports the inclusion of human rights disclosures in the universal Standards, rather than in the topic-specific Standards.

Further, the Technical Committee has stressed that human rights sets a threshold in terms of the acuteness of impacts on people. Human rights might be more important than some 'social' and even some ‘environmental’ impacts that do not rise to the level of becoming impacts on basic human dignity and equality. Thus, option A does not risk overstating the importance of human rights; it expresses a need to recognize their importance relative to other issues.

It is also important to note that there is a precedence for a situation where topic-specific content is included in GRI 102: the inclusion of a disclosure on the Precautionary Principle. This principle is aimed primarily at protecting the environment, although it is increasingly being applied to other areas, such as protecting human health.

The inclusion of human rights in the universal Standards also does not prevent the inclusion of other generally applicable topics in the universal Standards in the future.

Additionally, the Standards Division has consulted with the OECD to understand how they address this question in their Guidelines, which cover a broad range of areas (including human rights), as compared to the UN Guiding Principles. Under the OECD Guidelines, enterprises are expected to have, as a minimum, a general commitment to avoid/address negative impacts in line with international standards such as the OECD Guidelines, which would include human rights, but also other areas such as the environment, and employment and industrial relations.

To avoid overstating the importance of human rights compared to other areas, the GSSB could consider including an additional general disclosure that asks organizations about their (policy) commitment to avoid and address negative impacts on people, the environment, and the economy.

**Implications for the GRI Standards**

The following sections present implications for the GRI Standards resulting from integrating human rights disclosures into GRI 102 (option A), and the Standards Division’s recommendations on how to address them.

**Implications for the phrase ‘economic, environmental, and social impacts’**

Certain practices, such as due diligence, which emerged in the context of business and human rights, have now become the expectation for managing any economic, environmental, and social impact. Therefore, option A (as well as option B and option C) proposes adapting certain disclosures developed by the Technical Committee as generally applicable disclosures (not specific to human rights).
For example, Disclosure 5-b-i requires organizations to report ‘how the organization has identified actual and potential negative human rights impacts with which it is or could be involved either through its own activities or as a result of its business relationships’. Option A proposes adapting this disclosure to cover how any actual and potential negative economic, environmental, and social impact, in addition to human rights, is identified. There is, however, a challenge with how to implement this change in practice.

The Technical Committee has expressed the importance of keeping an explicit reference to human rights in these general disclosures. If using the phrase ‘economic, environmental, and social impacts’ as in other general disclosures, the specific reference to human rights will be lost.

Technical Committee members have shared that the historic masking of human rights under the economic, environmental, and social framing is a significant part of the reason why so many organizations have continued to overlook human rights issues and why these issues have been underreported by GRI reporting organizations.

The Technical Committee has discussed how to highlight human rights in the phrase ‘economic, environmental, and social impacts’. Some Technical Committee members have warned that human rights should not be viewed as a fourth dimension (economic, environmental, social, and human rights), nor should they be viewed as a subset of the social dimension (economic, environmental, social including human rights), since human rights cut across all three dimensions of sustainable development.

To address this, the Standards Division, in consultation with the Technical Committee, recommends replacing the phrase ‘economic, environmental, and social impacts’ in the Standards with ‘impacts on people, the environment, and the economy, including impacts on human rights’, and adding guidance to explain that ‘the most acute impacts an organization can have on people are those that impinge on their human rights’.

Using ‘people’ would motivate users to think in terms of impacts on individuals (or groups), and not some generic notion of ‘society’. This approach would drive organizations to focus on the category of ‘people’, without having to categorize the type of impact as ‘social’, ‘environmental’, or other, and would make it easier to embrace the fact that there can be environmental impacts on both people and planet.

The Technical Committee suggested that guidance could be developed to explain how this proposed language relates to the definition of sustainable development and the dimensions of ‘economic, environmental, and social’, as well as to the dimensions of ‘people, planet and prosperity’ used by the Sustainable Development Goals (SDGs).

Further, the Standards Division recommends that topic-specific Standards no longer be categorized under the dimensions of ‘economic’, ‘environmental’, and ‘social’, but be grouped under one series titled ‘topic-specific Standards’.

