

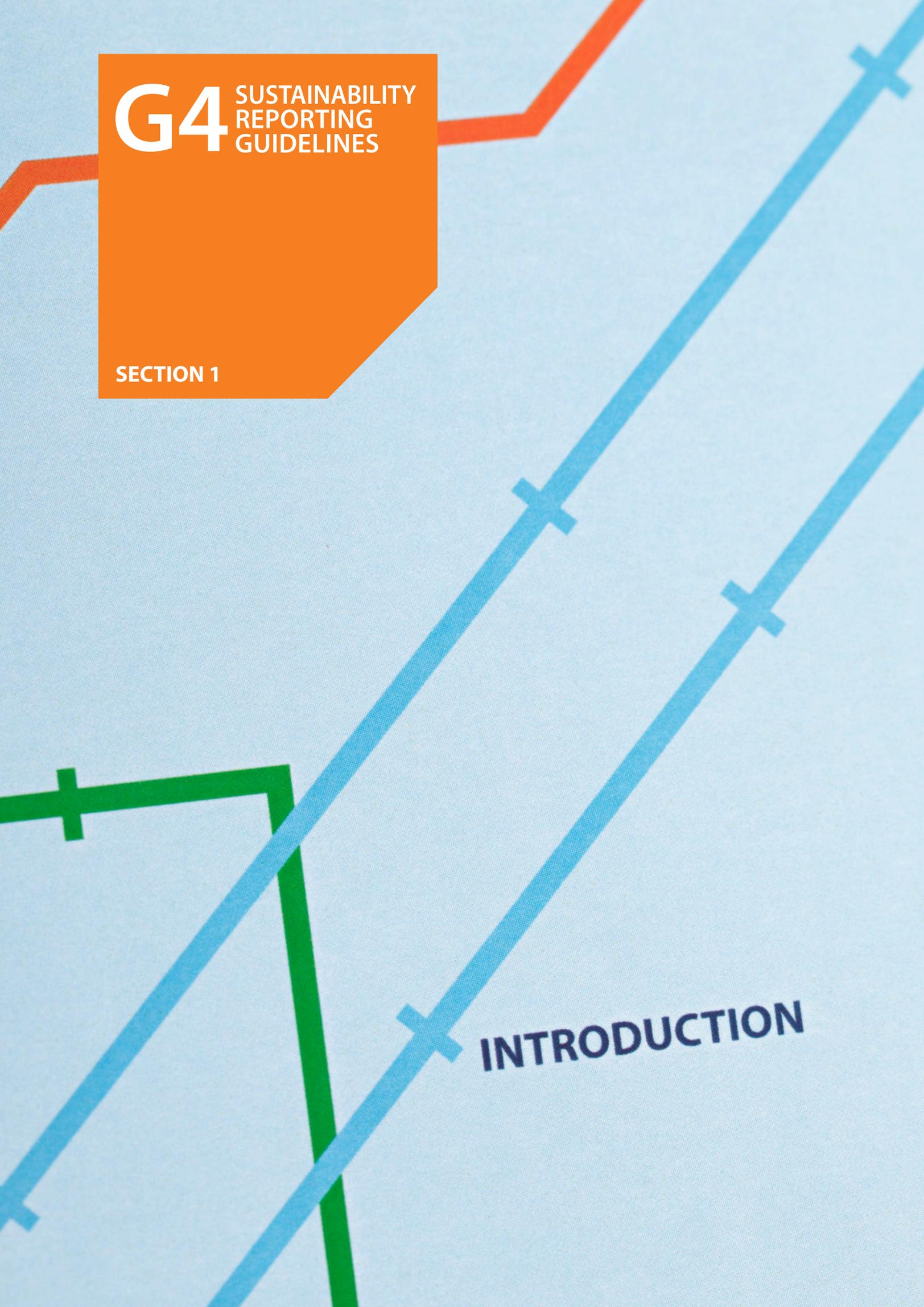
G4 SUSTAINABILITY
REPORTING
GUIDELINES



IMPLEMENTATION MANUAL

CONTENTS

1. INTRODUCTION	4
↓	
2. HOW TO USE THE IMPLEMENTATION MANUAL	6
↓	
3. REPORTING PRINCIPLES	8
3.1 Principles for Defining Report Content	9
3.2 Principles for Defining Report Quality	13
↓	
4. STANDARD DISCLOSURES	18
4.1 General Standard Disclosures	22
Strategy and Analysis	23
Organizational Profile	25
Identified Material Aspects and Boundaries	31
Stakeholder Engagement	43
Report Profile	45
Governance	52
Ethics and Integrity	60
4.2 Specific Standard Disclosures	62
Guidance for Disclosures on Management Approach	63
Guidance for Indicators and Aspect-specific Disclosures on Management Approach	66
• Category: Economic	67
• Category: Environmental	84
• Category: Social	142
– Sub-Category: Labor Practices and Decent Work	143
– Sub-Category: Human Rights	173
– Sub-Category: Society	198
– Sub-Category: Product Responsibility	221
↓	
5. REFERENCES	237
↓	
6. GLOSSARY	244
↓	
7. GENERAL REPORTING NOTES	256
↓	
8. G4 GUIDELINES CONTENT DEVELOPMENT	259

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G4 SUSTAINABILITY REPORTING GUIDELINES

SECTION 1

INTRODUCTION

1

INTRODUCTION

The GRI Sustainability Reporting Guidelines (the Guidelines) offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organizations, regardless of their size, sector or location.

The Guidelines also offer an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic^I performance and impacts^{II} of organizations. The Guidelines are useful in the preparation of any type of document which requires such disclosure.

The Guidelines are presented in two parts:

- **Reporting Principles and Standard Disclosures**
- **Implementation Manual**

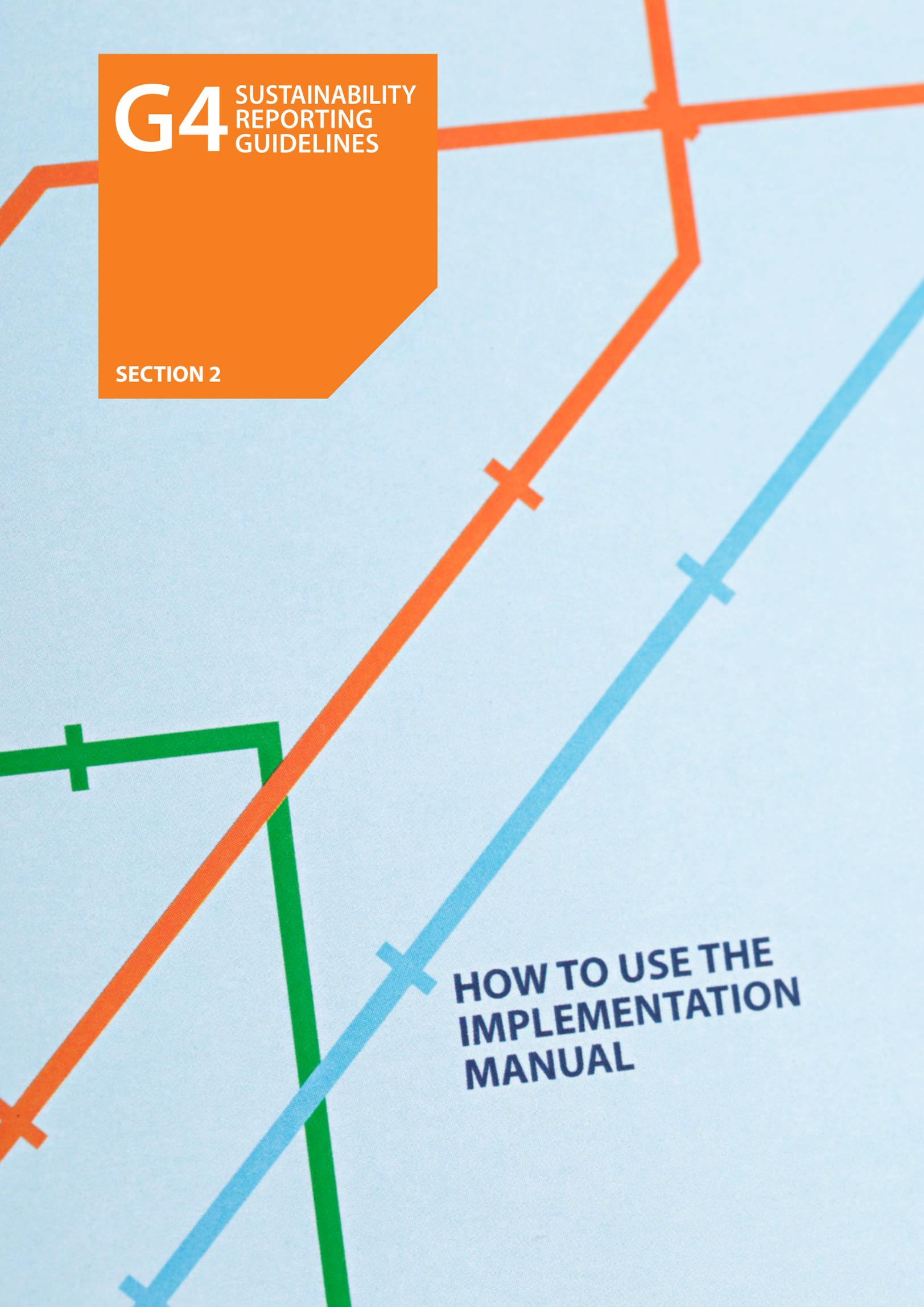
The first part – **Reporting Principles and Standard Disclosures** – contains Reporting Principles, Standard Disclosures, and the criteria to be applied by an organization to prepare its sustainability report ‘in accordance’ with the Guidelines. Definitions of key terms are also included.

The second part – **Implementation Manual** – contains explanations of how to apply the Reporting Principles, how to prepare the information to be disclosed, and how to interpret the various concepts in the Guidelines. References to other sources, a glossary and general reporting notes are also included.

Organizations should consult the *Implementation Manual* when preparing a sustainability report.

I. The economic dimension of sustainability concerns the organization's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organization.

II. In the Guidelines, unless otherwise stated the term ‘impact’ refers to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.



G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 2

**HOW TO USE THE
IMPLEMENTATION
MANUAL**

2

HOW TO USE THE
IMPLEMENTATION
MANUAL

The **Implementation Manual** provides valuable information about:

- How to understand, interpret and implement the concepts mentioned in the *Reporting Principles and Standard Disclosures*
- How to select and prepare the information to be disclosed in the final report; which references can be useful when preparing a report
- How to apply the Reporting Principles
- How to identify material Aspects and their Boundaries
- How GRI content helps to report on the organization's implementation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011 and United Nations Global Compact, 'Ten Principles', 2000.

In this document, the *Implementation Manual*, page numbers which refer to either the *Reporting Principles and Standard Disclosures* or the *Implementation Manual* are clearly identified as such.

The full list of references can be found in the *Implementation Manual* pp. 237-242.

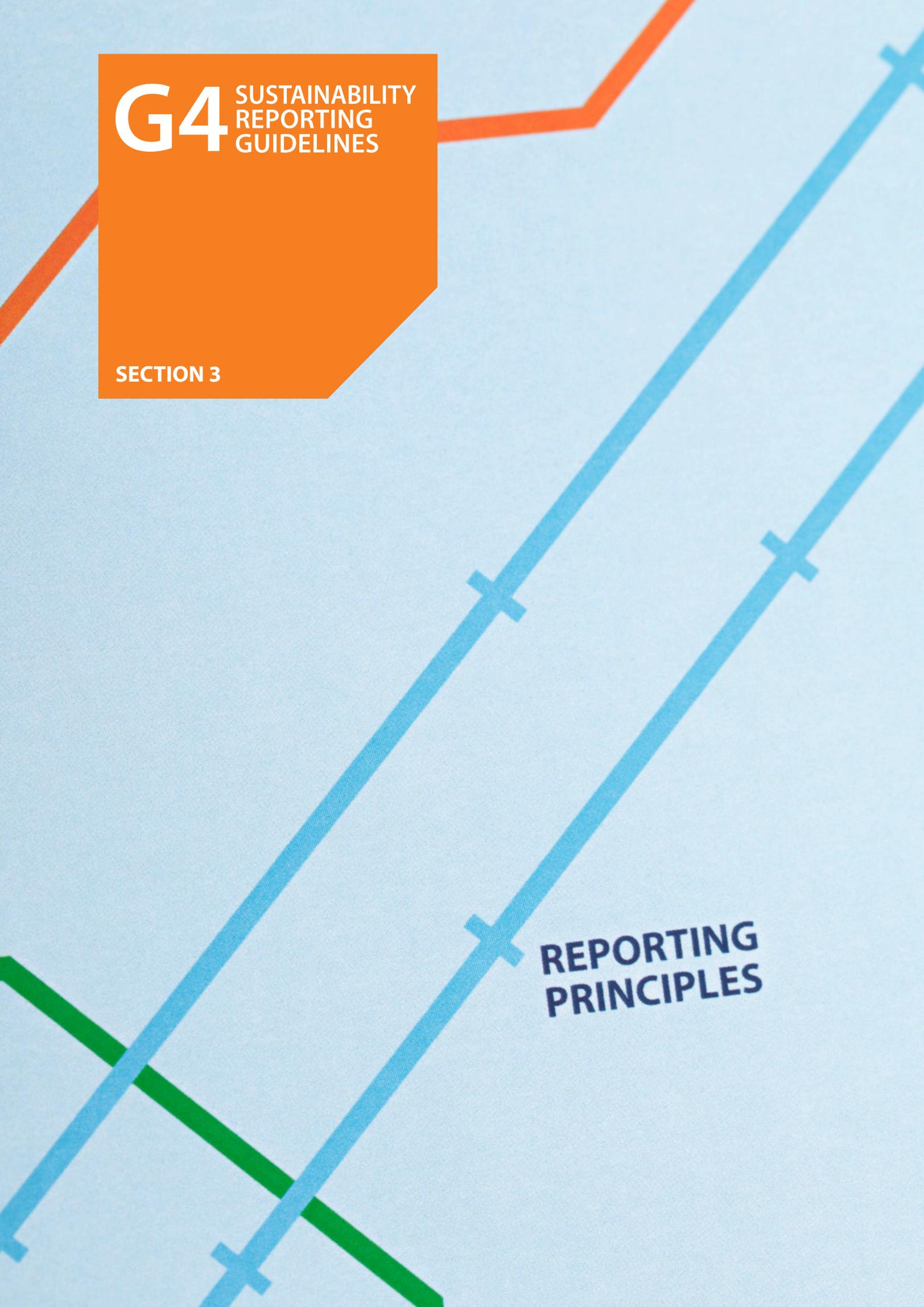
All definitions can be found in the Glossary in the *Implementation Manual* pp. 244-254.

Note to users of an electronic version of this document:

Throughout this document, there are definitions that are underlined. Clicking on these underlined definitions takes the user to the page where the relevant definition is located within the Glossary. To return to the previous page, please click "alt" + left arrow.

The following sections will be found in this *Implementation Manual*:

3. Reporting Principles
4. Standard Disclosures, divided as follows:
 - 4.1 General Standard Disclosures
 - Strategy and Analysis
 - Organizational Profile
 - Identified Material Aspects and Boundaries
 - Stakeholder Engagement
 - Report Profile
 - Governance
 - Ethics and Integrity
 - 4.2 Specific Standard Disclosures
 - Guidance for Disclosures on Management Approach
 - Guidance for Indicators and Aspect-specific Disclosures on Management Approach
5. References
6. Glossary
7. General Reporting Notes
8. G4 Guidelines Content Development



G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 3

**REPORTING
PRINCIPLES**

3

REPORTING PRINCIPLES

The Reporting Principles are fundamental to achieving transparency in sustainability reporting and therefore should be applied by all organizations when preparing a sustainability report. The *Implementation Manual* outlines the required process to be followed by an organization in making decisions consistent with the Reporting Principles.

The Principles are divided into two groups: Principles for Defining Report **Content** and Principles for Defining Report **Quality**.

The Principles for Defining Report Content guide decision to identify what content the report should cover by considering the organization's **activities, impacts, and the substantive expectations and interests of its stakeholders.**

The Principles for Defining Report Quality guide choices on ensuring the quality of information in the sustainability report, including its **proper presentation**. The quality of the information is important to enable **stakeholders to make sound and reasonable assessments** of performance, and take appropriate actions.

Each of the Principles consists of a definition, an explanation on how to apply the Principle and tests. The tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against.

3.1 PRINCIPLES FOR DEFINING REPORT CONTENT

These Principles are designed to be used in combination to define the report content. The implementation of all these Principles together is described under the Guidance of G4-18 on pp. 31-40 of the *Implementation Manual*.

STAKEHOLDER INCLUSIVENESS

Principle: The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

GUIDANCE

Applying the Principle:

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Stakeholders can include those who are invested in the organization (such as employees, shareholders, suppliers) as well as those who have other relationships to the organization (such as vulnerable groups within local communities, civil society).

The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of the report. However, not all of an organization's stakeholders will use the report. This presents challenges in balancing the specific interests and expectations of stakeholders who can reasonably be expected to use the report with broader expectations of accountability to all stakeholders.

For some decisions, such as the report Scope or Aspect Boundaries, the organization considers the reasonable expectations and interests of a wide range of stakeholders. There may be, for example, stakeholders who are unable to articulate their views on a report and whose concerns are presented by proxies. There may also be stakeholders who choose not to express views on reports because they rely on different means of communication and engagement.

The reasonable expectations and interests of these stakeholders should still be acknowledged in decisions about

the content of the report. However, other decisions, such as the level of detail required to be useful to stakeholders, or expectations of different stakeholders about what is required to achieve clarity, may require greater emphasis on those who can reasonably be expected to use the report. It is important to document the processes and approach taken in making these decisions.

The process of stakeholder engagement may serve as a tool for understanding the reasonable expectations and interests of stakeholders. Organizations typically initiate different types of stakeholder engagement as part of their regular activities, which can provide useful inputs for decisions on reporting. These may include, for example, stakeholder engagement for the purpose of compliance with internationally recognized standards, or informing ongoing organizational or business processes. In addition, stakeholder engagement may also be implemented specifically to inform the report preparation process. Organizations may also use other means such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means help the organization better understand stakeholders' reasonable expectations and interests.

When the process of stakeholder engagement is used for reporting purposes, it should be based on systematic or generally accepted approaches, methodologies, or principles. The overall approach should be sufficiently effective to ensure that stakeholders' information needs are properly understood.

It is important that the process of stakeholder engagement is capable of identifying direct input from stakeholders as well as legitimately established societal expectations. An organization may encounter conflicting views or differing expectations among its stakeholders, and may need to be able to explain

how it balanced these in reaching its reporting decisions.

