



Exclusive GRI Community webinar 'Trends Series'

Sustainability reporting and business and human rights

Wednesday 29 July 2020 (16.00-17.00 CET)

Description of the event: Exclusive GRI Community webinar looking at the latest developments within business and human rights from a policy perspective and presenting insights into the review of the GRI human rights-related Standards.

I. Guest presentation: UN Working Group project on Next Decade of the UN Guiding Principles *(Dante Pesce, Member of the UN Working Group on Business and Human Rights)*

II. Policy recommendations on human rights reporting *(Julien Parkhomenko, Senior Coordinator Policy and Strategic Relations, GRI)*

- In July 2020, GRI and the University of Stellenbosch Business School published the 5th edition of the [Carrots & Sticks report](#), with contributions by UNEP. The publication provides an analysis of the latest trends in reporting provisions, covering more than 600 reporting requirements across over 80 countries.
- GRI is committed to help shaping the **human rights reporting agenda**. Recent publications include:
 - [Shining a light on human rights](#), a 2016 research with Centro Vincular, which analysed over 400 reports from companies in the mining, energy and financial sectors
 - In 2015, GRI and Fundación ONCE published a [guide](#) (updated in 2019) to help organizations communicate their commitment to respect and promote the rights of people with disabilities
 - In 2019, GRI launched a [reporting toolkit on modern slavery](#) in collaboration with the Responsible Business Alliance to provide guidance on reporting on due diligence and measures related to modern slavery across the value chain
- Transparency is an enabler to greater accountability driving businesses to ensure respect of human rights. GRI is currently working to **update the Standards** to align them with key international normative frameworks (see III).
- The **Sustainable Development Goals** recognize the importance of transparency to ensure accountability of the private sector. Target 12.6 calls for advancing sustainability reporting and supporting responsible business practices. This is why GRI launched the [Action Platform 'Business Reporting on the SDGs'](#) with UN Global Compact. Enabling business to report on the SDGs can have a direct impact on human rights and enhance their integration into sustainable business models.
- The accountability that results from reporting is a strong driver for companies to fulfil their responsibility to respect human rights. It also makes the disclosure of non-financial information a critical component of due diligence. GRI closely follows global developments on **mandatory due diligence legislation** including at the EU level to promote the role of reporting and ensure alignment with the revision of the non-financial reporting directive.
- In November 2019, GRI developed [policy recommendations](#) to strengthen reporting requirements in **National Action Plans (NAPs) on Business and Human Rights**. The analysis showed that disclosure of non-financial information receives uneven treatment in most existing NAPs, which mirrors the analysis available on human rights reporting showing



a gap in policy commitment, management systems and reporting on results and progress. The 10 policy recommendations seek to ensure that NAPs address human rights reporting in the most effective manner for all stakeholders, including business.

- Existing regulations incorporate a range of requirements and standards which tend to be framed differently in scope and obligation, creating a challenging global regulatory landscape. To bring clarity and consistency, governments should seek **policy coherence** by reinforcing reporting requirements through internationally recognized standards. For that purpose, alignment on human rights instruments is essential.

III. Review of GRI Human Rights-related Standards *(Laura Espinach, Head of Technical Development, GRI)*

- GRI is revising its range of **human rights-related reporting standards**.
- As a first step, the **Universal Standards**, which apply to all organizations using the GRI Standards, are being revised to include mandatory reporting requirements for all organizations on the following:
 - The policy commitment to respect human rights and how it is embedded throughout the organization and business relationships
 - The grievance mechanisms and other remediation processes in place
 - Engagement with (affected and potentially affected) stakeholders
 - The due diligence processes for identifying actual and potential negative impacts on the economy, environment, and people, including impacts on human rights, across the organization's activities and business relationships
 - The prioritization of impacts based on their significance, or severity in the case of negative human rights impacts, in order to identify material topics for reporting
 - The management of material topics, including information on specific policies, goals and targets, actions to prevent, mitigate, and remediate negative impacts, and the effectiveness of actions taken
- These revisions have been developed in line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct.
- These revisions have been developed by a multi-stakeholder **Technical Committee of experts**, which included the participation of the United Nation's Office of the High Commissioner for Human Rights (OHCHR) and the OECD.
- A **public comment** is underway until 9 September 2020 to gather feedback from all interested parties on the proposed revisions.
- The revised Universal Standards are expected to be released in **mid 2021**.
- Following the review of the Universal Standards in mid 2021, GRI will seek to review the existing **human rights-related Topic Standards** – such as those on non-discrimination, forced labor, or freedom of association and collective bargaining – to ensure that they reflect best practice, and to develop new Topic Standards where needed.

IV. Guest presentation: **Business, human rights and COVID-19** *(Signe Andreasen Lysgaard, Senior Adviser, Business and Human Rights, Danish Institute for Human Rights)*

- COVID-19 has further underlined the relevance of the business and human rights agenda by exacerbating the **known risk and impact areas of business and human rights** and demonstrating the **broad range of human rights** that can be impacted by business, including worker health and safety, rights to rest and leisure and freedom from slavery as



related to mass lay-offs to mandatory overtime, right to health in relation to working from home, and right to privacy in connection to surveillance and contact tracing. It has also **increased pressure on already vulnerable affected rightsholders**, including migrant, unskilled and female workers.

- This is why **civil society organizations** are increasingly calling on business to **respond responsibly** to the pandemic and factor in human rights due diligence to crisis management and business continuity planning.
- The current pandemic also presents challenges as **key elements of human rights due diligence have been made more difficult to implement**. These include stakeholder engagement, on the ground data collection, budget cuts and ensuring seats at companies' decision making tables for internal and external human rights experts, to ensure that the human rights lens is added to the business response.
- Jointly the impacts of COVID-19 on human rights and business have highlighted the need for conversations on the purpose of corporations, unsustainable business models and the vulnerability of global value chains.
- Businesses will not be able to get there alone. COVID-19 underlines the **state duty to protect** against human rights abuses through requirements and incentives including mandatory human rights due diligence and measures to rebuild economies responsibly. For more information, the DIHR has developed online resources:
 - [Integrating business and human rights into state responses to COVID-19](#)
 - [COVID-19 response and recovery must build on human rights and SDGs](#)
- Finally, when it comes to **sustainability reporting**, communicating with stakeholders is even more so critically important in a time of heightened human rights risks and impacts. While reporting on human rights impacts was underwhelming prior to the pandemic, it renewed interest in **the 'S' in ESG** from investors. More guidance is needed about what constitutes adequate reporting on human rights vis-à-vis COVID-19 but, in the meantime, the requirements from the UN Guiding Principles are as relevant as ever to reporting.