This would address the challenges associated with having to classify topics under one of these dimensions, as in many cases topics will cut across two or more of these dimensions.

**Implications for topic-specific Standards**

The existing topic-specific Standard GRI 412: Human Rights Assessment 2016 will need to be withdrawn with the release of the new human rights disclosures, as the contents of this Standard will be superseded by the new disclosures.
The content of the other existing topic-specific Standards on human rights\(^1\) will need to be assessed against the new disclosures, to identify if any content remains of value. If no contents remain of value, a recommendation will be made to the GSSB to withdraw these Standards with the launch of the new disclosures.

In addition, there could be some duplication between the new proposed disclosures in GRI 103 and the topic-specific management approach disclosures. For example, Disclosure 403-2 in GRI 403: Occupational Health and Safety 2018, requires reporting the processes to identify work-related hazards and to apply the hierarchy of controls to eliminate hazards and minimize risks. The disclosure on ‘Actions to prevent, mitigate, and remediate impacts’, which is proposed for inclusion in GRI 103, requires similar information; however, Disclosure 403-2 is more specific about the types of action (i.e., application of the hierarchy of controls).

This potential duplication can be addressed by developing guidance in each topic-specific Standard that clarifies how to use the topic-specific management approach disclosures in conjunction with GRI 103.

Overview of recommendations

The Standards Division recommends the following revisions to the GRI Standards to incorporate the human rights and due diligence disclosures developed by the Technical Committee:

**Recommendation 1:** Implementing option A (human-rights specific disclosures incorporated into GRI 102).

**Recommendation 2:** Replacing the phrase ‘economic, environmental, and social impacts’ in the Standards with ‘impacts on people, the environment, and the economy, including impacts on human rights’, and adding guidance to explain that ‘the most acute impacts an organization can have on people are those that impinge on their human rights’.

**Recommendation 3:** No longer categorizing topic-specific Standards under the dimensions of ‘economic, environmental, and social’, but grouping them under one series titled ‘topic-specific Standards’.

**Questions for the GSSB:**

1. Does the GSSB agree to implementing option A (Recommendation 1)?

2. Does the GSSB agree to replacing the phrase ‘economic, environmental, and social impacts’ in the Standards with ‘impacts on people, the environment, and the economy, including impacts on human rights’ (Recommendation 2)?

3. Does the GSSB agree to grouping all topic-specific Standards under one series, and to no longer categorize them under the dimensions of ‘economic, environmental, and social’ (Recommendation 3)?
Section 3. Mock-up of recommended option

This section presents a mock-up of recommended option A. The mock-up shows how the disclosures developed by the Technical Committee would be incorporated within GRI 102 and GRI 103.

Text in blue indicates new disclosures, or significant changes to disclosures, based upon recommendations from the GRI Technical Committee on Human Rights Disclosure.

Text in red indicates text changes made to the disclosures developed by the Technical Committee, compared to the version from 12 March 2019 shared with the GSSB (Annex 1).

Text in green indicates a new disclosure, significant new content, or significant revisions to an existing disclosure in GRI 102 or GRI 103 based on the research findings of the universal Standards review project (but does not indicate content that has been consolidated but not significantly revised).

Note for the GSSB: This mock-up should be read in conjunction with the revisions recommended in Item 09 – Recommendations for changes to GRI 103 Management Approach 2016 (Paper C) and Item 10 – Recommended revisions to GRI 102: General Disclosures 2016 (Paper D).

The numbering and titling of disclosures used in this mock-up is based on the revisions recommended in Items 09 and 10.

Defined terms are not underlined in this mock-up for simplicity and readability.