For the report to be assurable, it is important to document the process of stakeholder engagement. The organization documents its approach for defining which stakeholders it engaged with, how and when it engaged with them, and how engagement has influenced the report content and the organization's sustainability activities.

Failure to identify and engage with stakeholders is likely to result in reports that are not suitable, and therefore not fully credible, to all stakeholders. In contrast, systematic stakeholder engagement enhances stakeholder receptivity and the usefulness of the report. Executed properly, it is likely to result in ongoing learning within the organization and by external parties, as well as increase accountability to a range of stakeholders. Accountability strengthens trust between the

organization and its stakeholders. Trust, in turn, fortifies report credibility.

Tests:

- The organization can describe the stakeholders to whom it considers itself accountable
- The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates
- The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report
- The stakeholder engagement processes that inform decisions about the report are consistent with the Scope and Aspect Boundaries

SUSTAINABILITY CONTEXT

Principle: The report should present the organization's performance in the wider context of sustainability.

GUIDANCE

Applying the Principle:

Information on performance should be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental and social conditions, developments and trends at the local, regional or global level. Reporting only on trends in individual performance (or the efficiency of the organization) fails to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This involves discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, or global level. For example, this can mean that in addition to reporting on trends in eco-efficiency, an organization may also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

This concept is often most clearly articulated in the environmental arena in terms of global limits on resource use and pollution levels. However, it may also be relevant with respect to social and economic objectives such as national or international socio-economic and sustainable development goals. For example, an organization may report on employee

wages and social benefit levels in relation to nation-wide minimum and median income levels, and the capacity of social safety nets to absorb those in poverty or those living close to the poverty line.

Organizations operating in a diverse range of locations, sizes, and sectors need to consider how to best frame their overall organizational performance in the broader context of sustainability. This may require distinguishing between topics or factors that drive global impacts (such as climate change) and those that have more regional or local impacts (such as community development). When reporting on topics that have positive or negative local impacts, it is important to provide insight into how the organization affects communities in different locations. Similarly, distinctions may need to be made between trends or patterns of impacts across the range of operations versus contextualizing performance location by location.

The organization's own sustainability and business strategy provides the context in which to discuss performance. The relationship between sustainability and organizational strategy should be made clear, as should the context within which performance is reported.

Tests:

- The organization presents its understanding of sustainable development and draws on objective and available information as well as measures of sustainable development for the topics covered in the report
- The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, or global publications
- The organization presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographical contexts
- The report describes how sustainability topics relate to long-term organizational strategy, risks, and opportunities, including supply chain topics

MATERIALITY

Principle: The report should cover Aspects that:

- Reflect the organization's significant economic, environmental and social impacts; or
- Substantively influence the assessments and decisions of stakeholders

GUIDANCE**Applying the Principle:**

Organizations are faced with a wide range of topics on which they could report. Relevant topics are those that may reasonably be considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which Aspects become sufficiently important that they should be reported. Beyond this threshold, not all material Aspects are of equal importance and the emphasis within a report should reflect the relative priority of these material Aspects.

In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those Aspects that have a significant financial impact on the organization.

Determining materiality for a sustainability report also includes considering economic, environmental and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. These material Aspects often have a significant financial impact in the short term or long term on an organization. They are therefore also relevant for stakeholders who focus strictly on the financial condition of an organization.

A combination of internal and external factors should be used to determine whether an Aspect is material, including factors such as the organization's overall mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations, and the organization's influence on upstream (such as supply chain) and downstream (such as customers) entities. Assessments of materiality should also take into account the basic expectations expressed in the international standards and agreements with which the organization is expected to comply.

These internal and external factors should be considered when evaluating the importance of information for reflecting significant economic, environmental and social impacts, or stakeholder decision making. A range of established methodologies may be used to assess the significance of impacts. In general, 'significant impacts' refer to those that are a subject of established concern for expert communities, or that have been identified using established tools such as impact assessment methodologies or life cycle assessments. Impacts that are considered important enough to require active management or engagement by the organization are likely to be considered to be significant.

The report should emphasize information on performance regarding the most material Aspects. Other relevant topics can be included, but should be given less prominence in the report. The process by which the relative priority of Aspects was determined should be explained.

In addition to guiding the selection of Aspects to report, the Materiality Principle also applies to the use of Indicators.

When disclosing performance data, there are varying degrees of comprehensiveness and detail that could be provided in a report. Overall, decisions on how to report data should be guided by the importance of the information for assessing the performance of the organization, and facilitating appropriate comparisons.

Reporting on material Aspects may involve disclosing information used by external stakeholders that differs from the information used internally for day-to-day management purposes. However, such information does indeed belong in a report, where it may inform assessments or decision-making by stakeholders, or support engagement with stakeholders that may result in actions that significantly influence performance or address key topics of stakeholder concern.

Tests:

In defining material Aspects, the organization takes into account the following factors:

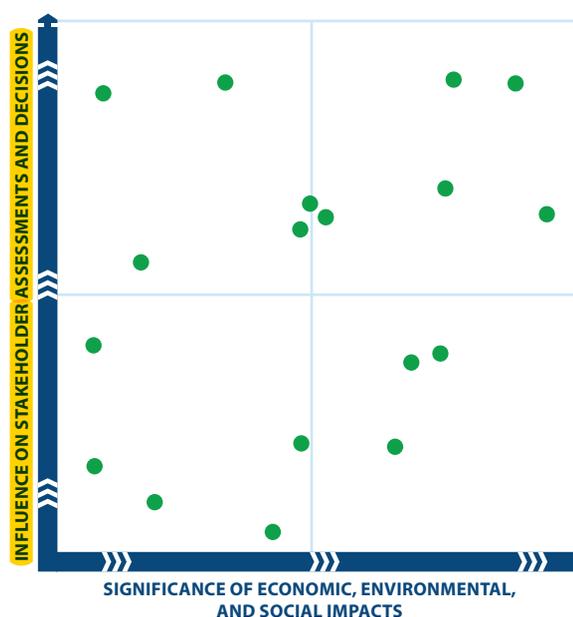
- Reasonably estimable sustainability impacts, risks, or opportunities (such as global warming, HIV-AIDS, poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field
- Main sustainability interests and topics, and Indicators raised by stakeholders (such as vulnerable groups within local communities, civil society)
- The main topics and future challenges for the sector reported by peers and competitors
- Relevant laws, regulations, international agreements, or voluntary agreements with strategic significance to the organization and its stakeholders
- Key organizational values, policies, strategies, operational management systems, goals, and targets

- The interests and expectations of stakeholders specifically invested in the success of the organization (such as employees, shareholders, and suppliers)
- Significant risks to the organization
- Critical factors for enabling organizational success
- The core competencies of the organization and the manner in which they may or could contribute to sustainable development

Prioritizing

- The report prioritizes material Aspects and Indicators

FIGURE 1 Visual representation of prioritization of Aspects



COMPLETENESS

Principle: The report should include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization’s performance in the reporting period.

GUIDANCE

Applying the Principle:

Completeness primarily encompasses the dimensions of scope, boundary, and time. The concept of completeness may also be used to refer to practices in information collection (for example, ensuring that compiled data includes results from all entities within the organization and entities, groups of entities, or elements outside the organization where significant

impact occurs) and whether the presentation of information is reasonable and appropriate. These topics are related to report quality, and are addressed in greater detail under the Principles of Accuracy and Balance.

Scope refers to the range of sustainability Aspects covered in a report. The sum of the Aspects and Standard Disclosures

reported should be sufficient to reflect significant economic, environmental and social impacts. It should also enable stakeholders to assess the organization's performance. In determining whether the information in the report is sufficient, the organization should consider both the results of stakeholder engagement processes and broad-based societal expectations that may not have surfaced directly through stakeholder engagement processes.

'Aspect Boundary' refers to the description of where impacts occur for each material Aspect. In setting the Aspect Boundaries, an organization should consider impacts within and outside of the organization. Aspect Boundaries vary based on the Aspects reported.

'Time' refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts should be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that may become unavoidable or irreversible in the longer term (such as bio-accumulative or persistent pollutants). In making estimates of future impacts (both positive and negative), the reported information should

be based on well-reasoned estimates that reflect the likely size and nature of impacts. Although such estimates are by nature subject to uncertainty, they provide useful information for decision-making as long as the basis for estimates is clearly disclosed and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they may only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental and social performance.

Tests:

- The report takes into account impacts within and outside of the organization, and covers and prioritizes all material information on the basis of the Principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness
- The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and may become unavoidable or irreversible
- The report does not omit relevant information that influences or informs stakeholder assessments or decisions, or that reflects significant economic, environmental and social impacts

3.2 PRINCIPLES FOR DEFINING REPORT QUALITY

This group of Principles guides choices on ensuring the quality of information in the sustainability report, including its proper presentation. Decisions related to the process of preparing information in a report should be consistent with these Principles. All of these Principles are fundamental to achieving transparency. The quality of the information is important to enable stakeholders to make sound and reasonable assessments of performance, and take appropriate actions.

BALANCE

Principle: The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.

GUIDANCE

Applying the Principle:

The overall presentation of the report's content should provide an unbiased picture of the organization's performance. The report should avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. The report should include both favorable and unfavorable results, as well as information that can influence the decisions of stakeholders in proportion to their materiality. The report should clearly distinguish between factual presentation and

the organization's interpretation of information.

Tests:

- The report discloses both favorable and unfavorable results and Aspects
- The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis
- The emphasis on the various Aspects in the report is proportionate to their relative materiality

COMPARABILITY

Principle: The organization should select, compile and report information consistently. The reported information should be presented in a manner that enables stakeholders to analyze changes in the organization’s performance over time and that could support analysis relative to other organizations.

GUIDANCE

Applying the Principle:

Comparability is necessary for evaluating performance. Stakeholders using the report should be able to compare information reported on economic, environmental and social performance against the organization’s past performance, its objectives, and, to the degree possible, against the performance of other organizations. Consistency in reporting allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors such as differences in organizational size, geographic influences, and other considerations that may affect the relative performance of an organization. When necessary, report preparers should consider providing context that helps report users understand the factors that may contribute to differences in performance between organizations.

In order to facilitate comparability over time, it is important to maintain consistency with the methods used to calculate data, with the layout of the report; and with explaining the methods and assumptions used to prepare information. As the relative importance of an Aspect to a given organization and its stakeholders change over time, the content of reports will also evolve.

However, within the confines of the Principle of Materiality, organizations should aim for consistency in their reports over time. An organization should include total numbers (that is,

absolute data such as tons of waste) as well as ratios (that is, normalized data such as waste per unit of production) to enable analytical comparisons.

When changes occur with the Aspect Boundaries, Scope, length of the reporting period, or content (including the design, definitions, and use of any Indicators in the report), organizations should, whenever practicable, restate current disclosures alongside historical data (or vice versa). This ensures that information and comparisons are both reliable and meaningful over time. When such restatements are not provided, the report should explain the reasons and implications for interpreting current disclosures.

Tests:

- The report and the information contained within it can be compared on a year-to-year basis
- The organization’s performance can be compared with appropriate benchmarks
- Any significant variation between reporting periods in the Aspect Boundaries, Scope, length of reporting period, or information covered in the report can be identified and explained
- When they are available, the report utilizes generally accepted protocols for compiling, measuring and presenting information, including the information contained in the GRI Guidelines
- The report uses GRI Sector Disclosures, when available

ACCURACY

Principle: The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization’s performance.

GUIDANCE

Applying the Principle:

Responses to economic, environmental and social Disclosures on Management Approach and Indicators may be expressed in many different ways, ranging from qualitative responses

to detailed quantitative measurements. The characteristics that determine accuracy vary according to the nature of the information and the user of the information. For example, the accuracy of qualitative information is largely determined

by the degree of clarity, detail, and balance in presentation within the appropriate Aspect Boundaries. The accuracy of quantitative information, on the other hand, may depend on the specific methods used to gather, compile, and analyze data. The specific threshold of accuracy that is necessary will depend partly on the intended use of the information. Certain decisions require higher levels of accuracy in reported information than others.

Tests:

- The report indicates the data that has been measured

- The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results
- The margin of error for quantitative data is not sufficient to influence substantially the ability of stakeholders to reach appropriate and informed conclusions on performance
- The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found
- The qualitative statements in the report are valid on the basis of other reported information and other available evidence

TIMELINESS

Principle: The organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.

GUIDANCE

Applying the Principle:

The usefulness of information is closely tied to whether the timing of its disclosure to stakeholders enables them to effectively integrate it into their decision-making. The timing of release refers both to the regularity of reporting as well as its proximity to the actual events described in the report.

Although a constant flow of information is desirable for meeting certain purposes, organizations should commit to regularly providing a consolidated disclosure of their economic, environmental and social performance at a single point in time. Consistency in the frequency of reporting and the length of reporting periods is also necessary to ensure comparability of information over time and accessibility of the report to stakeholders. It may be of value for stakeholders

if the schedules for sustainability reporting and financial reporting are aligned. The organization should balance the need to provide information in a timely manner with the importance of ensuring that the information is reliable.

Tests:

- Information in the report has been disclosed while it is recent relative to the reporting period
- The collection and publication of key performance information is aligned with the sustainability reporting schedule
- The information in the report (including online reports) clearly indicates the time period to which it relates, when it will be updated, and when the last updates were made

CLARITY

Principle: The organization should make information available in a manner that is understandable and accessible to stakeholders using the report.

GUIDANCE

Applying the Principle:

The report should present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders (whether in print form or through

other channels). A stakeholder should be able to find desired information without unreasonable effort. Information should be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the

organization and its activities. **Graphics and consolidated data tables** may help to make information in the report accessible and understandable. **The level of aggregation of information** may also affect the clarity of a report, if it is either significantly more or less detailed than stakeholders expect.

Tests:

- The report contains the level of information required by stakeholders, but **avoids excessive and unnecessary detail**

- Stakeholders can **find the specific information they want** without unreasonable effort through tables of contents, maps, links, or other aids
- The report **avoids technical terms**, acronyms, jargon, or other content likely to **be unfamiliar to stakeholders**, and should **include explanations** (where necessary) in the relevant section or in a glossary
- The data and information in the report is available to stakeholders, including those with particular accessibility needs (such as differing abilities, language, or technology)

RELIABILITY

Principle: The organization should gather, record, compile, analyze and disclose information and processes used in the preparation of a report in a way that they can **be subject to examination** and that establishes the **quality and materiality** of the information.

GUIDANCE

Applying the Principle:

Stakeholders should have **confidence that a report can be checked** to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. The information and data included in a report should be supported by internal controls or documentation that **could be reviewed by individuals other than those who prepared the report**. Disclosures about performance that are not substantiated by evidence should not appear in a sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information.

The decision-making processes underlying a report should be documented in a manner that allows the basis of key

decisions (such as processes for determining the report content and Aspect Boundaries or stakeholder engagement) to be examined. In designing information systems, organizations should anticipate that the systems could be examined as part of an external assurance process.

Tests:

- The scope and extent of external assurance is identified
- **The original source of the information in the report can be identified by the organization**
- **Reliable evidence to support assumptions** or complex calculations can be identified by the organization
- **Representation is available from the original data or information owners**, attesting to its accuracy within acceptable margins of error

4.2 SPECIFIC STANDARD DISCLOSURES

The Guidelines organize Specific Standard Disclosures into three Categories - Economic, Environmental and Social. The Social Category is further divided into four sub-Categories, which are Labor Practices and Decent Work, Human Rights, Society and Product Responsibility.

The GRI Aspects are set out within each Category. Table 1 below gives an overview of the Categories and Aspects.

The organization’s sustainability report presents information relating to material Aspects, those that reflect the organization’s significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

The Reporting Principles for Defining Report Content have been designed to assist organizations in identifying material Aspects and their Boundaries and to indicate where their impacts may be identified as material. (The description of these Principles, as well as Guidance on how to apply them, can be found in the *Implementation Manual* on pp. 9-13 and pp. 31-40.)

The information reported for each identified material Aspect can be disclosed as DMA and as Indicators.

The economic dimension of sustainability concerns the organization’s impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organization.

TABLE 1: CATEGORIES AND ASPECTS IN THE GUIDELINES

Category	Economic	Environmental			
Aspects ^{VIII}	<ul style="list-style-type: none"> • Economic Performance • Market Presence • Indirect Economic Impacts • Procurement Practices 	<ul style="list-style-type: none"> • Materials • Energy • Water • Biodiversity • Emissions • Effluents and Waste • Products and Services • Compliance • Transport • Overall • Supplier Environmental Assessment • Environmental Grievance Mechanisms 			
Category	Social				
Sub-Categories	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility	
Aspects ^{VIII}	<ul style="list-style-type: none"> • Employment • Labor/Management Relations • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity • Equal Remuneration for Women and Men • Supplier Assessment for Labor Practices • Labor Practices Grievance Mechanisms 	<ul style="list-style-type: none"> • Investment • Non-discrimination • Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor • Security Practices • Indigenous Rights • Assessment • Supplier Human Rights Assessment • Human Rights Grievance Mechanisms 	<ul style="list-style-type: none"> • Local Communities • Anti-corruption • Public Policy • Anti-competitive Behavior • Compliance • Supplier Assessment for Impacts on Society • Grievance Mechanisms for Impacts on Society 	<ul style="list-style-type: none"> • Customer Health and Safety • Product and Service Labeling • Marketing Communications • Customer Privacy • Compliance 	

VIII The word **topic** is used in the Guidelines to refer to any possible sustainability subject. The word **Aspect** is used in the Guidelines to refer to the list of subjects covered by the Guidelines.

Guidance for Disclosures on Management Approach

Introduction

The DMA is intended to give the organization an opportunity to explain how the economic, environmental and social impacts related to material Aspects are managed.

Material Aspects are defined by the organization using the Reporting Principles for Defining Report Content (see the Guidance for G4-18 in *Implementation Manual* pp. 31-40). Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

DMA provides narrative information on how an organization identifies, analyzes, and responds to its actual and potential material economic, environmental and social impacts.

DMA also provides context for the performance reported by Indicators.

Organizing the information

DMA is ordinarily provided for GRI Aspects, to report specific management practices.

If the organization's management approach or its components (such as policies or specific actions) apply in general to more than one GRI Aspect, such DMA can be provided once in a report, it does not have to be repeated throughout the report for every GRI Category, Aspect or Indicator. When DMA is combined for a group of Aspects, the report states clearly which Aspects are covered by each disclosure.

Different types of Disclosures on Management Approach

The Guidance for DMA is divided in two types: Generic and Aspect-specific Guidance. Generic DMA Guidance is designed to be used with any Aspect. Aspect-specific DMA Guidance is designed to give additional detail on the information to report for the Aspect.