GRI 102: General Disclosures

1. Organizational profile

2. Strategy

3. Responsible business conduct

4. Stakeholder engagement

5. Governance
6. Report content

102-47R List of material topics, topic-specific GRI Standards and appropriate disclosures [including content from Disclosure 5-a]

102-46R Process for identifying material topics [including content from Disclosure 5-b]

7. Reporting practice

[Reporting practice-related disclosures]

3. Responsible business conduct

Disclosure 102-HRI Policy commitment to respect human rights

Reporting requirements

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<th>Disclosure 102-HRI</th>
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<td>The reporting organization shall report the following information:</td>
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a. Whether the organization has a publicly available policy commitment to respect human rights, and if so:
   i. a summary of and/or link to the policy commitment;
   ii. the level at which the policy commitment was approved within the organization, including whether this is the most senior level, and the date of approval;
   iii. the internationally recognized human rights and multilateral human rights instruments covered in the policy commitment;
   iv. any specific stakeholder groups, including at-risk or vulnerable groups, that the organization gives particular attention to in the policy commitment;
   v. whether the policy commitment applies solely to the organization’s own activities or it also includes the organization’s expectations of its business relationships, and if so, what those expectations are;
   vi. how the policy commitment is communicated to workers, business partners, and other relevant parties.

b. If the organization does not have a publicly available policy commitment, the reason for this.
Disclosure 102-HR2  Embedding of the policy commitment to respect human rights throughout the organization

**Reporting requirements**

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<th>Disclosure 102-HR2</th>
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<tr>
<td>The reporting organization shall report the following information:</td>
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<tr>
<td><strong>a.</strong> The means by which the policy commitment to respect human rights is embedded throughout the organization, including:</td>
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Disclosure 102-HR3  Remediation processes and grievance mechanisms for human rights impacts

**Reporting requirements**

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<tr>
<th>Disclosure 102-HR3</th>
</tr>
</thead>
<tbody>
<tr>
<td>The reporting organization shall report the following information:</td>
</tr>
<tr>
<td><strong>a.</strong> A description of the commitments the organization has made to provide for or cooperate in the remediation of negative human rights impacts that it identifies it has caused or contributed to.</td>
</tr>
<tr>
<td><strong>b.</strong> The approach taken to identify and address grievances relating to human rights, including any grievance mechanisms that the organization has established or participates in.</td>
</tr>
<tr>
<td><strong>c.</strong> Other processes by which the organization provides for or cooperates in the remediation of negative human rights impacts that it identifies it has caused or contributed to.</td>
</tr>
<tr>
<td><strong>d.</strong> How stakeholders, including in particular affected and potentially affected stakeholders, are involved in the design, review, functioning, and improvement of these grievance mechanisms and other remediation processes.</td>
</tr>
</tbody>
</table>
e. Evidence, including stakeholder feedback, of the effectiveness of grievance mechanisms and other remediation processes. How the organization tracks the effectiveness of the grievance mechanisms and other remediation processes and any evidence gathered of their effectiveness, including stakeholder feedback.

4. Stakeholder engagement

Disclosure 102-43R Approach to stakeholder engagement in relation to respecting human rights

Reporting requirements

Disclosure 102-43R

The reporting organization shall report the following information:

a. The organization’s approach to engaging with stakeholders, in particularly affected and potentially affected stakeholders, in relation to respecting human rights, including:
   i. the stakeholder groups it engages with, and how these groups are identified;
   ii. the purpose of the stakeholder engagement;
   iii. how the organization ensures meaningful engagement with stakeholders.

6. Report content

Disclosure 102-47R List of material topics, topic-specific GRI Standards and appropriate disclosures

Reporting requirements

Disclosure 102-47R

The reporting organization shall report the following information:

a. A list of the material topics identified in the process for defining report content, the material human rights topics identified and which of these material topics reflect the organization’s significant actual and potential negative human rights impacts.
Disclosure 102-47R

b. Which of the organization’s material topics are covered by topic-specific GRI Standards and which are not.

c. A list of appropriate disclosures for each of the material topics identified, including topic-specific disclosures where the material topic is covered by an existing GRI Standard (see clause 2.5.2 in GRI 101: Foundation 2016) or other appropriate disclosures where the material topic is not covered by an existing GRI Standard (see clause 2.5.3 in GRI 101: Foundation 2016).