When reporting management approach, organizations start by addressing the Generic DMA Guidance. If Aspect-specific Guidance is available, organizations then use it to report their management approach for that Aspect in more detail.

At the time of publication, Aspect-specific DMA Guidance has not yet been developed for every Aspect in the Guidelines.

Aspect-specific DMA Guidance is provided for the following Aspects:

- Indirect Economic Impacts
- Procurement Practices
- Energy
- Biodiversity
- Emissions
- Supplier Environmental Assessment
- Environmental Grievance Mechanisms
- Employment
- Occupational Health and Safety
- Equal Remuneration for Women and Men
- Supplier Assessment for Labor Practices
- Labor Practices Grievance Mechanisms
- Investment
- Freedom of Association and Collective Bargaining
- Supplier Human Rights Assessment
- Human Rights Grievance Mechanisms
- Local Communities
- Anti-corruption
- Public Policy
- Supplier Assessment for Impacts on Society
- Grievance Mechanisms for Impacts on Society
- Customer Health and Safety
- Product and Service Labeling

For guidance on Generic DMA, which can be applied for any material Aspect, and for Aspect-specific DMA, which is designed to give additional details to report on a specific Aspect, see p. 64 and p. 66 in the *Implementation Manual*.

Generic Disclosures on Management Approach

DMA should contain sufficient information to explain an organization's response to material Aspects. The process for selecting material Aspects is described in the Guidance for G4-18, *Implementation Manual* pp. 31-40.

The organization should report if information presented for a DMA does not cover the Boundary identified for the material Aspect in General Standard Disclosures G4-20 and G4-21.

DMA include the following Standard Disclosures:

CATEGORY: SOCIAL

Introduction

The social dimension of sustainability concerns the impacts the organization has on the social systems within which it operates.

The Social Category includes the sub-Categories:

- Labor Practices and Decent Work
- Human Rights
- Society
- Product Responsibility

Most of the content in the sub-Categories is based on internationally recognized universal standards or other relevant international references.

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Introduction

The Aspects under the sub-Category of Labor Practices are based on internationally recognized universal standards, including:

- 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
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979
- International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998 which builds upon the eight core Conventions of the ILO:
 - International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930
 - International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948
 - International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
 - International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951
 - International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957
 - International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958
 - International Labour Organization (ILO) Convention 138, 'Minimum Age Convention', 1973
 - International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999
- United Nations (UN) Declaration, 'Vienna Declaration and Programme of Action', 1993

The Labor Practices Indicators also draw upon two instruments that address the social responsibilities of business enterprises:

- International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 1977
- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this sub-Category help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this sub-Category help to report on the implementation of Principle 6 of the United Nations Global Compact, 'Ten Principles', 2000.

Additional references

- International Labour Organization (ILO) Declaration, 'Declaration Concerning the Aims and Purposes of the International Labour Organization (Declaration of Philadelphia)', 1944.
- International Labour Organization (ILO) Declaration, 'Declaration of Social Justice for a Fair Globalization', 2008.
- International Labour Organization (ILO), 'Decent Work', 1999.
- United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.
- United Nations (UN) Declaration, 'United Nations Millennium Declaration', 2000.

Aspect: Employment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** pp. 144-145

INDICATORS

G4-LA1

Total number and rates of new employee hires and employee turnover by age group, gender, and region

Guidance p. 146

G4-LA2

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

Guidance p. 147

G4-LA3

Return to work and retention rates after parental leave, by gender

Guidance p. 148

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Labour Organization (ILO) Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
- International Labour Organization (ILO) Convention 121, 'Employment Injury Benefits Convention', 1964.
- International Labour Organization (ILO) Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
- International Labour Organization (ILO) Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
- International Labour Organization (ILO) Convention 132, 'Holidays with Pay Convention (Revised)', 1970.
- International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
- International Labour Organization (ILO) Convention 156, 'Workers with Family Responsibilities Convention', 1981.
- International Labour Organization (ILO) Convention 157, 'Maintenance of Social Security Rights Convention', 1982.
- International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
- International Labour Organization (ILO) Convention 183, 'Maternity Protection Convention', 2000.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe actions taken to determine and address situations where work undertaken within the organization's supply chain does not take place within appropriate institutional and legal frameworks. Work taking place within an appropriate institutional and legal framework will usually entail a recognized employment relationship with an identifiable and legally recognized employer.

Describe actions taken to determine and address situations where persons working for suppliers are not provided the social and labor protection that they are entitled to receive by national labor law.

Describe actions taken to determine and address situations where working conditions in the organization's supply chain did not meet international labor standards or national labor law. Conditions of work include compensation, working

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

time, rest periods, holidays, disciplinary and dismissal practices, maternity protection, the workplace environment, occupational health and safety, the quality of living accommodations where provided, and welfare matters such as safe drinking water, canteens and access to medical services.

Describe actions taken to determine and address situations where work undertaken within the organization's supply chain is inadequately remunerated. Adequately remunerated work means that wages and compensation for a standard working week, excluding overtime, meet legal and industry minimum standards and are sufficient to meet the basic needs of workers and their families and provide some discretionary income. Actions taken to address situations where work is inadequately remunerated may include:

- Dialogue with suppliers regarding the relationship of the prices paid to suppliers and the wages paid to workers

- Changes to the organization's procurement practices
- Support for collective bargaining to determine wages
- Determining the extent that overtime is used, whether it is mandatory, and whether it is compensated at a premium rate

Describe actions taken to determine and address situations of disguised employment relationships where workers in the organization's supply chain are falsely considered to be self-employed or where there is no legally recognized employer.

Describe actions taken to determine and address situations where work undertaken within the organization's supply chain performed at home is not performed subject to a legally recognized contract.

Indicators

G4-LA1

TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

- a. Report the total number and rate of new employee hires during the reporting period, by age group, gender and region.
- b. Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.

GUIDANCE

Relevance

The number, age, gender, and region of new employee hires of the organization can indicate the organization's strategy and ability to attract diverse qualified employees. This information can signify the organization's efforts to implement inclusive recruitment practices based on age and gender, and the optimal use of available labor and talent in different regions.

A high rate of employee turnover can indicate levels of uncertainty and dissatisfaction among employees, or may signal a fundamental change in the structure of the organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for recruitment of workers.

Compilation

Identify the total number of new employee hires during the reporting period, by age group: under 30 years old, 30-50 years old, over 50 years old, gender and region.

Identify the employee turnover during the reporting period, by age group: under 30 years old, 30-50 years old, over 50 years old, gender and region.

Employment net creation can be estimated using the data reported under G4-10.

Rates are calculated using the total employee numbers at the end of the reporting period.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee turnover](#)
- [New employee hires](#)

Documentation sources

Potential sources of information include payroll information available at the national or site level. Operational plans and restatements of the organization's key strategic targets may provide explanations for large variations in this figure.

G4-LA2

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION

- a. Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:
- Life insurance
 - Health care
 - Disability and invalidity coverage
 - Parental leave
 - Retirement provision
 - Stock ownership
 - Others
- b. Report the definition used for 'significant locations of operation'.

GUIDANCE**Relevance**

Data reported under this Indicator provides a measure of the organization's investment in human resources and the minimum benefits it offers its full-time employees. The quality of benefits for full-time staff is a key factor in retaining employees.

Compilation

Identify standard benefits offered to full-time employees, by significant locations of operation.

Identify and disclose which of these standard benefits are not available to temporary or part-time employees, by significant locations of operation.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Benefits](#)
- [Employee](#)
- [Standard benefits](#)

Documentation sources

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other sources may include benefits summaries, employee orientation and commencement materials, and employee contracts.

G4-LA3

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER

- Report the total number of employees that were entitled to parental leave, by gender.
- Report the total number of employees that took parental leave, by gender.
- Report the total number of employees who returned to work after parental leave ended, by gender.
- Report the total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.
- Report the return to work and retention rates of employees who took parental leave, by gender.

GUIDANCE**Relevance**

Many countries have introduced legislation to provide parental leave. The aim of the legislation is to allow employees to take leave and return to work to the same or a comparable position.

The application of legislation varies according to interpretation by government, employers and employees. Many women are discouraged from taking leave and returning to work by employer practices that affect their employment security, remuneration and career path. Many men are not encouraged to take the leave to which they are entitled.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified staff, and boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organization encourages fathers to take such leave. More men taking advantage of leave entitlements has a positive effect for women in taking such leave without prejudicing their career path.

Compilation

Identify the proportion of employees, by gender, who are covered by organizational policies, agreements or contracts that contain parental leave entitlements.

Identify the total number of employees, by gender:

- Who took parental leave in the reporting period
- Who returned to work in the reporting period after the leave ended
- Who after returning to work were still employed 12 months later. To complete this part, consult records from the prior reporting periods.

Using this information, calculate the following return to work and retention rates by gender. Use these formulas:

$$\text{Return to work rate} = \frac{\text{Total number of employees who did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$$

$$\text{Retention rate} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100$$

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Parental leave](#)

Documentation sources

Potential sources of information include the organization's human resources department.

Aspect: Labor/Management Relations

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

Guidance p. 150

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

United Nations Global Compact Ten Principles

The Standard Disclosures under this Aspect help to report on the implementation of Principle 3 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
- International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
- International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
- International Labour Organization (ILO) Convention 158, 'Termination of Employment Convention', 1982.
- International Labour Organization (ILO) Recommendation 91, 'Collective Agreements Recommendation', 1951.
- International Labour Organization (ILO) Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
- International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
- International Labour Organization (ILO), *Key Indicators of the Labour Market (KILM)*, <http://kilm.ilo.org/kilmnet>, accessed on 1 May 2013.
- International Labour Organization (ILO), LABORSTA Internet, <http://laborsta.ilo.org/>, accessed on 1 May 2013.

Indicators

G4-LA4

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS

- a. Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.
- b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.

GUIDANCE

Relevance

Minimum notice periods are an indicator of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations.

This Indicator provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes (which may have positive or negative implications for workers). Timely and effective consultation with workers and other relevant parties, where practicable (such as with governmental authorities), helps to minimize any negative impacts from operating changes on workers and related communities.

This Indicator also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms. Consultative practices that result in good industrial relations help provide positive working environments, reduce turnover, and minimize operational disruptions.

Compilation

Identify minimum notice periods existing in corporate policies and standard employment contracts. Different policy statements may exist at a regional level.

Identify the collective bargaining agreements as per G4-11 and review the notice period clauses within these documents.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Employee
- Significant operational changes

Documentation sources

Potential sources of information include corporate policies, standard employment contracts and collective bargaining agreements held by the human resources or legal departments.

Aspect: Occupational Health and Safety

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  **Guidance: Generic DMA** pp. 64-65; **Aspect-specific** p. 151

INDICATORS

G4-LA5 **Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs**
 **Guidance** p. 152

G4-LA6 **Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender**
 **Guidance** pp. 153-154

G4-LA7 **Workers with high incidence or high risk of diseases related to their occupation**
 **Guidance** p. 155

G4-LA8 **Health and safety topics covered in formal agreements with trade unions**
 **Guidance** p. 156

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

- International Labour Organization (ILO) Convention 161, ‘Occupational Health Services Convention’, 1985.
- International Labour Organization (ILO), *Code of Practice on Recording and Notification of Occupational Accidents and Diseases*, 1996.
- International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001)*, 2001.

References

- International Labour Organization (ILO) Convention 155, ‘Occupational Safety and Health Convention’ and related Protocol 155, 1981.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe programs related to assisting workforce members, their families, or community members regarding serious diseases, including whether such programs involve education and training, counseling, prevention and risk control measures, or treatment.

Definitions

- See Glossary in *Implementation Manual*, p. 244
- Risk control for diseases

Indicators



PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT–WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS

- a. Report the level at which each formal joint management-worker health and safety committee typically operates within the organization.
- b. Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.

GUIDANCE

Relevance

A health and safety committee with joint representation can facilitate a positive health and safety culture. The use of committees is one way to involve workers in driving the improvement of occupational health and safety in the workplace. This Indicator provides one measure of the extent to which the workforce is actively involved in health and safety.

Compilation

Identify formal health and safety committees that help monitor, collect feedback and advise on occupational safety programs. These committees may exist at the facility level or at multi-facility, region, group or organization levels.

Calculate the total number of workers represented by these committees, as a percentage of total workforce numbers.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Formal committee
- Total workforce

Documentation sources

Potential sources of information include organizational procedures and minutes of occupational health and safety committees.

G4-LA6

TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

- a. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:
 - Region
 - Gender
- b. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:
 - Region
 - Gender
- c. Report the system of rules applied in recording and reporting accident statistics.

GUIDANCE

Relevance

Health and safety performance is a key measure of an organization's duty of care. Low injury and absentee rates are generally linked to positive trends in staff morale and productivity. This Indicator shows whether health and safety management practices are resulting in fewer occupational health and safety incidents. An evaluation of trends and patterns may also indicate potential workplace inequity.

Compilation

Identify the system of rules applied in recording and reporting accident statistics. The ILO *Code of Practice on Recording and Notification of Occupational Accidents and Diseases*⁵⁶ was developed for the reporting, recording, and notification of workplace accidents. Where national law follows the ILO *Code*, it is sufficient to state that fact and that practice follows the law. In situations where national law does not follow the ILO *Code*, indicate which system of rules it applies and their relationship to the ILO *Code*.

Identify the system used to track and report on health and safety incidents and performance. Ensure that this system covers all significant operations and geographic locations. In some cases multiple systems may be used across an organization. Use the information in these systems to calculate the following statistics.

Fatalities

Identify the absolute number of fatalities that occurred during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

Injury rate (IR)

Identify the injury rate (IR) experienced during the reporting period.

Since some organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

The injury rate includes fatalities.

Occupational disease rate (ODR)

Identify the occupational disease rate (ODR) experienced during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable

↓ G4-LA6 CONTINUED

for the general safety of the working environment, by:

- Region
- Gender

Lost day rate (LDR)

Identify the lost day rate (LDR) experienced during the reporting period.

In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'
- At what point the 'lost days' count begins (for example, the day after the accident or 3 days after the accident)

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

Absentee rate (AR)

Identify the absentee rate (AR) experienced during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Absentee](#)
- [Absentee rate](#)
- [Fatality](#)
- [Injury](#)
- [Injury rate](#)
- [Lost day](#)
- [Lost day rate](#)
- [Occupational disease](#)
- [Occupational disease rate](#)
- [Supervised worker](#)
- [Total workforce](#)

Documentation sources

Potential sources of information include employee records, employee contracts, attendance records, and accident records.

G4-LA7

WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION

- a. Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

GUIDANCE**Relevance**

As part of a preventative strategy for managing the health and safety of its workforce, this Indicator is relevant for all organizations. It has specific relevance for organizations working in countries with a high risk or incidence of communicable diseases, and those in professions that have a high incidence of specific diseases. Preventing serious diseases contributes to the health, satisfaction, and stability of the workforce, and helps maintain the organization's social license to operate in a community or region.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Serious diseases
- Worker

Documentation sources

Potential sources of information include organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health center records.

G4-LA8

HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS

- a. Report whether formal agreements (either local or global) with trade unions cover health and safety.
- b. If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.

GUIDANCE

Relevance

This Indicator demonstrates one of the ways in which the health and safety of the workforce is ensured. Formal agreements may promote the acceptance of responsibilities by both parties and the development of a positive health and safety culture. This Indicator reveals the extent to which the workforce is actively involved in formal, labor-management agreements that determine health and safety management arrangements.

Compilation

Identify whether the organization had local or global agreements in place with trade unions during the reporting period.

Identify the extent and coverage of health and safety topics within these agreements.

Agreements at the local level typically address topics that may include:

- Personal protective equipment
- Joint management-employee health and safety committees
- Participation of worker representatives in health and safety inspections, audits, and accident investigations

- Training and education
- Complaints mechanism
- Right to refuse unsafe work
- Periodic inspections

Agreements at the global level typically address topics that may include:

- Compliance with the International Labour Organization (ILO)
- Arrangements or structures for resolving problems
- Commitments regarding target performance standards or level of practice to apply

Using this information, calculate the percentage difference between those agreements that contain this information versus those that do not.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Formal agreements

Documentation sources

Potential sources of information include collective agreements with trade unions.

Aspect: Training and Education

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Average hours of training per year per employee by gender, and by employee category

Guidance pp. 158-159



Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Guidance p. 160



Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

Guidance p. 161

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
- International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
- International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.
- International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.

Indicators

G4-LA9

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

- a. Report the average hours of training that the organization’s employees have undertaken during the reporting period, by:
- Gender
 - Employee category

GUIDANCE

Relevance

Maintaining and improving human capital, particularly through training that expands the knowledge base of employees, is a key element in organizational development. This Indicator provides insight into the scale of the organization’s investment in this area and the degree to which the investment is made across the entire employee base. Access to training opportunities can also support progress in other areas of social performance, such as ensuring equal opportunity in the workplace. It also contributes to motivating improvement at the personal and organizational level.

Compilation

Identify the total number of employees, by gender. Use the information from G4-10.

Employee numbers may be expressed as head count or Full Time Equivalent (FTE). The approach is disclosed and applied consistently in the period and between periods.

Identify the total number of employees in each employee category. This information can be drawn from G4-LA12.

Identify the total number of training hours undertaken throughout the reporting period for all employees and for each of the employment categories.

Identify the average number of training hours undertaken by employees during the reporting period. Use the following formula:

$$\frac{\text{Average training hours per employee}}{\text{Total number of training hours provided to employees}} = \text{Total number of employees}$$

Identify the average number of training hours undertaken by employees during the reporting period, by gender. Use the following formulas:

$$\frac{\text{Average training hours per female}}{\text{Total number of training hours provided to female employees}} = \text{Total number of female employees}$$

$$\frac{\text{Average training hours per male}}{\text{Total number of training hours provided to male employees}} = \text{Total number of male employees}$$

Identify the average number of training hours undertaken by employees during the reporting period, by employee category. Use the following formula:

↓ G4-LA9 CONTINUED

$$\begin{array}{c} \text{Average training hours per employee category} \\ = \\ \frac{\text{Total number of training hours} \\ \text{provided to each category of employees}}{\text{Total number of employees in category}} \end{array}$$

A number of calculations may be undertaken to report on employee categories. These calculations are specific to each organization.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Employee category](#)
- [Training](#)

Documentation sources

Potential sources of information include employee records and training schedules.

G4-LA10

PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS

- a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills.
- b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

GUIDANCE

Relevance

Programs for skills management allow organizations to plan skills acquisition that will equip employees to meet strategic targets in a changing work environment. A more skilled and aware workforce enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they will be supported in their transition from work to retirement. The goal of lifelong learning is to promote the development of knowledge and competencies that will enable each citizen to adapt to a rapidly-changing labor market and to participate actively in all spheres of economic life.

Compilation

Identify employee training programs that aim to upgrade skills. These include as a minimum:

- Internal training courses
- Funding support for external training or education
- The provision of sabbatical periods with guaranteed return to employment

Identify transitional assistance programs provided to support

employees who are retiring or who have been terminated.

These include as a minimum:

- Pre-retirement planning for intended retirees
- Retraining for those intending to continue working
- Severance pay
- If severance pay is provided, does it take into account employee age and years of service
- Job placement services
- Assistance (such as training, counselling) on transitioning to a non-working life

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Career endings](#)
- [Continued employability](#)
- [Employee](#)
- [Lifelong learning](#)
- [Skills management](#)

Documentation sources

Potential sources of information include organizational procedures for termination of employment and employee records.

G4-LA11

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY

- a. Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

GUIDANCE**Relevance**

Appraising employee performance against common targets aids the personal development of individual employees and contributes to both skills management and the development of human capital within the organization. Employee satisfaction can also be enhanced, which correlates with improved organizational performance. This Indicator indirectly demonstrates how the organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with G4-LA10, the Indicator helps illustrate how the organization approaches skills enhancement. The percentage of employees receiving regular performance and career development reviews by gender demonstrates the extent to which this system is applied throughout the organization and if there is inequity of access to these opportunities.

Compilation

Identify the total number of employees by gender and by employee category. This information can be drawn from G4-10 and G4-LA12.

Identify the percentage of employees by gender and by employee category, who received a regular performance and career development reviews during the reporting period.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Employee
- Regular performance and career development review

Documentation sources

Potential sources of information include personnel records.

Aspect: Diversity and Equal Opportunity

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

Guidance pp. 163-164

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
- United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
- United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
- United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.
- United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
- United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.

Indicators

G4-LA12

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY

- a. Report the percentage of individuals within the organization’s governance bodies in each of the following diversity categories:
 - Gender
 - Age group: under 30 years old, 30-50 years old, over 50 years old
 - Minority groups
 - Other indicators of diversity where relevant
- b. Report the percentage of employees per employee category in each of the following diversity categories:
 - Gender
 - Age group: under 30 years old, 30-50 years old, over 50 years old
 - Minority groups
 - Other indicators of diversity where relevant

GUIDANCE

Relevance

This Indicator provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. The level of diversity within an organization provides insights into the human capital of the organization. Comparisons between broad workforce diversity and management team diversity also offer information on equal opportunity. Detailed information on the composition of the workforce also helps in assessing which issues may be of particular relevance to certain segments of the workforce.

Compilation

Governance bodies

Identify the governance bodies that exist within the organization, such as the board of directors, management committee, or similar body for non-corporate organizations.

Identify the total number of individuals and/or employees who comprise these governance bodies and analyze this information using the following diversity categories listed below:

- Gender
- Age group: under 30 years old, 30-50 years old, over 50 years old
- Minority groups
- Other indicators of diversity where relevant

Identify any other indicators of diversity used by the organization in its own monitoring and recording that may be relevant for reporting.

Employee categories

Identify the total number of employees in each employee category. A number of calculations are undertaken to report on employee categories. These calculations are specific to each organization. For further Guidance see the ‘employee category’ definition.

The total number of employees matches that reported in G4-10.

Identify the total number of employees within each category by:

- Gender
- Age group: under 30 years old, 30-50 years old, over 50 years old
- Minority groups
- Other indicators of diversity where relevant

Identify any other Indicators of diversity used by the organization in its own monitoring and recording that may be relevant for reporting.

↓ G4-LA12 CONTINUED

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Employee category](#)
- [Governance bodies](#)
- [Indicators of diversity](#)

Documentation sources

Potential sources of information include employee records and minutes of equal opportunity committees.

Aspect: Equal Remuneration for Women and Men

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 165

INDICATORS



Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

Guidance p. 166

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
- United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.
- United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-a.

Describe the legal and socio-economic environment that provides opportunities for, and barriers to, gender equity in the workforce. This may include women's workforce participation rates, their participation at highest governance level, and equal remuneration.

Indicators

G4-LA13

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION

- Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
- Report the definition used for 'significant locations of operation'.

GUIDANCE

Relevance

Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by the ILO Convention 100 'Equal Remuneration Convention'²⁷. Equality of remuneration is a factor in retaining qualified employees in the workforce. Where imbalances exist, an organization runs a risk to its reputation and legal challenges on the basis of discrimination.

Compilation

Identify the total number of employees in each employee category across the organization's operations, by gender using the information from G4-LA12. Employee categories are defined based on the organization's own human resources system. The total number of employees and the regions in which they are employed match that reported in G4-10.

Identify the basic salary for women and for men in each employee category.

Identify the remuneration for women and for men in each employee category. Base remuneration upon the average pay of each gender grouping within each employee category.

Using this information, calculate the ratios of basic salary and remuneration of women to men by employment category, by significant locations of operation.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Basic salary](#)
- [Employee category](#)
- [Remuneration](#)

Documentation sources

Potential sources of information include pay-scales, and employee and payment records.

Aspect: Supplier Assessment for Labor Practices

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: **Generic DMA** pp. 64-65; **Aspect-specific** pp. 167-168

INDICATORS



Percentage of new suppliers that were screened using labor practices criteria

Guidance p. 169



Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

Guidance p. 170

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using labor practices criteria. List the labor practices criteria used to screen new suppliers. Labor practices criteria or assessments of impacts for labor practices may cover:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical, or sexual abuse, coercion or harassment)
- Industrial relations
- Wages and compensation
- Working hours

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative impacts for labor practices in the supply chain. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products or

services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of impacts for labor practices. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential negative impacts for labor practices identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, changes to processes and terminating the relationship with a supplier.

Describe how expectations are established and defined in contracts with suppliers to promote the prevention,

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

mitigation, and remediation of significant actual and potential negative impacts for labor practices (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative impacts for labor practices.

Describe practices for assessing and auditing suppliers and their products and services using labor practices criteria.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using labor practices criteria may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing impacts for labor practices, and the organization's strategy to mitigate these impacts.

Indicators

G4-LA14

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA

a. Report the percentage of new suppliers that were screened using labor practices criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for labor practices. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative impacts for labor practices may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using labor practices criteria.

Labor practices criteria may include:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical, or sexual abuse, coercion or harassment)
- Industrial relations
- Wages and compensation
- Working hours

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization's procurement, purchasing and legal departments.

G4-LA15

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS FOR LABOR PRACTICES IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to impact assessments for labor practices.
- b. Report the number of suppliers identified as having significant actual and potential negative impacts for labor practices.
- c. Report the significant actual and potential negative impacts for labor practices identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative impacts for labor practices in the supply chain.

Processes to identify and assess significant actual and potential negative impacts for labor practices in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact for labor practices.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Impact assessments for labor practices may include:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical or sexual abuse, coercion or harassment)

- Industrial relations
- Wages and compensation
- Working hours

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Supplier

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Labor Practices Grievance Mechanisms

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 171

INDICATORS



Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

Guidance p. 172

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VII. Combating Bribery, Bribe Solicitation and Extortion of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for impacts on labor practices, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-LA16

NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - Addressed during the reporting period
 - Resolved during the reporting period
- c. Report the total number of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the labor practices of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts for labor practices.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal grievance mechanisms](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

SUB-CATEGORY: HUMAN RIGHTS

Introduction

The Human Rights sub-Category covers the extent to which processes have been implemented, **incidents of human rights violations**, and **changes** in stakeholders' ability to **enjoy and exercise their human rights**.

Among the human rights issues included are **non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced or compulsory labor, and indigenous rights**.

There is growing global consensus that organizations have the responsibility to respect human rights.

The international legal framework for human rights is comprised of a body of law made up of treaties, conventions, declarations and other instruments. The corner stone of human rights is the United Nations (UN) International Bill of Rights, which is formed by three instruments:

- 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

These are the first reference points for any organization reporting on human rights. In addition to these three key instruments, the international legal framework for human rights is underpinned by over 80 other instruments. These instruments range from soft declarations and guiding principles to binding treaties and conventions, and range from universal to regional instruments.

Organizations can affect a wide range of human rights. In assessing which human rights are relevant for reporting, the **organization should consider all human rights**.

Additional instruments which may be useful for the organization to consider are:

- International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998 which builds upon the eight core Conventions of the ILO IX:
 - International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930
 - International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948

- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
- International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951
- International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957
- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958
- International Labour Organization (ILO) Convention 138, 'Minimum Age Convention', 1973
- International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999
- Regional conventions, adhering to the principle of universality in the International Bill of Rights, for areas where the organization operates, including:
 - African Union Charter, 'African Charter on Human and Peoples' Rights', 1981
 - League of Arab States, 'Arab Charter on Human Rights', 1994
 - Organization of American States (OAS), 'American Convention on Human Rights', 1969
 - European Court of Human Rights, 'European Convention for the Protection of Human Rights and Fundamental Freedoms', 1950
- Conventions protecting the rights of individuals who may be impacted by the organization's work, including but not limited to:
 - United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979
 - United Nations (UN) Convention, 'Convention on the Rights of the Child', 1989
 - United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965
 - International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957
 - International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991
 - United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007

IX Conventions 100 and 111 pertain to non-discrimination; Conventions 87 and 98 pertain to freedom of association and collective bargaining; Conventions 138 and 182 pertain to the elimination of child labor; and Conventions 29 and 105 pertain to the prevention of forced or compulsory labor.

↓ SUB-CATEGORY: HUMAN RIGHTS CONTINUED

- United Nations (UN) Convention, 'Convention on the Rights of Persons with Disabilities', 2006

It is important to note that many Aspects that provide insight into human rights performance and impacts can be found in other (sub-)Categories in the Guidelines, and are not limited to the Human Rights sub-Category.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this sub-Category help to report on the **implementation of Chapter IV. Human Rights** of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this sub-Category help to report on the implementation of Principles 1 and 2 of the United Nations Global Compact, 'Ten Principles', 2000.

Additional references

- International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 1977.
- United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
- United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.
- United Nations (UN) Declaration, 'United Nations Millennium Declaration', 2000.
- United Nations (UN) Declaration, 'Vienna Declaration and Programme of Action', 1993.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.

Aspect: Investment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 175

INDICATORS

G4-HR1  **Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening**
 Guidance p. 176

G4-HR2  **Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained**
 Guidance p. 177

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe strategies for extending applicable policies and procedures to external parties, such as joint ventures and subsidiaries.

Describe the use of human rights criteria or clauses in contracts, including the types of clauses and the types of contracts and agreements in which they are commonly applied (such as investments, joint ventures).

Indicators

G4-HR1

TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING

- Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- Report the definition of 'significant investment agreements' used by the organization.

GUIDANCE

Relevance

This Indicator is one measure of the extent to which human rights considerations are integrated in an organization's economic decisions. This is particularly relevant for organizations that operate within, or are partners in ventures in, regions where the protection of human rights is of significant concern. Integrating human rights criteria in screening or including human rights in performance requirements may be part of a strategy to reduce the risks of investment. Problems with an organization's human rights record may result in reputational damage for the investing organization and may affect the stability of investments.

Compilation

Identify the total number of significant investment agreements and contracts finalized during the reporting period that either moved the organization into a position of ownership in another entity or initiated a capital investment project that was material to financial accounts.

Identify only the agreements and contracts that are significant in terms of size or strategic importance.

The significance of agreements and contracts may be determined by the level of approval required within the organization for the investment or other criteria that can be consistently applied to agreements. If multiple significant investment agreements are undertaken and contracts signed with the same partner, the total number of the agreements reflects the total number of separate projects undertaken or entities created.

Identify if these agreements and contracts contain clauses on human rights. If so, count the total number of agreements that contain these clauses.

Identify programs undertaken to screen existing agreements or contracts for human rights. Count the total number of agreements or contracts that underwent human rights screening.

Using this information, add the total number of significant agreements and contracts that contain human rights clauses or that underwent human rights screening.

Calculate the percentage by comparing the total number of significant agreements and contracts that contain clauses or were screened with those that do not contain clauses or that did not undergo human rights screening.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Human rights clauses](#)
- [Human rights screening](#)

Documentation sources

Potential sources of information include the organization's legal, investor relations, internal audit, and financial departments, as well as documentation collected through quality management systems.

G4-HR2

TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED

- a. Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.
- b. Report the percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations.

GUIDANCE

Relevance

Information generated from this Indicator offers insight into **an organization's capacity to implement its human rights policies and procedures**. Human rights have become well-established in international standards and laws, and this has obligated organizations to implement specialized training that **equips employees to address human rights** in the course of their regular work. The total number of employees trained and the amount of training they receive both contribute to an assessment of an organization's depth of knowledge about human rights.

Compilation

Identify the **number of hours** devoted to employee training, using data from G4-LA9.

Identify the **total number of employees** using data from G4-10.

Identify employees who have received formal training in the organization's human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the applicability of the human rights policies or procedures to the employees' work. This can refer either to training dedicated to the topic of human rights or to a human rights module within a general training program.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)

Documentation sources

Potential sources of information include employee records of training and training schedules.

Aspect: **Non-discrimination**

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance pp. 64-65

INDICATORS

G4-HR3

Total number of incidents of discrimination and corrective actions taken

Guidance pp. 179

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 6 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
- United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
- United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966, and related Protocol.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
- United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
- United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.
- United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
- United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.

Indicators

G4-HR3

TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

- a. Report the **total number** of incidents of discrimination during the reporting period.
- b. Report the **status of the incidents** and **the actions taken** with reference to the following:
 - **Incident reviewed by** the organization
 - **Remediation plans** being implemented
 - Remediation plans have been implemented and **results reviewed through routine internal management review processes**
 - **Incident no longer subject to action**

GUIDANCE

Relevance

Human rights extend beyond the rights of employees in the workplace. **Anti-discrimination** policy is a key requirement of international conventions and social legislation and guidelines.

The issue of discrimination is also addressed by ILO Conventions 100 'Equal Remuneration Convention'²⁷ and 111 'Discrimination (Employment and Occupation) Convention'³¹.

An effective monitoring system is necessary to ensure compliance throughout the organization's operations. Stakeholders seek assurance that such policies and monitoring are effective.

Compilation

Identify incidents of discrimination on grounds of **race, color, sex, religion, political opinion, national extraction, or social origin** as defined by the ILO, or other relevant forms of discrimination involving internal and external stakeholders across operations in the reporting period.

Identify the **status of each incident**, including whether or not an organizational **review** of the original incident has been **undertaken**, a **remediation plan** implemented and **results reviewed through routine internal management review processes**, and whether or not the **incident is no longer subject to action (that is, resolved, case completed, or no further action required by the organization)**.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Discrimination
- Incidents

Documentation sources

Potential sources of information include the organization's legal and compliance departments.

Aspect: Freedom of Association and Collective Bargaining

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; Aspect-specific p. 180

INDICATORS

G4-HR4

Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

Guidance p. 181

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 3 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
- International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
- International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
- International Labour Organization (ILO), Committee on Freedom of Association, *Freedom of association - Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO. Fifth (revised) edition*, 2006.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the policy or policies which may be considered likely to affect employees' decisions to join a trade union, or to bargain collectively.

Indicators

G4-HR4

OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS

- a. Report operations and suppliers in which employee **rights to exercise freedom** of association or collective bargaining may be violated or at significant risk either in terms of:
 - **Type of operation** (such as manufacturing plant) and supplier
 - **Countries or geographical areas** with operations and suppliers considered at risk
- b. Report **measures taken by the organization** in the reporting period **intended to support** rights to exercise freedom of association and collective bargaining.

GUIDANCE

Relevance

Inherent in the right to freedom of association and collective bargaining is **the protection of the right of workers (and employers) to organize collectively** in organizations of **their own choice**. The Right to Freedom of Association is a fundamental provision of the UN 'Universal Declaration of Human Rights'⁹⁷ and is defined by the ILO Conventions 87 'Freedom of Association and Protection of the Right to Organise Convention'²⁵ and 98 'Right to Organise and Collective Bargaining Convention'²⁶.

This Indicator aims to reveal actions that the organization has taken to evaluate whether opportunities exist for workers to exercise their rights to freedom of association and collective bargaining.

It also aims to reveal actions that have been taken to support these rights across the organization's range of operations. This Indicator does not require the organization to express a specific opinion on the quality of national legal systems.

Compilation

Identify operations and suppliers identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:

- Type of operation (such as manufacturing plant) and supplier
- Countries or geographical areas with operations and suppliers considered at risk

The process of identification should reflect the organization's approach to **risk assessment on this issue** and can draw from recognized international data sources such as the ILO *Information and reports on the application of Conventions and Recommendations*⁵⁷ and the ILO *Freedom of association - Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO*⁵⁸.

Identify measures taken by the organization in the reporting period intended to **support rights to freedom** of association and collective bargaining. See the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy'⁶⁴ and OECD *Guidelines for Multinational Enterprises*⁷³ for further guidance.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Freedom of association
- Supplier

Documentation sources

Potential sources of information include the organization's legal, compliance, and human resources departments.

Aspect: **Child Labor**

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Operations and suppliers identified as **having significant risk for incidents of child labor**, and measures taken to contribute to the **effective abolition of child labor**

Guidance p. 183

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 5 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
- International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999.
- United Nations (UN) Convention, 'Convention on the Rights of the Child', 1989.

Indicators

G4-HR5

OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR

- a. Report operations and suppliers considered to have significant risk for incidents of:
 - Child labor
 - Young workers exposed to hazardous work
- b. Report operations and suppliers considered to have significant risk for incidents of child labor either in terms of:
 - Type of operation (such as manufacturing plant) and supplier
 - Countries or geographical areas with operations and suppliers considered at risk
- c. Report measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.

GUIDANCE

Relevance

The abolition of child labor is a key principle and objective of major human rights declarations and legislation, and is subject to ILO Conventions 138 'Minimum Age Convention'³⁷ and 182 'Worst Forms of Child Labour Convention'⁴⁸. The presence and effective implementation of policies on child labor are a basic expectation of socially responsible conduct.

Compilation

Identify operations and suppliers considered to have significant risk for incidents of:

- Child labor
- Young workers exposed to hazardous work

The process of identification should reflect the organization's approach to risk assessment on this issue and may draw from recognized international data sources such as ILO *Information and reports on the application of Conventions and Recommendations*⁵⁷.

Identify operations and suppliers considered to have significant risk for incidents of child labor either in terms of

and explain how they differ depending on:

- Type of operation (such as manufacturing plant) and supplier
- Countries or geographical areas with operations and suppliers considered at risk

Identify measures taken by the organization in the reporting period in each of these areas that are intended to contribute to the effective abolition of child labor. See the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy'⁶⁴ and OECD *Guidelines for Multinational Enterprises*⁷³ for further guidance.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Child
- Supplier
- Young worker

Documentation sources

Potential sources of information include the organization's legal, compliance, and human resources departments.