Disclosure 102-46R Process for identifying material topics

Reporting requirements

Disclosure 102-46R

The reporting organization shall report the following information:

a. An explanation of the process for defining report content and the topic boundaries identifying material topics, including:

   i. how the organization has identified actual and potential negative human rights impacts on people, the environment, and the economy, including impacts on human rights, with which the organization is or could be involved either through its own activities or as a result of its business relationships;

   ii. where necessary, how the organization has prioritized the material human rights topics significant impacts, based on an assessment of the severity and likelihood of the identified impacts (with emphasis on severity for impacts on human rights);

   iii. the experts and stakeholders, particularly in particular affected and potentially affected stakeholders, whose perspectives views have informed the process;

   iv. why any human rights whether topics that are commonly associated with the types of activities the organization carries out, or with the context in which the activities take place, have not been identified as material, and why.

b. An explanation of how the organization has implemented the Reporting Principles for defining report content.
Disclosure 103-1: Explanation of the material topic and its Boundary

For each material topic, the reporting organization shall report the following information:

a. An explanation of why the topic is material.

b. The Boundary for the material topic, which includes a description of:
   i. where the impacts occur;
   ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.

c. Any specific limitation regarding the topic Boundary.

Disclosure 103-2: The management approach and its components

For each material topic, the reporting organization shall report the following information:

a. An explanation of how the organization manages the topic.

b. A statement of the purpose of the management approach.

c. A description of the following, if the management approach includes that component:
   i. Policies
   ii. Commitments
   iii. Goals and targets
iv. Responsibilities
v. Resources
vi. Grievance mechanisms
vii. Specific actions, such as processes, projects, programs and initiatives

Disclosure 103-3 Evaluation of the management approach

Reporting requirements

Disclosure 103-3

For each material topic, the reporting organization shall report the following information:

a. An explanation of how the organization evaluates the management approach, including:
   i. the mechanisms for evaluating the effectiveness of the management approach;
   ii. the results of the evaluation of the management approach;
   iii. any related adjustments to the management approach.

Disclosure 103-1R Policies and commitments

Reporting requirements

Disclosure 103-1R

For each material topic, the reporting organization shall report the following information:

a. Policies and procedures in place to manage the topic.
b. Any commitments, goals and targets for the topic.
**Disclosure 103-2R** Actions to prevent, mitigate, and remediate impacts

**Reporting requirements**

<table>
<thead>
<tr>
<th>Disclosure 103-2R</th>
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<tbody>
<tr>
<td>For each material topic, the reporting organization shall report the following information:</td>
</tr>
<tr>
<td>a. <strong>Any severe</strong> A description of the actual and potential human rights negative impacts identified, including how the organization is involved with these impacts, either through its own activities and/or as a result of its business relationships.</td>
</tr>
<tr>
<td>b. <strong>Actions taken to prevent and/or mitigate</strong> potential negative human rights impacts identified with which the organization could be involved through its own activities or as a result of its business relationships.</td>
</tr>
<tr>
<td>c. <strong>Actions taken to address</strong> actual negative human rights impacts identified with which the organization is involved through its own activities or as a result of its business relationships, including actions to provide remedy to affected stakeholders.</td>
</tr>
<tr>
<td>d. <strong>How engagement with stakeholders, including in particular</strong> affected and potentially affected stakeholders, has informed the actions to address prevent, mitigate, and remediate negative human rights impacts.</td>
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</table>

**Disclosure 103-3R** Tracking effectiveness

**Reporting requirements**

<table>
<thead>
<tr>
<th>Disclosure 103-3R</th>
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<tbody>
<tr>
<td>For each material topic, the reporting organization shall report the following information:</td>
</tr>
<tr>
<td>a. <strong>How the effectiveness of the actions taken to prevent, mitigate, and/or remediate</strong> negative human rights impacts is tracked, including:</td>
</tr>
<tr>
<td>i. any processes, targets, or indicators used to evaluate progress;</td>
</tr>
<tr>
<td>ii. evidence that the actions taken have been effective;</td>
</tr>
<tr>
<td>iii. how engagement with stakeholders, including in particular affected and potentially affected stakeholders, has informed how the effectiveness of these actions is tracked;</td>
</tr>
<tr>
<td>iv. key lessons learned and how these have been incorporated into the organization’s operational policies and procedures.</td>
</tr>
</tbody>
</table>
Annex 1. Human rights disclosures
developed by the Technical Committee