Aspect: Forced or Compulsory Labor

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance pp. 64-65

INDICATORS

G4-HR6

Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

Guidance p. 185

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 4 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.
- International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957.
- League of Nations Convention, 'Convention to Suppress the Slave Trade and Slavery', 1926.
- United Nations (UN) Supplementary Convention, 'Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery', 1956.

Indicators

G4-HR6

OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR

- a. Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:
 - Type of operation (such as manufacturing plant) and supplier
 - Countries or geographical areas with operations and suppliers considered at risk
- b. Report measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.

GUIDANCE

Relevance

Not to be subjected to forced or compulsory labor is considered a fundamental human right and is a provision of the UN 'Universal Declaration of Human Rights'⁹⁷ and subject to ILO Conventions 29 'Forced Labour Convention'²⁴ and 105 'Abolition of Forced Labour Convention'²⁹. Forced or compulsory labor exists in a variety of forms and the data provided will indicate the organization's challenges in contributing to the elimination of such labor.

Compilation

Identify operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:

- Type of operation (such as manufacturing plant) and supplier
- Countries or geographical areas with operations and suppliers considered at risk

The process of identification reflects the organization's

approach to risk assessment on this issue and may draw from recognized international data sources such as the ILO *Information and reports on the application of Conventions and Recommendations*⁵⁷.

Identify measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. See the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy'⁶⁴ and OECD *Guidelines for Multinational Enterprises*⁷³ for further guidance.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Forced or compulsory labor
- Supplier

Documentation sources

Potential sources of information include the organization's legal, compliance, and human resources departments.

Aspect: Security Practices

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

Guidance p. 187

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Code of Conduct for Private Security Service Providers, 2010.
- Voluntary Principles on Security and Human Rights, <http://voluntaryprinciples.org/>, accessed on 1 May 2013.

Indicators

G4-HR7

PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION'S HUMAN RIGHTS POLICIES OR PROCEDURES THAT ARE RELEVANT TO OPERATIONS

- a. Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.
- b. Report whether training requirements also apply to third party organizations providing security personnel.

GUIDANCE

Relevance

The conduct of security personnel towards third parties is underpinned by their training in human rights, particularly regarding the use of force. Training security personnel can help prevent reputational and litigation risks that arise from inappropriate actions or approaches not condoned by the organization. Information provided under this Indicator helps to demonstrate the extent to which management systems pertaining to human rights are implemented. This measure indicates the proportion of the security force that can reasonably be assumed to be aware of the organization's expectations of human rights performance.

Compilation

Identify the total number of security personnel the organization employs directly.

Identify the total number of security personnel receiving

formal training in the organization's human rights policies or specific procedures and their application to security. The training may refer either to dedicated training or to a module within a more general training program.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Security personnel

Documentation sources

Potential sources of information include the organization's human resources department, as well as records of training received by internal security personnel and internal audit programs.

Contractors may hold similar information with respect to their employees.

Aspect: Indigenous Rights

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Total number of incidents of violations involving rights of indigenous peoples and actions taken

Guidance p. 189

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Finance Corporation (IFC), *Performance Standards on Environmental and Social Sustainability*, 2012.
- International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957.
- International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991.
- United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007.

Indicators

G4-HR8

TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN

- a. Report the total number of identified incidents of violations involving **the rights of indigenous peoples** during the reporting period.
- b. Report the status of the incidents and actions taken with reference to:
 - **Incident reviewed** by the organization
 - **Remediation plans** being implemented
 - Remediation plans have been implemented and **results** reviewed through routine internal management review processes
 - **Incident no longer subject to action**

GUIDANCE

Relevance

The total number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information will help indicate the state of relations with these stakeholder communities, particularly in regions where indigenous peoples reside or have interests near operations of the organization. The information also provides an additional entry point for support groups. ILO Conventions 107 'Indigenous and Tribal Populations Convention'³⁰ and 169 'Indigenous and Tribal Peoples Convention'⁴⁷ address the rights of indigenous peoples.

Compilation

Identify incidents involving indigenous rights among the organization's own employees, and in communities near existing operations that are likely to be affected by planned or proposed future operations of the organization.

Identify the status of the incident and actions taken with reference to:

- Incident reviewed by the organization
- Remediation plans being implemented
- Remediation plans have been implemented and results reviewed through routine internal management review processes
- Incident no longer subject to action

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Incidents](#)
- [Indigenous peoples](#)

Documentation sources

Potential sources of information include the organization's operating procedures and guidelines on the issue. Other information may be supplied by country managers and by legal specialists of the organization. Data on indigenous peoples within the workforce may be obtainable from employee records.

Aspect: **Assessment**

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Total number and percentage of operations that have been subject to human rights reviews or impact assessments

Guidance p. 191

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.
- United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*, 2010.
- United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.

Indicators

G4-HR9

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS

- a. Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

GUIDANCE

Relevance

Organizations need to be aware of their special responsibility to respect human rights. The presence of the organization's operations can have positive and negative effects in relation to respecting the protection of human rights. Organizations may affect human rights directly, through their own actions and operations, and indirectly, through their interaction and relationships with others, including governments, local communities and suppliers.

Information reported for this Indicator will provide insight into how far the organization takes human rights considerations into account when making decisions on its locations of operations. It will also provide information to allow evaluation of the potential for the organization to be associated with, or considered complicit in, human rights abuse.

Compilation

Identify countries in which the organization operates.

Identify the total number of operations, by country.

Identify the number of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Human rights reviews](#)

Documentation sources

Potential information sources include the reporting organization's legal, compliance, and human resources departments; information supplied by country managers; internal audit programs; the risk management office; and any external assessment undertaken.

Aspect: Supplier Human Rights Assessment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH	
G4-DMA	Guidance: Generic DMA pp. 64-65; Aspect-specific pp. 192-193
INDICATORS	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria Guidance p. 194
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken Guidance p. 195

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.
- United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*, 2010.
- United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using human rights criteria. List the human rights criteria used to screen new suppliers. Human rights criteria or human rights impact assessments may cover:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative human rights impacts in the supply chain. Negative impacts include those

that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of human rights impacts. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential **negative human rights impacts** identified in the **supply chain**. Explain **if the actions are intended to prevent, mitigate, or remediate the impacts**. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

building, training, changes to processes and terminating the relationship with a supplier.

Describe how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative human rights impacts (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative human rights impacts.

Describe practices for assessing and auditing suppliers and

their products and services using human rights criteria.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using human rights criteria may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of human rights impact assessment, and the organization's strategy to mitigate these impacts.

Indicators

G4-HR10

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA

a. Report the percentage of new suppliers that were screened using human rights criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to the organization's human rights due diligence processes.

The UN *Protect, Respect and Remedy: a Framework for Business and Human Rights*¹⁰⁷ has confirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Human rights due diligence should be initiated as early as possible in the development of a new relationship with a supplier. Significant potential negative human rights impacts may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using human rights criteria.

Human rights criteria may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization's procurement, purchasing and legal departments.

G4-HR11

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to human rights impact assessments.
- b. Report the number of suppliers identified as having significant actual and potential negative human rights impacts.
- c. Report the significant actual and potential negative human rights impacts identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment, and why.

GUIDANCE**Relevance**

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative human rights impacts in the supply chain.

The UN *Protect, Respect and Remedy: a Framework for Business and Human Rights*¹⁰⁷ has affirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Processes to identify and assess significant actual and potential negative human rights impacts in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative human rights impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Human rights assessments may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Human Rights Grievance Mechanisms

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; Aspect-specific p. 196

INDICATORS

G4-HR12

Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

Guidance p. 197

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for human rights impacts, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-HR12

NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the **total number of grievances** about human rights impacts filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - **Addressed** during the reporting period
 - **Resolved** during the reporting period
- c. Report the total number of grievances about human rights impacts filed **prior to the reporting period** that were **resolved** during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the human rights impacts of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in the successful **protection of human rights**.

Compilation

Identify **existing** formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about human rights impact filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from **both current year** and **prior year** grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- **Internal stakeholders** (such as **employees**)
- **External stakeholders** (such as **suppliers, local communities**)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- Formal grievance mechanisms

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

SUB-CATEGORY: SOCIETY

Introduction

The Society sub-Category concerns impacts that an organization has on society and local communities.

Community members have individual rights based on:

- 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
- United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986

Collective community rights and indigenous and tribal peoples' rights are recognized by:

- International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957
- International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991
- United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007

In terms of identity, these peoples' rights are based on both the collective and the individual. Their right to free, prior and informed consultation in order to seek consent is a fundamental right expressly recognized in the reference points above.

Aspect: Local Communities

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 199

INDICATORS



Percentage of operations with implemented local community engagement, impact assessments, and development programs

Guidance pp. 200-201



Operations with significant actual or potential negative impacts on local communities

Guidance pp. 202-203

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters IV. Human Rights; V. Employment and Industrial Relations; and VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 1 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Finance Corporation (IFC), *Performance Standards on Environmental and Social Sustainability*, 2012.
- International Finance Corporation (IFC), *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, 2007.
- Organisation for Economic Co-operation and Development (OECD), *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*, 2006.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-b.

Describe:

- References and statements regarding the collective rights of local communities
- How both women and men are engaged in local communities
- How works councils, occupational health and safety committees or other independent employee representation bodies are empowered to deal with, and have dealt with, impacts on local communities

Indicators

G4-SO1

PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

- a. Report the percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of:
- Social impact assessments, including gender impact assessments, based on participatory processes
 - Environmental impact assessments and ongoing monitoring
 - Public disclosure of results of environmental and social impact assessments
 - Local community development programs based on local communities' needs
 - Stakeholder engagement plans based on stakeholder mapping
 - Broad based local community consultation committees and processes that include vulnerable groups
 - Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts
 - Formal local community grievance processes

GUIDANCE

Relevance

A key element in managing impacts on people in local communities is assessment and planning in order to understand the actual and potential impacts, and strong engagement with local communities to understand their expectations and needs. There are many elements that can be incorporated into engagement, impact assessments, and development programs. This Indicator seeks to identify which elements have been consistently applied, organization-wide.

Engagement, impact assessments, and development programs, combined with the consistency of their application, provide insight into the overall quality of an organization's efforts, as well as its degree of follow-up on policy or policies.

Compilation

Identify the total number of operations. The total number of operations matches the operations reported in G4-9.

Identify organization-wide local community engagement, impact assessments, and development programs including the use of:

- Social impact assessments, including gender impact assessments, based on participatory processes
- Environmental impact assessments and ongoing monitoring
- Public disclosure of results of environmental and social impact assessments

- Local community development programs based on local communities' needs
- Stakeholder engagement plans based on stakeholder mapping
- Broad based local community consultation committees and processes that include vulnerable groups
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts
- Formal local community grievance processes

Identify the total number of operations that have undertaken organization-wide local community engagement, impact assessments, and development programs.

Using this information, calculate the percentage of operations with implemented local community engagement, impact assessment, and development programs.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Community development program
- Local community
- Vulnerable groups

↓ G4-S01 CONTINUED

Documentation sources

Potential sources of information for this Indicator include:

- Public consultation and consultation plans
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies
- Baseline studies – such as socio-economic, health, environment, cultural studies
- Social impact assessments
- Gender impact assessments
- Health impact assessments
- Environmental impact assessments
- Social action plans
- Resettlement action plans
- Community development plans
- Grievance or complaints mechanisms
- Documents held in community information centers

G4-SO2

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

- a. Report operations with significant actual and potential negative impacts on local communities, including:
 - The location of the operations
 - The significant actual and potential negative impacts of operations

GUIDANCE

Relevance

Organizational operations related to entering, operating, and exiting can have a number of significant negative impacts on local communities. Indicators in the Guidelines, such as environmental emissions or economic data, will offer an overall picture of positive and negative impacts, but may not be able to present them in relation to local communities.

This Indicator is focused on significant actual and potential negative impacts related to operations and not on community investments or donations (which are addressed under G4-EC1).

The Indicator informs stakeholders about an organization’s awareness of its impacts on local communities. It also enables an organization to better prioritize and improve its organization-wide attention to local communities.

Understanding operations with specific challenges, combined with information about organization-wide processes, enables stakeholders to better assess an organization’s overall community performance. An analysis of negative impacts enables an organization to reflect its approach in management systems and consequently enhance the brand and reputation of the organization as a potential partner. It simultaneously strengthens the ability of an organization to maintain existing operations, and to initiate new ones.

Compilation

Identify internal sources of information about actual and potential negative impacts of operations on local communities, including sources such as:

- Actual performance data
- Internal investment plans and associated risk assessments
- All data collected with GRI Indicators (such as G4-EC8, G4-EN1, G4-EN3, G4-EN8, G4-EN12, G4-EN14, G4-EN20 to G4-EN27, G4-EN30, G4-LA7, G4-HR5 to G4-HR8, G4-SO11, G4-PR1, G4-PR2) as relates to individual communities

Identify significant potential negative impacts, including, as a minimum, consideration of:

- Vulnerability and risk to local communities from potential impacts due to factors, such as:
 - Degree of physical or economic isolation of the local community
 - Level of socio-economic development including the degree of gender equality within the community
 - State of socio-economic infrastructure (health, education)
 - Proximity to operations
 - Level of social organization
 - Strength and quality of the governance of local and national institutions around local communities

Identify the exposure of the local community to the organization’s operations due to higher than average use of shared resources or impact on shared resources. This may include:

- Use of hazardous substances that impact on the environment and human health in general, and specifically reproductive health
- Volume and type of pollution released
- Status as major employer in the local community
- Land conversion and resettlement
- Natural resource consumption

Identify the significant actual and potential negative economic, social, cultural, and environmental impacts on local communities and their rights. This may include consideration of:

- Intensity or severity of the impact
- Likely duration of the impact
- Reversibility of the impact
- Scale of the impact

↓ G4-S02 CONTINUED

Definitions

See Glossary in *Implementation Manual*, p. 244

- Local community
- Operations with significant actual and potential negative impacts on local communities

Documentation sources

Potential sources of information include organizational policies and risk assessment procedures; results of data collection from local community programs; and analysis results of external stakeholder forums, joint community committees, stakeholder reports, and other inputs.

Aspect: Anti-corruption

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; Aspect-specific p. 205

INDICATORS

G4-SO3

Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

Guidance p. 206

G4-SO4

Communication and training on anti-corruption policies and procedures

Guidance p. 207

G4-SO5

Confirmed incidents of corruption and actions taken

Guidance p. 208

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VII. Combating Bribery, Bribe Solicitation and Extortion of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 10 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- British Ministry of Justice, *The Bribery Act 2010 Guidance*, 2011.
- Criminal Division of the U.S. Department of Justice and Enforcement Division of the U.S. Security and Exchange Commission, *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, 2012.
- Organisation for Economic Co-operation and Development (OECD) Convention, 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions', 1997.
- Organisation for Economic Co-operation and Development (OECD), *Good Practice Guidance on Internal Controls, Ethics, and Compliance*, 2010.
- Transparency International, 'Business Principles for Countering Bribery', 2011.
- Transparency International, Corruption Perceptions Index, <http://www.transparency.org/research/cpi/overview>, accessed on 1 May 2013.
- United Nations (UN) Convention, 'Convention against Corruption', 2003.
- United Nations Global Compact and Transparency International, *Reporting Guidance on the 10th Principle Against Corruption*, 2009.
- World Bank, Worldwide Governance Indicators (WGI), Control of Corruption, http://info.worldbank.org/governance/wgi/mc_countries.asp, accessed on 1 May 2013.

↓ ASPECT ANTI-CORRUPTION CONTINUED

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH **Aspect-specific Guidance for G4-DMA-a.**

Describe the organization's risk assessment procedures for corruption, including the criteria used in the risk assessment (such as location, activity, sector).

Aspect-specific Guidance for G4-DMA-b.

Describe how the organization identifies and manages conflicts of interest that employees or persons linked to the organization's activities, products or services may have. Conflicts of interest for the highest governance body are covered in G4-41.

Describe how the organization ensures that charitable donations and sponsorships (financial and in-kind) that are made to other organizations are not used as a disguised form of bribery. Recipients of charitable donations and sponsorships (financial and in-kind) may include not-for profit organizations, religious organizations, private organizations and events.

Describe the extent to which communication and training on anti-corruption is tailored to those governance body members, employees, and business partners that have been

identified as having a high risk of incidents of corruption.

Describe at which stage the training on anti-corruption for governance body members, employees, and business partners is provided (such as when new employees join the organization, when relationships with new business partners are established) and the frequency of the training (such as annually, biannually).

Describe the collective action activities to combat corruption in which the organization participates, including:

- The strategy for collective action activities
- A list of collective action initiatives in which the organization participates
- A description of the main commitments of these initiatives

Definitions

See Glossary in *Implementation Manual*, p. 244

- Collective action to combat corruption
- Conflict of interest
- Corruption

Indicators

G4-S03

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED

- a. Report the total number and percentage of operations assessed for risks related to corruption.
- b. Report the significant risks related to corruption identified through the risk assessment.

GUIDANCE

Relevance

Efforts to manage risks of incidents of corruption require a system that has supporting procedures in place. This Indicator measures the extent of the risk assessment's implementation across the organization. Risk assessments help to assess the potential for incidents of corruption within and related to the organization, and help the organization to design policies and procedures to combat corruption.

Compilation

Identify operations assessed for risks related to corruption. This refers to either a formal risk assessment focused on corruption

or the inclusion of corruption as a risk factor in overall risk assessments.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Corruption](#)
- [Operation](#)

Documentation sources

Potential information sources include monitoring reports, risk registers or risk management systems.

G4-SO4

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

- a. Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.
- b. Report the total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.
- c. Report the total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.
- d. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region.
- e. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

GUIDANCE**Relevance**

Communication and training build the internal and external awareness and the necessary capacity to combat corruption. This Indicator reveals the proportion of the organization's governance body members, employees and business partners that can reasonably be assumed to be aware of the organization's anti-corruption policies and procedures.

Compilation

Using data from G4-LA12 identify:

- The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)
- The total number of individuals and/or employees who comprise these governance bodies

- The total number of employees in each employee category (excluding governance body members)

The total number of business partners is to be estimated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Business partner
- Corruption
- Employee
- Employee category

Documentation sources

Potential information sources include training records.

G4-S05

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

- a. Report the total number and nature of confirmed incidents of corruption.
- b. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d. Report public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

GUIDANCE**Relevance**

Corruption can be a significant risk to an organization's reputation and business. It is broadly linked to negative impacts such as poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are increasingly expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and good business practices. This Indicator demonstrates specific actions taken to limit exposure to risks of corruption. For stakeholders, there is an interest in both the occurrence of incidents and the organization's response.

Compilation

Identify the total number of confirmed incidents of corruption. Confirmed incident of corruption refers to each individual case of corruption that has been found to be substantiated.

Identify the nature of the confirmed incidents of corruption.

Public legal cases regarding corruption include current public investigations, prosecutions or closed cases.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Business partner](#)
- [Confirmed incidents of corruption](#)
- [Corruption](#)
- [Employee](#)

Documentation sources

Potential information sources include legal department records of cases brought against the organization, its employees, or business partners; minutes of the proceedings of internal disciplinary hearings; and contracts with business partners.

Aspect: Public Policy

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 209

INDICATORS

G4-S06

Total value of political contributions by country and recipient/beneficiary

Guidance p. 210

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VII. Combating Bribery, Bribe Solicitation and Extortion of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 10 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- Organisation for Economic Co-operation and Development (OECD) Principles, 'Principles of Corporate Governance', 2004.
- Organisation for Economic Co-operation and Development (OECD) Recommendation, 'Recommendation of the Council on Principles for Transparency and Integrity in Lobbying', 2010.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the significant issues that are the focus of the organization's participation in public policy development and lobbying. This refers to participation at the level of the entire organization, rather than individual operations.

Provide the organization's core position for each of the identified issues, and describe any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.

Indicators

G4-SO6

TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY

- a. Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
- b. Report how the monetary value of in-kind contributions was estimated, if applicable.

GUIDANCE

Relevance

The purposes of this Indicator are to identify the organization's support for political causes, and to ensure integrity and transparency in their political dealings and relationships.

Direct or indirect contributions to political causes can present risks of corruption as they may be used for undue influence or to corrupt the political process. Many countries have legislation that sets limits on expenditure by parties and political candidates for campaigning purposes, and contributions may be made improperly to circumvent such legislation. This can include channeling contributions indirectly through intermediaries, lobbyists, or organizations linked to political causes.

Compilation

Identify in which countries and to which political parties, politicians or causes financial and in-kind political

contributions have been made directly or indirectly by the organization.

Calculate financial political contributions in accordance with national accounting rules (where these exist).

The value of in-kind political contributions is to be estimated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Indirect political contributions](#)
- [Political contributions](#)

Documentation sources

Potential sources of information include the accounting records of external payments and in-kind contributions and public disclosure statements.

Aspect: Anti-competitive Behavior

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

 Guidance p. 212

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters X. Competition and XI. Taxation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Indicators

G4-S07

TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES

- a. Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.
- b. Report the main outcomes of completed legal actions, including any decisions or judgments.

GUIDANCE

Relevance

This Indicator pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behavior, anti-trust, or monopoly practices.

Anti-competitive behavior, anti-trust, and monopoly practices may affect consumer choice, pricing, and other factors that are essential to efficient markets. Legislation has been introduced in many countries that seeks to control or prevent monopolies, with the underlying assumption that competition between enterprises also promotes economic efficiency and sustainable growth. Legal action indicates a situation in which the market actions or status of the organization have reached a sufficient scale to merit concern by a third party. Legal decisions arising from these situations may carry the risk of significant disruption of market activities for the organization as well as punitive measures.

Compilation

Identify legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Anti-competitive behavior](#)
- [Anti-trust and monopoly practices](#)

Documentation sources

Potential sources of information include the legal department records and public records.

Aspect: Compliance

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

 Guidance p. 214

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters X. Competition and XI. Taxation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Indicators

G4-SO8

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

- a. Report significant fines and non-monetary sanctions in terms of:
 - Total monetary value of significant fines
 - Total number of non-monetary sanctions
 - Cases brought through dispute resolution mechanisms
- b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.
- c. Report the context against which significant fines and non-monetary sanctions were incurred.

GUIDANCE

Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

Indicators G4-EN29 and G4-PR9 address compliance with specific aspects of law. An organization's overall record of compliance with the range of laws under which it operates is equally of interest. This Indicator is intended to reflect significant fines and non-monetary sanctions under laws or regulations not covered by G4-EN29 and G4-PR9, such as laws and regulations related to accounting fraud, workplace discrimination, or corruption.

Compilation

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:

- International declarations, conventions, and treaties; and national, sub-national, regional, and local regulations
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

Documentation sources

Potential sources of information include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines may be found in accounting departments.

Aspect: Supplier Assessment for Impacts on Society

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; Aspect-specific pp. 215-216

INDICATORS



Percentage of new suppliers that were screened using criteria for impacts on society

Guidance p. 217



Significant actual and potential negative impacts on society in the supply chain and actions taken

Guidance p. 218

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters IV. Human Rights; VI. Environment; VII. Combating Bribery, Bribe Solicitation and Extortion; and X. Competition of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- 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.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using criteria for impacts on society. List the criteria used to screen new suppliers for impacts on society. Criteria or assessments for impacts on society may cover Aspects under the Society sub-Category.

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative impacts on society in the supply chain. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of impacts on society. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential negative impacts on society identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, changes to processes and terminating the relationship with a supplier.

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

Describe how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative impacts on society (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative impacts on society.

Describe practices for assessing and auditing suppliers and their products and services using criteria for impacts on society.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using criteria for impacts on society may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing impacts on society, and the organization's strategy to mitigate these impacts.

Indicators

G4-S09

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY

a. Report the percentage of new suppliers that were screened using criteria for impacts on society.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for impacts on society. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative impacts on society may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using criteria for impacts on society.

Criteria for impacts on society may include Aspects under the Society sub-Category.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization's procurement, purchasing and legal departments.

G4-SO10

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to assessments for impacts on society.
- b. Report the number of suppliers identified as having significant actual and potential negative impacts on society.
- c. Report the significant actual and potential negative impacts on society identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative impacts on society in the supply chain.

Processes to identify and assess significant actual and potential negative impacts on society in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact on society.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Assessments for impacts on society may include Aspects under the Society sub-Category.

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Grievance Mechanisms for Impacts on Society

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  **Guidance: Generic DMA pp. 64-65; Aspect-specific p. 219**

INDICATORS

G4-SO11  **Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms**
 **Guidance p. 220**

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters IV. Human Rights; VI. Environment; VII. Combating Bribery, Bribe Solicitation and Extortion; and X. Competition of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
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GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for impacts on society, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-SO11

NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the total number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - Addressed during the reporting period
 - Resolved during the reporting period
- c. Report the total number of grievances about impacts on society filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the impacts on society of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts on society.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about impacts on society filed through formal grievance mechanisms.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts,

organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal grievance mechanisms](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Introduction

The Aspects under the sub-Category of Product Responsibility concern the products and services that directly affect stakeholders, and customers in particular.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this sub-Category help to report on the implementation of Chapter VIII. Consumer Interests of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Aspect: Customer Health and Safety

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 222

INDICATORS



Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Guidance p. 223



Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes

Guidance p. 224

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-b.

In each of the following life cycle stages, describe whether the health and safety impacts of products and services are assessed for improvement:

- Development of product concept
- Research and development
- Certification
- Manufacturing and production
- Marketing and promotion
- Storage distribution and supply
- Use and service
- Disposal, reuse, or recycling

Indicators

G4-PR1

PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

- a. Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

GUIDANCE

Relevance

This measure helps to identify the existence and scope of systematic efforts to address health and safety across the life cycle of a product or service. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the *OECD Guidelines for Multinational Enterprises*⁷³.

Efforts made to protect the health and safety of those who use or deliver the product or service have direct impacts on an

organization's reputation, the organization's legal and financial risk due to recall, market differentiation in relation to quality, and employee motivation.

Compilation

Identify significant product and service categories for which health and safety impacts are assessed for improvement.

Documentation sources

Potential sources of information include the organization's legal and sales departments as well as the documentation collected through quality management systems.

G4-PR2

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES

- a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty
 - Incidents of non-compliance with regulations resulting in a warning
 - Incidents of non-compliance with voluntary codes
- b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.

GUIDANCE

Relevance

Protection of health and safety is a recognized goal of many national and international regulations. Non-compliance with legal requirements indicates either inadequate internal management systems and procedures, or ineffective implementation. In addition to direct financial consequences (refer to G4-PR9), ongoing non-compliance poses increased financial risk due to damage to both reputation and employee motivation.

This Indicator addresses the life cycle of the product or service once it is available for use and therefore subject to regulations and voluntary codes concerning the health and safety of products and services.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

Incidents related to labeling are dealt with in G4-PR4.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Type of non-compliance

Documentation sources

Potential sources of information include the organization's legal, occupational health and safety, human resources, research and development (R&D) departments, as well as documentation collected through quality management systems.

Aspect: Product and Service Labeling

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 225

INDICATORS



Type of product and service information required by the organization’s procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

Guidance p. 226



Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

Guidance p. 227



Results of surveys measuring customer satisfaction

Guidance p. 228

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-b.

Describe organization-wide practices in place to assess and maintain customer satisfaction. These may include:

- The frequency of measuring customer satisfaction
- Standard requirements regarding methodologies of surveys
- Mechanisms for customers to provide feedback

Indicators

G4-PR3

TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS

a. Report whether the following product and service information is required by the organization's procedures for product and service information and labeling:

	YES	NO
The sourcing of components of the product or service		
Content, particularly with regard to substances that might produce an environmental or social impact		
Safe use of the product or service		
Disposal of the product and environmental/social impacts		
Other (explain)		

b. Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.

GUIDANCE

Relevance

Accessible and adequate information on the sustainability impacts of products and services (positive and negative) is necessary for customers and end users to make informed purchasing choices, and for these preferences to be reflected in the market. Providing appropriate information and labeling with respect to sustainability impacts is directly linked to compliance with certain types of regulations and codes (such as national laws or the OECD *Guidelines for Multinational Enterprises*⁷³) and, potentially, with strategies for brand and market differentiation. This Indicator discloses the degree to which information and labeling addresses a product's or a service's impact on sustainability.

Compilation

Identify the total number of significant product or service categories.

Identify whether the following product and service information is required by the organization's procedures for

product service information and labeling:

- The sourcing of components of the product or service
- Content, particularly with regard to substances that might produce an environmental or social impact
- Safe use of the product or service
- Disposal of the product, and related environmental or social impacts
- Other (explain)

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Product and service information and labeling](#)

Documentation sources

Potential sources of information include legal and sales departments, and the documentation collected through quality management systems.

G4-PR4

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES

- a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty
 - Incidents of non-compliance with regulations resulting in a warning
 - Incidents of non-compliance with voluntary codes
- b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.

GUIDANCE**Relevance**

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, such as penalties and fines (refer to G4-PR9), non-compliance poses a risk to reputation and customer loyalty and satisfaction.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Product and service information and labeling](#)
- [Type of non-compliance](#)

Documentation sources

Potential sources of information include the organization's legal and technical departments, as well as documentation collected through quality management systems.

G4-PR5

RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION

- a. Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about:
- The organization as a whole
 - A major product or service category
 - Significant locations of operation

GUIDANCE**Relevance**

Customer satisfaction is one measure of an organization's sensitivity to its customers' needs and preferences and, from an organizational perspective, is essential for long-term success. In the context of sustainability, customer satisfaction provides insight into how the organization approaches its relationship with one stakeholder group (customers). It may also be used in combination with other sustainability measures.

Customers' needs and preferences may differ by gender and other diversity factors. Customer satisfaction may provide

insights into the degree to which an organization considers the needs of other stakeholders.

Compilation

For any survey results reported, identify the product or service category, or locations of operations to which they apply.

Documentation sources

Potential sources of information include the organization's customer relations, marketing and research and development (R&D) departments.

Aspect: Marketing Communications

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Sale of banned or disputed products

 Guidance p. 230



Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes

 Guidance p. 231

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Chamber of Commerce (ICC), *Consolidated Code of Advertising and Marketing Communication Practice*, 2011.

Indicators

G4-PR6

SALE OF BANNED OR DISPUTED PRODUCTS

- a. Report whether the organization sells products that are:
 - Banned in certain markets
 - The subject of stakeholder questions or public debate
- b. Report how the organization has responded to questions or concerns regarding these products.

.....

GUIDANCE

Compilation

Identify, by reviewing the organization's product portfolio, whether the organization sells products that are:

- Banned in certain markets
- The subject of stakeholder questions or public debate

Identify the mechanisms that the organization uses to track engagement with stakeholders on these issues and how the organization has responded to questions or concerns regarding these products.

Documentation sources

Potential sources of information include the organization's legal, sales, and marketing departments.



G4-PR7

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES

- a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty
 - Incidents of non-compliance with regulations resulting in a warning
 - Incidents of non-compliance with voluntary codes
- b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.

GUIDANCE

Relevance

Marketing communications including advertising, promotion, and sponsorship for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, such as penalties and fines (refer to G4-PR9), non-compliance poses a risk to reputation and to customer loyalty and satisfaction. The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Marketing communications](#)
- [Type of non-compliance](#)

Documentation sources

Potential sources of information include the organization's legal, sales, and marketing departments.

Aspect: Customer Privacy

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
 Guidance p. 233

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-PR8

TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

- a. Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
 - Complaints received from outside parties and substantiated by the organization
 - Complaints from regulatory bodies
- b. Report the total number of identified leaks, thefts, or losses of customer data.
- c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.

GUIDANCE

Relevance

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. This Indicator provides an evaluation of the success of management systems and procedures relating to customer privacy protection. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. The trends revealed by this Indicator indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of complaints regarding breaches of customer privacy during the reporting period.

If a substantial number of these breaches relate to events in preceding years, this should be indicated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Breach of customer privacy](#)
- [Customer privacy](#)
- [Substantiated complaint](#)

Documentation sources

Potential sources of information include departments responsible for customer service, public relations, or legal concerns.

Aspect: Compliance

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA Guidance pp. 64-65

INDICATORS

G4-PR9

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

 Guidance p. 235

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-PR9

MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES

- a. Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.
- b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.

GUIDANCE

Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record may also affect its ability to expand operations or gain permits.

Compilation

Identify administrative or judicial sanctions levied against the

organization for failure to comply with laws and regulations, including international declarations, conventions and treaties, and national, sub-national, regional, and local regulations concerning the provision and use of the organization's products and services. Relevant information for this Indicator includes data from G4-PR2, G4-PR4, and G4-PR7.

Documentation sources

Potential sources of information include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

G4 SUSTAINABILITY REPORTING GUIDELINES

SECTION 5

REFERENCES

5

REFERENCES

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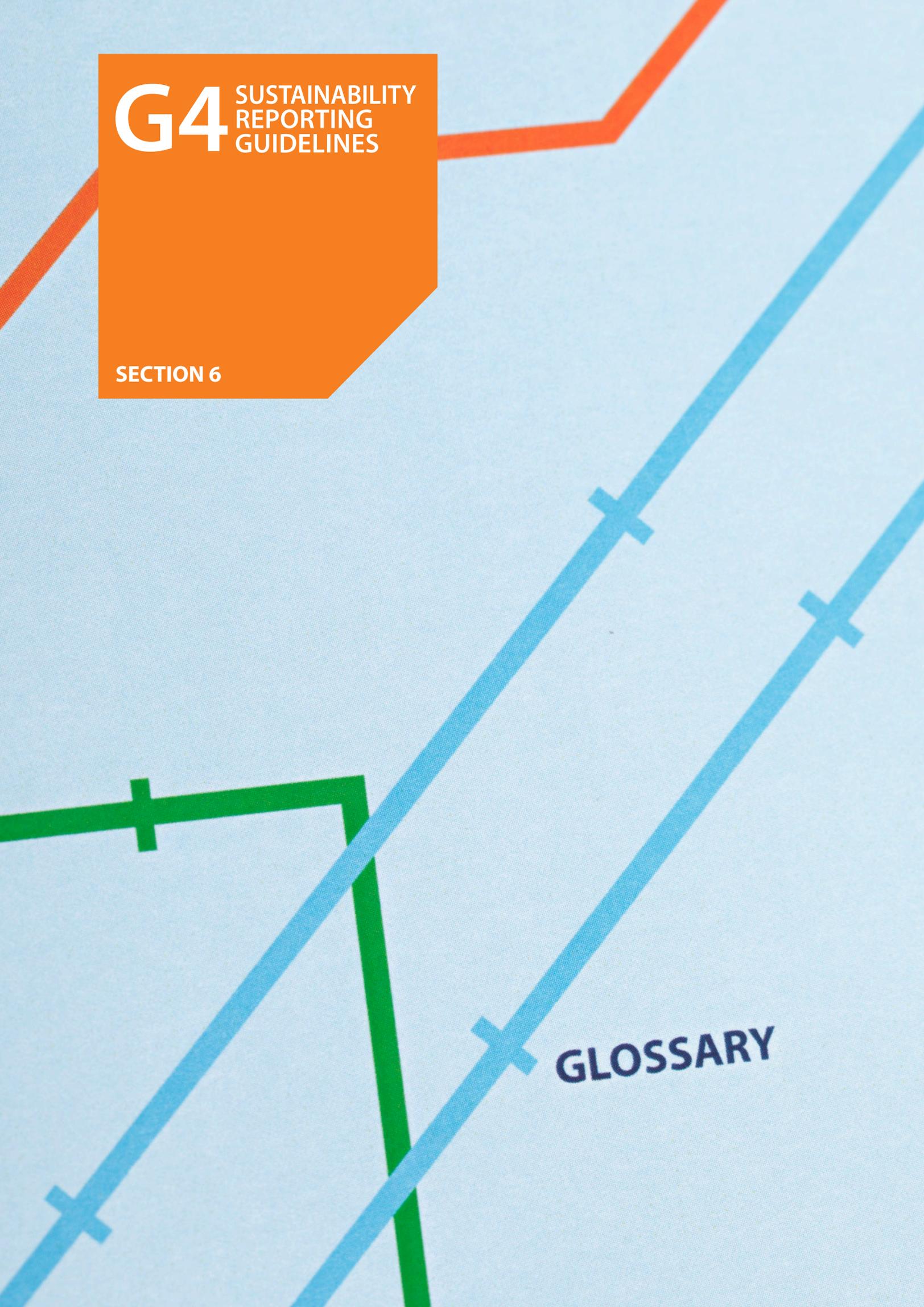
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G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 6

GLOSSARY

6

GLOSSARY

DEFINITIONS OF KEY TERMS

Aspect

The word Aspect is used in the Guidelines to refer to the list of subjects covered by the Guidelines.

Aspect Boundary

Refers to the description of where impacts occur for each material Aspect. In setting the Aspect Boundaries, an organization should consider impacts within and outside of the organization. Aspect Boundaries vary based on the Aspects reported.

General Standard Disclosures

General Standard Disclosures offer a description of the organization and the reporting process.