Disclosures on policies and governance for
addressing human rights

Disclosure 1 Policy commitment to respect human rights

a. Whether the organization has a publicly available policy commitment to respect human rights, and if so:
   
i. a summary of and/or link to the policy commitment;
   
ii. the level at which the policy commitment was approved within the organization, including whether this is the most senior level, and the date of approval;
   
iii. the internationally recognized human rights and multilateral human rights instruments covered in the policy commitment;
   
iv. any specific stakeholder groups, including at-risk or vulnerable groups, that the organization gives particular attention to in the policy commitment;
   
v. whether the policy commitment applies solely to the organization’s own activities or it also includes the organization’s expectations of its business relationships, and if so, what those expectations are;
   
vi. how the policy commitment is communicated to workers, business partners, and other relevant parties.

b. If the organization does not have a publicly available policy commitment, the reason for this.

Disclosure 2 Embedding of the policy commitment to respect human rights throughout the organization

a. The means by which the policy commitment to respect human rights is embedded throughout the organization, including:
   
i. how responsibility for implementing the policy commitment is allocated across different levels within the organization;
   
ii. how the policy commitment is integrated into organizational strategies and operational policies and procedures;
   
iii. how the organization works with those with which it has business relationships, to implement the policy commitment;
   
iv. any training provided on implementing the policy commitment or on human rights.
Disclosures on general processes for addressing human rights

Disclosure 3 Approach to stakeholder engagement in relation to respecting human rights

a. The organization’s approach to engaging with stakeholders, particularly affected and potentially affected stakeholders, in relation to respecting human rights, including:
   i. the stakeholder groups it engages with, and how these groups are identified;
   ii. the purpose of the stakeholder engagement;
   iii. how the organization ensures meaningful engagement with stakeholders.

Disclosure 4 Remediation processes and grievance mechanisms for human rights impacts

a. Any commitments the organization has made to provide for or cooperate in the remediation of negative human rights impacts that it identifies it has caused or contributed to.

b. The approach taken to identify and address grievances relating to human rights, including any grievance mechanisms that the organization has established or participates in.

c. Any other processes by which the organization provides for or cooperates in the remediation of negative human rights impacts that it identifies it has caused or contributed to.

d. How stakeholders, including affected and potentially affected stakeholders, are involved in the design, review, functioning, and improvement of these grievance mechanisms and other remediation processes.

Disclosures on human rights due diligence and remedy to address material human rights topics

Disclosure 5 Material human rights topics

a. The material human rights topics identified, and for each topic:
   i. any severe actual and potential negative human rights impacts identified;
   ii. how the organization is involved with these impacts, either through its own activities and/or as a result of its business relationships.

b. The process to identify the material human rights topics, including:
   ii. how the organization has identified actual and potential negative human rights impacts with which it is or could be involved either through its own activities or as a result of its business relationships;
iii. where necessary, how the organization has prioritized the material human rights topics based on an assessment of the severity and likelihood (with emphasis on severity) of the identified impacts;

iv. the experts and stakeholders, particularly affected and potentially affected stakeholders, whose perspectives have informed the process;

v. why any human rights topics that are commonly associated with the types of activities the organization carries out, or with the context in which they take place, have not been identified as material.

Disclosure 6 Actions to prevent, mitigate, and remediate human rights impacts

For each material human rights topic identified in Disclosure XXX-5, the reporting organization shall report the following information:

a. Actions taken to prevent and/or mitigate potential negative human rights impacts with which the organization could be involved through its own activities or as a result of its business relationships.

b. Actions taken to address actual negative human rights impacts with which the organization is involved through its own activities or as a result of its business relationships, including actions to provide remedy to affected stakeholders.

c. How the effectiveness of the actions taken to prevent, mitigate, and/or remediate negative human rights impacts is tracked, including:

i. any processes, targets, or indicators used to evaluate progress;

ii. evidence that the actions taken have been effective;

iii. evidence, including stakeholder feedback, of the effectiveness of grievance mechanisms and other remediation processes;

iv. key lessons learned from the actions taken and how these have been incorporated into the organization’s operational policies and procedures.

d. How engagement with stakeholders, including affected and potentially affected stakeholders, has informed both the actions taken to address negative human rights impacts and how the effectiveness of these actions is tracked.