Impact

In the Guidelines, unless otherwise stated the term 'impact' refers to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.

Material Aspects

Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. To determine if an Aspect is material, qualitative analysis, quantitative assessment and discussion are needed.

Reporting Principle

Concepts that describe the outcomes a report should achieve and that guide decisions made throughout the reporting process, such as which Indicators to respond to, and how to respond to them.

Scope

The range of Aspects covered in a report.

Specific Standard Disclosures

Specific Standard Disclosures offer information on the organization's management and performance related to material Aspects.

Stakeholders

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Stakeholders can include those who are invested in the organization (such as employees, shareholders, suppliers) as well as those who have other relationships to the organization (such as vulnerable groups within local communities, civil society).

Topic

The word topic is used in the Guidelines to refer to any possible sustainability subject.

GLOSSARY***Absentee**

An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave are excluded.

Absentee rate

Refers to a measure of actual absentee days lost expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Annual total compensation

Annual total compensation includes:

- Salary
- Bonus
- Stock awards
- Option awards
- Non-equity incentive plan compensation
- Change in pension value and nonqualified deferred compensation earnings
- All other compensation

Anti-competitive behavior

Actions of the organization or employees that may result in collusion with potential competitors to fix prices; coordinate bids; create market or output restrictions; impose geographic quotas; or allocate customers, suppliers, geographic areas, and product lines, with the purpose of limiting the effects of market competition.

Anti-trust and monopoly practices

Actions of the organization that may result in collusion to erect barriers to entry to the sector; unfair business practices; abuse of market position; cartels; anti-competitive mergers; price-fixing; and other collusive actions which prevent competition.

Areas of high biodiversity value

Areas not subject to legal protection but recognized for important biodiversity features by a number of governmental and non-governmental organizations. These include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the UN 'Convention on Biological Diversity'⁽⁸³⁾). Several international conservation organizations have identified particular areas of high biodiversity value.

Areas protected

Areas that are protected from any harm during operational

activities, and the environment remains in its original state with a healthy functioning ecosystem.

Areas restored

Areas that were used during or affected by operational activities, and where remediation measures have either restored the environment to its original state or to a state where it is a healthy and functioning ecosystem.

Base year

A historical datum (such as a year) against which an organization's energy consumption is tracked over time.

Baseline

A starting point used for comparisons. For Indicators G4-EN6, G4-EN7 and G4-EN19, baseline is the projected energy consumption in the absence of any energy reduction activity.

Basic salary

A fixed, minimum amount paid to an employee for performing his or her duties. This does not include any additional remuneration, such as payments for overtime working or bonuses.

Benefits

Benefits refer to either direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements may also be included. In-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs are excluded from Indicator G4-LA2.

Breach of customer privacy

Covers any non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy.

Business partner

Business partners include, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients. In the Guidelines, suppliers include brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors and wholesalers.

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Carbon dioxide equivalent

CO₂ (carbon dioxide) equivalent is the universal unit of measurement used to compare the emissions from various GHGs based on their global warming potential (GWP). The CO₂ equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

Career endings

Retirement by reaching statutory national retiring age or termination of employment.

CFC-11 equivalent

CFC-11 equivalent is a measure used to compare various substances based on their relative ozone depletion potential. The reference level of 1 is the potential of CFC-11 and CFC-12 to cause ozone depletion.

Child

This term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply.

These countries of exception are specified by the International Labour Organization (ILO) in response to special application by the country concerned and consultation with representative organizations of employers and workers.

Note: The ILO Convention 138 'Minimum Age Convention'³⁷ refers to both child labor and young workers. See the definition of 'young worker' on p. 254 of the *Implementation Manual*.

Clawback

A repayment of previously received compensation required to be made by an executive to his or her employer in the event certain conditions of employment or goals are not met.

Collective action to combat corruption

Collective action refers to voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture to combat corruption. It can include proactive collaboration with peers, governments and the wider public sector, trade unions and civil society organizations.

Collective bargaining agreements

Binding collective bargaining agreements include those signed by the organization itself or by employer organizations of which it is a member. These agreements can be at the sector, national, regional, organizational, or workplace level.

Community development program

Plan that details actions to minimize, mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.

Confirmed incidents of corruption

Incidents of corruption that have been found to be substantiated. This does not include incidents of corruption that are still under investigation in the reporting period.

Conflict of interest

A situation where an individual is confronted with choosing between the requirements of his/her function and his/her own private interests.

Conservation and efficiency initiatives

Organizational or technological modifications that allow a defined process or task to be carried out using less energy. This includes process redesign, the conversion and retrofitting of equipment (such as energy-efficient lighting), or the elimination of unnecessary energy use due to changes in behavior.

Continued employability

Adaptation to the changing demands of the workplace through the acquisition of new skills.

Corruption

Corruption is 'the abuse of entrusted power for private gain'^X and can be instigated by individuals or organizations. In the Guidelines, corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business^{XI}. This may include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage.

X Transparency International

XI These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

Customer privacy

The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose (unless specifically agreed otherwise), the obligation to observe confidentiality, and protection from misuse or theft. A customer is understood to include end-customers (consumer) as well as business-to-business customers.

Defined benefit plans

Post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Direct GHG emissions (Scope 1)

Emissions from operations that are owned or controlled by the organization.

Direct (Scope 1) GHG emissions come from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organization.

Direct (Scope 1) GHG emissions include, but are not limited to, the CO₂ emissions from the fuel consumption reported in Indicator G4-EN3.

Discrimination

The act and the result of treating people unequally by imposing unequal burdens or denying benefits rather than treating each person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

Economic impact

A change in the productive potential of the economy that has an influence on a community's or stakeholder's well-being and longer-term prospects for development.

Employee

An individual who is, according to national law or practices, recognized as an employee of the organization.

Employee category

Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production). This information is derived from an organization's own human resources system.

Employee turnover

Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

Employment contract

An employment contract as recognized under national law or practice that may be written, verbal, or implicit (that is, when all the characteristics of employment are present but without a written or witnessed verbal contract).

Indefinite or permanent contract: A permanent employment contract is a contract with an employee for full-time or part-time work for an indeterminate period.

Fixed term or temporary contract: A fixed term employment contract is an employment contract as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed.

A temporary employment contract is of limited duration and terminated by a specific event, including the end of a project or work phase or return of replaced personnel.

Employment types

Full-time: A 'full-time employee' is defined according to national legislation and practice regarding working time (such as national legislation defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full-time' as defined above.

Energy indirect (Scope 2) GHG emissions

Emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization.

Energy reduction

The amount of energy no longer used or needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reducing production capacity or outsourcing organizational activities.

Entry level wage

Entry level wage refers to the full-time wage offered to an employee in the lowest employment category. Intern or apprentice wages are not considered.

Environmental laws and regulations

Refers to regulations related to all types of environmental issues (that is, emissions, effluents, and waste, as well as material use, energy, water, and biodiversity) applicable to the organization. This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation. Voluntary agreements can be applicable if the organization directly joins the agreement or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

Environmental protection expenditures

All expenditures on environmental protection by the organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards. These expenditures also include expenditures on disposal, treatment, sanitation, and clean-up.

Fatality

The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the organization's employ.

Financial assistance

Direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred. The provider of financial assistance does not expect a direct financial return from the assistance offered.

Forced or compulsory labor

All work and service which is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily (ILO Convention 29 'Forced Labour Convention'²⁴). The most extreme examples are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Examples of forced labor include:

- Withholding identity papers
- Requiring compulsory deposits
- Compelling workers, under threat of firing, to work extra hours to which they have not previously agreed

Formal agreements

Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.

Formal committee

'Formal committee' refers to committees whose existence and function are integrated in the organization's organizational and authority structure, and that operate according to certain agreed, written rules.

Formal grievance mechanisms

Systems consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Formal grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent, and based on dialogue and mediation.

Freedom of association

The right of workers and employers to establish and join organizations of their own choosing without the need for prior authorization.

Full coverage

Plan assets that meet or exceed plan obligations.

GHG reductions

A decrease in GHG emissions or an increase in removal or storage of GHGs from the atmosphere, relative to baseline emissions. Primary effects will result in GHG reductions, as will some secondary effects. An initiative's total GHG reductions are quantified as the sum of its associated primary effect(s) and any significant secondary effects (which may involve decreases or countervailing increases in GHG emissions).

Global warming potential (GWP)

GWP values describe the radiative forcing impact of one unit of a given GHG relative to one unit of carbon dioxide over a given period of time. GWP values convert GHG emissions data for non-CO₂ gases into units of CO₂ equivalent.

Governance bodies

The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

Highest governance body

The formalized group of persons charged with ultimate authority in an organization. In instances where the highest governance body consists of two tiers, both tiers should be included.

Human rights clauses

Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.

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Human rights reviews

A formal or documented assessment process that applies a set of human rights performance criteria.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with a business relationship.

Incidents

Legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures, such as management system audits or formal monitoring programs.

Indicator

Qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.

Indicators of diversity

Indicators of diversity for which the organization gathers data may include citizenship, ancestry and ethnic origin, creed, and disability.

Indigenous peoples

Indigenous peoples are those whose social, cultural, political, and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations which inhabited the country or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural, and political institutions.

Indirect economic impact

An additional consequence of the direct impact of financial transactions and the flow of money between an organization and its stakeholders.

Indirect political contributions

Any financial or in-kind support to political parties, their representatives, or candidates for office made through intermediary organizations such as lobbyists or charities or support given to organizations such as think tanks or trade associations linked to or supporting particular political parties or causes.

Infrastructure

Facilities (such as water supply facility, road, school, or hospital) built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit.

Injury

A non-fatal or fatal injury arising out of or in the course of work.

Injury rate

The frequency of injuries relative to the total time worked by the total workforce in the reporting period.

IUCN Red List of Threatened Species

An inventory of the global conservation status of plant and animal species developed by the International Union for Conservation of Nature (IUCN)⁶⁸.

Lifelong learning

Acquiring and updating abilities, knowledge, qualifications, and interests throughout life, from pre-school years to post-retirement.

Local community

Persons or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by the organization's operations. The local community can range from people living adjacent to operations through to isolated settlements at a distance from operations that may experience the impacts of these operations.

Local employee

Individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of 'local' may include the community surrounding operations, a region within a country or a country.

Local minimum wage

Minimum wage refers to compensation per hour or other unit of time for employment allowed under law. Since some countries have numerous minimum wages (such as by state or province or by employment category), identify which minimum wage is being used.

Local supplier

Organization or person that provides a product or service to the reporting organization and that it is based in the same geographical market as the reporting organization (that is, no trans-national payments to the supplier are made). The geographical definition of 'local' may include the community surrounding operations, a region within a country or a country.

Logistical purposes

The forward or reverse flow and storage of goods and services between the point of origin and the point of consumption.

Lost day

Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organization does not count as lost days.

Lost day rate

The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

Marketing communication

The combination of strategies, systems, methods, and activities used by an organization to promote its reputation, brands, products, and services to target audiences. Marketing communications can include activities such as advertising, personal selling, promotion, public relations, and sponsorship.

Mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to integrity

Systems and processes through which an individual or organization can report concerns about illegal, irregular, dangerous or unethical practices related to the organization's operations. Individuals may include the organization's governance body members, employees, business partners, and other stakeholders.

New employee hires

New employees joining the organization for the first time.

Non-renewable energy sources

Energy sources that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles.

Non-renewable energy sources include:

- Fuel distilled from petroleum or crude oil (such as gasoline, diesel fuel, jet fuel, heating oil)
- Natural gas (such as compressed natural gas (CNG), liquefied natural gas (LNG))
- Fuels extracted from natural gas processing and petroleum refining (such as butane, propane, liquefied petroleum gas (LPG))
- Coal
- Nuclear power

Non-renewable materials

Resources that do not renew in short time periods, such as minerals, metals, oil, gas, or coal.

Occupational disease

A disease arising from the work situation or activity (such as stress or regular exposure to harmful chemicals), or from a work-related injury.

Occupational disease rate

The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.

Operation

A single location used by an organization for the production, storage and/or distribution of its goods and services, or for administrative purposes (such as office). Within a single operation, there may be multiple production lines, warehouses, or other activities. For example, a single factory may be used for multiple products or a single retail outlet may contain several different retail operations that are owned or managed by the organization.

Operations with significant actual or potential negative impacts on local communities

This refers primarily to operations, considered alone or in combination with the characteristics of local communities, that have higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental wellbeing of local communities (for example, local community health and safety).

Other indirect GHG emissions (Scope 3)

Other indirect GHG emissions are all indirect emissions (not included in Scope 2) that occur outside of the organization, including both upstream and downstream emissions.

Ozone-depleting substance (ODS)

Any substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer. Most ODS are controlled under the UNEP 'Montreal Protocol on Substances that Deplete the Ozone Layer'¹²⁰ and its amendments, and include CFCs, HCFCs, halons, and methyl bromide.

Parental leave

Leave granted to men and women workers on the grounds of the birth of a child.

Political contributions

Any financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office. Financial contributions may include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events. In-kind contributions may include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.

Precautionary Principle

The Precautionary Principle refers to the approach taken to address potential environmental impacts. See United Nations (UN) Declaration, 'The Rio Declaration on Environment and Development', 1992. 'Principle 15: In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'

Product

Article or substance that is offered for sale or is part of a service delivered by an organization.

Product and service information and labeling

Information and labeling are used synonymously and describe communication delivered with the product or service describing its characteristics.

Product category

A group of related products sharing a common, managed set of features that satisfy the specific needs of a selected market.

Protected areas

A geographically defined area that is designated, regulated, or

managed to achieve specific conservation objectives.

Reclaimed

Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives. Collection and treatment may be carried out by the manufacturer of the product or by a contractor. This refers to products and their packaging materials that are:

- Collected by or on behalf of the organization
- Separated into raw materials (such as steel, glass, paper, some kinds of plastic) or components
- Used by the organization or other users

Recycled input materials

Materials that replace virgin materials that are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organization.

Regular performance and career development review

Performance targets and reviews are based on criteria known to the employee and his or her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review may also involve personnel from the human resources department.

Remuneration

Basic salary plus additional amounts such as those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances (such as transportation, living and childcare allowances).

Renewable energy sources

Energy sources that are capable of being replenished in a short time through ecological cycles. Renewable energy sources include:

- Geothermal
- Wind
- Solar
- Hydro
- Biomass

Renewable materials

Renewable materials are materials that are derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes so that the services provided by these and other linked resources are not endangered and remain available for the next generation.¹³⁵

* Note to users of an electronic version of this document: To return to previous page, please click "alt" + left arrow.

Reporting period

Reporting period is the specific time span covered by the information reported.

Risk control for diseases

Practices that seek to limit exposure and transmission of diseases.

Security personnel

Individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables.

Senior executive

A top ranking member of the management of an organization that includes a Chief Executive Officer (CEO) and individuals reporting directly to the CEO or the highest governance body. Individual organizations define which members of their management teams are senior executives.

Serious diseases

Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities. This may include HIV/AIDS, diabetes, repetitive strain injuries (RSI), malaria and stress.

Service

Action of an organization to meet a demand or need.

Services supported

Services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with the organization's own employees. Public benefit may also include public services.

Significant air emissions

Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the organization's operations.

Significant impact for biodiversity

Impacts that may adversely affect the integrity of a geographical area or region, either directly or indirectly. This occurs by substantially changing its ecological features, structures, and functions across its whole area and over the long term. This means that the habitat, its population level, and the particular species that make that habitat important cannot be sustained.

On a species level, a significant impact causes a population decline or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations. A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

Significant operational changes

Alterations to the organization's pattern of operations that have substantial positive or negative consequences for its employees. Such changes may include, for example, restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.

Significant spill

All spills that are included in the organization's financial statements (such as due to resulting liabilities) or recorded as a spill by the organization.

Skills management

Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization or the industry.

Spill

Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water.

Standard benefits

Standard benefits refer to those typically offered to the majority of full-time employees. Such benefits do not need to be offered to every single full-time employee of the organization. The intention of Indicator G4-LA2 is to disclose what full-time employees can reasonably expect.

Substantiated complaint

Written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization.

Supervised worker

An individual who performs regular work on-site for, or on behalf of, the organization but is not recognized as an employee under national law or practice.

Supplier

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

The supplier can have a direct or indirect relationship with the organization.

Examples of suppliers are:

- 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 with a relationship determined by a contract. A contractor may hire their own staff directly or hire sub-contractors or independent contractors
- Distributors: Agents 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, with a relationship determined by a contract. Independent contractors do not have an employment relationship with the organization
- 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 may hire their own staff directly or hire independent contractors
- Wholesalers: Sellers of products in large quantities to be retailed by others

Supplier screening

A formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed with a relationship with a supplier.

Supply chain

Sequence of activities or parties that provides products or services to the organization.

Termination payment

All payments made and benefits given to a departing executive or member of the highest governance body whose appointment is terminated. This extends beyond monetary payments to the giving of property and the automatic or accelerated vesting of incentives given in connection with a person's departure from office.

Total water discharge

The sum of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water either through:

- A defined discharge point (point source discharge)
- Over land in a dispersed or undefined manner (non-point source discharge)
- Wastewater removed from the organization via truck. Discharge of collected rainwater and domestic sewage is not regarded as water discharge

Total water withdrawal

The sum of all water drawn into the boundaries of the organization from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

Total workforce

The total number of persons working for the organization at the end of the reporting period (that is, the sum of all employees and supervised workers).

Training

Refers to:

- All types of vocational training and instruction
- Paid educational leave provided by the organization for its employees
- Training or education pursued externally and paid for in whole or in part by the organization
- Training on specific topics such as health and safety

Training does not include on-site coaching by supervisors.

Transportation

The act of transferring resources and goods from one location to another (between suppliers, production plants, warehouses, and the customer), using different modes of transport, including passenger transportation (such as employee commuting and business traveling).

Transportation of the members of the organization's workforce

Transportation used for commuting to and from work by members of the workforce or travel for business purposes including air, train, bus, and other forms of motorized and non-motorized travel.

Two-tier board system

A governance system found in a limited number of jurisdictions where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board.

Type of non-compliance

Court judgment on failure to act in accordance with regulations or laws, categorized by the nature of the laws or regulations breached.

Under-represented social group

A population that, relative to its numbers in a given society, has less opportunity to express its economic, social, or political needs and views. Specific groups included under this definition are not uniform for every organization. The organization identifies relevant groups based on its operating context.

Vulnerable groups

A vulnerable group is a set or subset of people with some

specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of an organization's operations. Vulnerable groups may include children and youth, the elderly, people with disabilities, ex-combatants, the internally displaced, refugees or returning refugees, HIV/AIDS-affected households, indigenous peoples, and ethnic minorities. Vulnerabilities and impacts may differ by gender.

Waste disposal method

The method by which waste is treated or disposed of, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

Water recycling and reuse

The act of processing used water and wastewater through another cycle before discharge to final treatment and discharge to the environment. In general, there are three types of water recycling and reuse:

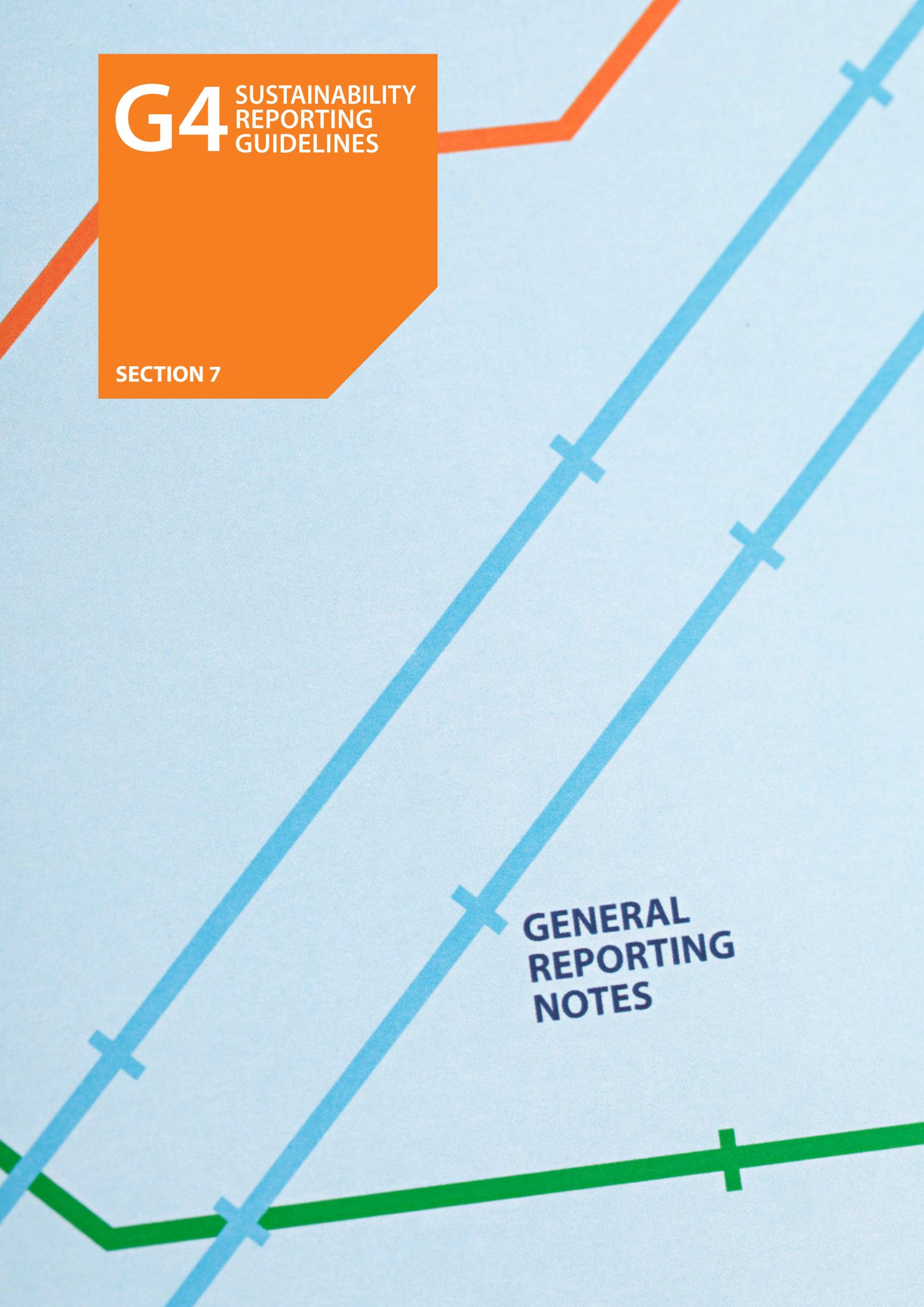
- Wastewater recycled back in the same process or higher use of recycled water in the process cycle
- Wastewater recycled and reused in a different process, but within the same facility
- Wastewater reused at another of the organization's facilities

Worker

Generic term for any person performing work, regardless of the contractual relationship.

Young worker

A person who is above the applicable minimum working age and younger than 18 years of age.

The cover features a light blue background with several thick, stylized lines in orange, light blue, and green. The orange line starts at the top left and moves towards the top right. Two light blue lines run diagonally from the bottom left towards the top right. A green line runs horizontally across the bottom. The text 'G4 SUSTAINABILITY REPORTING GUIDELINES' is in white on an orange rectangular background in the top left. 'SECTION 7' is in white on the same orange background. 'GENERAL REPORTING NOTES' is in dark blue, tilted, on the light blue lines.

G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 7

**GENERAL
REPORTING
NOTES**

7

GENERAL REPORTING NOTES

7.1 REPORTING ON TRENDS

Information should be presented for the current reporting period (such as the current year such as) and at least two previous periods, as well as future targets, where they have been established, for the short- and medium-term.

7.2 PRESENTATION OF DATA

In some cases, ratios or normalized data are useful and appropriate formats for data presentation. If ratios or normalized data are used, absolute data should also be provided. Explanatory notes are advisable.

7.3 DATA AGGREGATION AND DISAGGREGATION

Organizations will need to determine the level of aggregation at which to present information. This requires balancing the effort required against the added meaningfulness of information reported on a disaggregated basis (such as country or site). Aggregation of information can result in the loss of a significant amount of meaning, and can also fail to highlight particularly strong or poor performance in specific areas. On the other hand, unnecessary disaggregation of data can affect the ease of understanding the information. Organizations should disaggregate information to an appropriate level using the Principles and the Guidance in the *Implementation Manual*. Disaggregation may vary by Indicator, but will generally provide more insight than a single, aggregated figure.

7.4 METRICS

Reported data should be presented using generally accepted international metrics (such as kilograms, tonnes, litres) and calculated using standard conversion factors. When specific international conventions exist (such as GHG equivalents), these are typically specified in the Indicators' Guidance presented in the *Implementation Manual*.

7.5 REPORT FORM AND FREQUENCY

REPORTING REQUIRED STANDARD DISCLOSURES BY USING REFERENCES

Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization, such as its annual report to shareholders or other regulatory or voluntary reports. In these circumstances, the organization may elect to not repeat those disclosures in its sustainability report and instead add a reference to where the relevant information can be found.

This presentation is acceptable as long as the reference is specific (for example, a general reference to the annual report to shareholders would not be acceptable, unless it includes the name of the section, table, etc.) and the information is publicly available and readily accessible. This is likely the case when the sustainability report is presented in electronic or web based format and links are provided to other electronic or web based reports.

MEDIUM OF REPORTING

Electronic or web-based reporting and paper reports are appropriate media for reporting. Organizations may choose to use a combination of web and paper-based reports or use only one medium. For example, an organization may choose to provide a detailed report on their website and provide an executive summary including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization's decisions on its reporting period, its plans for updating content, the likely users of the report, and other practical factors, such as its distribution strategy.

At least one medium (web or paper) should provide users with access to the complete set of information for the reporting period.

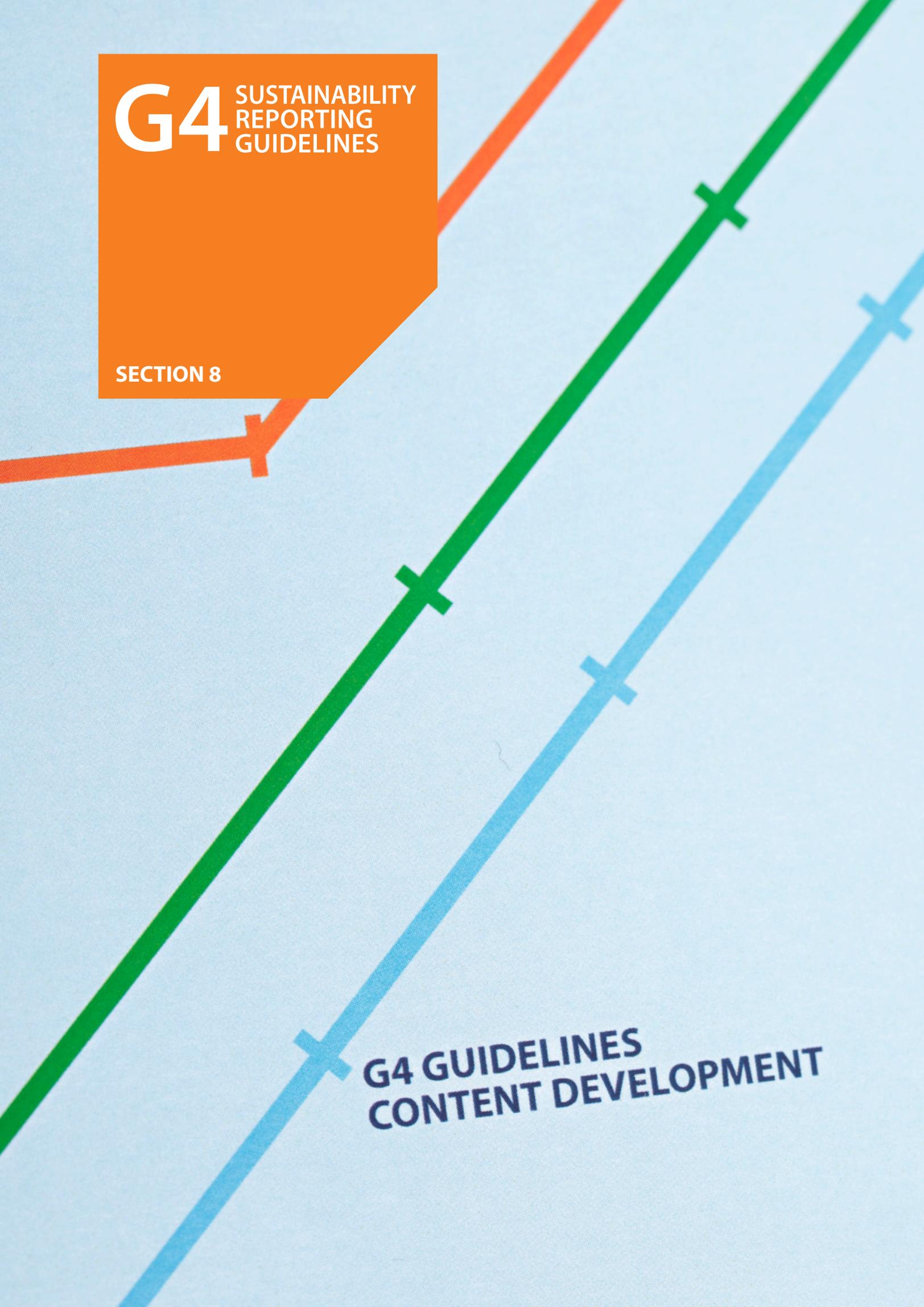
FREQUENCY OF REPORTING

Organizations should define a consistent reporting period for issuing a report. For many organizations, this will be annually, although some organizations choose to report biannually. An organization may choose to update information between the issuing of consolidated accounts of performance. This has advantages in terms of providing stakeholders with more immediate access to information, but has disadvantages in terms of comparability of information. However, organizations should still maintain a predictable cycle in which all of the information that is reported covers a specific time period.

Reporting on economic, environmental and social performance could coincide or be integrated with other organizational reporting, such as annual financial statements. Coordinated timing reinforces the linkages between financial performance and economic, environmental and social performance.

UPDATING REPORT CONTENT

When preparing a new report, an organization may identify areas of information that have not changed since the prior report (such as a policy that has not been amended). The organization may choose to only update the topics and Indicators that have changed and to re-publish the Standard Disclosures that have not changed. For example, an organization may choose to reproduce the information on policies that have not changed and only update its Indicators. The flexibility to take such an approach will depend in large part on the organization's choice of reporting medium. Some topics such as Strategy and Analysis and DMA and Indicators, are likely to show changes each reporting period, while other topics, such as organizational profile or governance, may change at a slower pace. Regardless of the strategy used, the full set of applicable information for the reporting period should be accessible in a single location (either a paper or web-based document).

The background features three thick diagonal lines in orange, green, and light blue, each with small cross-shaped markers. An orange box is positioned in the upper left corner.

G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 8

**G4 GUIDELINES
CONTENT DEVELOPMENT**

8

G4 GUIDELINES
CONTENT
DEVELOPMENT

8.1 GRI DUE PROCESS

All documents in the GRI Framework must be developed in accordance with the due process principles approved by the GRI Board of Directors and outlined in this document. The Technical Advisory Committee is responsible for evaluating whether the development of Framework Documents has followed the due process outlined in this document. The complete Due Process description can be found at www.globalreporting.org.

OVERARCHING DUE PROCESS PRINCIPLES

1. GRI Working Groups are the primary means for developing and revising the text of GRI Framework documents.
2. GRI Working Groups should be multi-stakeholder in their constituency composition. Working Groups developing Reporting Framework Documents for global application must also be global in their composition. The primary constituencies for working groups should be: business, mediating institutions, labor, and civil society.
3. Any individual may serve on GRI Working Groups. Appointment to working groups is based on the expertise of the individuals and the composition needs of the Working Group.
4. The Secretariat forms GRI Working Groups under the direction of the Board in order to implement the technical agenda. Individuals involved in working groups are solicited and selected by the Secretariat taking into consideration potential participants from the Stakeholder Council and Technical Advisory Committee.
5. Working group membership is allocated to individuals rather than to organizations. The GRI Secretariat is responsible for identifying an appropriate replacement in the event that a member must retire from a working group prior to the completion of its task.
6. GRI Working Groups seek to reach decisions by consensus. In the event that consensus proves impossible, minority opinions must be documented for the Technical Advisory Committee's consideration during their review of the working group outputs. The resolution of these issues must be communicated to the Board and the Stakeholder Council for any documents in the GRI Framework which are subsequently forwarded to these bodies for their review and decision.

DEVELOPING PROPOSALS FOR REVISIONS

1. Proposal revisions to the text of the Guidelines or protocols should be drafted by GRI Working Groups as outlined under Overarching Due Process Principles. The constituency composition of these working groups should seek to match the distribution of constituencies within the Stakeholder Council.
2. GRI Stakeholder Council members will be assessed as candidates for GRI Working Groups on the basis of their individual expertise, their availability, and the composition needs of the working group.
3. For minor amendments to the Guidelines and Protocols, the Technical Advisory Committee may propose revisions to the text of the Guidelines and protocols on the basis of outputs from the Secretariat's research and monitoring activities if there has been sufficiently diverse consultation in terms of constituency and geography, and consultation has been sufficiently broad in scale. The process underlying these proposals must be described to the Board of Directors and Stakeholder Council.
4. The Technical Advisory Committee is responsible for reviewing the proposals of GRI Working Groups and other consultative processes. The GRI Secretariat is responsible for preparing "Draft Revisions to the Guidelines for Public Comment". The Draft Revisions may propose amendments to only a single part of the GRI Framework or to multiple parts.
5. "The Draft Revisions to the Guidelines for Public Comment" must be made available to the GRI Governance Bodies and all interested external parties for a period of at least 90 days. Comments received will be considered public record.

APPROVAL FOR GUIDELINES

1. The Technical Advisory Committee is responsible for oversight of the integration of public comments into the draft document. The Secretariat will complete a Draft Revised Guidelines for review by the governance bodies.
2. The Stakeholder Council and Technical Advisory Committee provide concur/non-concur recommendations and the Board is responsible for final approval.
3. The GRI Board of Directors will decide the mode and timing of the release of updates to the Guidelines.

8.2 GRI GOVERNANCE BODIES, THE SECRETARIAT AND G4 WORKING GROUPS

BOARD OF DIRECTORS

GRI's Board of Directors (BoD) has the ultimate fiduciary, financial and legal responsibility for GRI, including final decision making authority on GRI Guidelines revisions, organizational strategy and work plans.

Chairman of the Board at the time of G4 Guidelines publication: Herman Mulder.

STAKEHOLDER COUNCIL

The Stakeholder Council (SC) is the formal stakeholder policy forum within the GRI governance structure. The Council advises the Board on strategic issues. The Stakeholder Council's key governance functions include appointing Board members and making recommendations on future policy, business planning and activity.

Up to 50 members sit on the Stakeholder Council. Its membership is diverse, and drawn from all United Nations-defined regions: Africa, Asia Pacific/Oceania, Latin America/Caribbean, North America/Europe/CIS and West Asia. Its members represent core constituencies in GRI's network: Business, Civil Society Organizations, Labor and Mediating Institutions.

The Council submits a concur/non-concur recommendation to the Board about the release of all GRI's reporting documents.

Chairwoman of the Stakeholder Council at the time of G4 Guidelines publication: Karin Ireton.

TECHNICAL ADVISORY COMMITTEE

The Technical Advisory Committee (TAC) assists the GRI's Board and the Secretariat in maintaining the overall quality and coherence of the GRI Framework by providing high level technical advice and expertise.

With a maximum of 15 members, the TAC recommends the development plan, specific technical direction and form of GRI's technical content. The TAC also ensures that GRI's technical content is developed following due process.

The Committee submits a concur/non-concur recommendation to the Board about the release of all GRI's reporting documents.

Chairwoman of the Technical Advisory Committee at the time of G4 Guidelines publication: Denise Esdon.

GRI SECRETARIAT

Led by the Chief Executive, the Secretariat implements the technical work plan approved by the Board of Directors. The Secretariat also manages network and institutional communications, learning activities, support services, outreach, stakeholder relations, and financial administration.

Chief Executive at the time of G4 Guidelines publication: Ernst Ligteringen.

G4 WORKING GROUPS**Anti-corruption Working Group**

Ann Marley Chilton, Environmental Resources Management (ERM)
 Chong San Lee, Transparency International
 Christiane Meyer, Banarra
 Daniel Kronen, Siemens
 Dante Pesce, Pontificia Universidad Católica de Valparaíso - Centro Vincular
 Dayna Linley-Jones, Sustainalytics
 Dongsoo Kim, Korea Productivity Center (KPC)
 Eileen Kohl Kaufman, Social Accountability International (SAI)
 Eileen Radford, TRACE International
 Jacques Marnewicke, Sanlam
 Janine Juggins, Rio Tinto
 Jayn Harding, FTSE
 Julia Kochetygova, S&P Dow Jones Indices
 Kirstine Drew, Trade Union Advisory Committee (TUAC) to the OECD
 Kris Dobie, Ethics Institute of South Africa
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 Anna-Sterre Nette, SynTao
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 Christian Hell, KPMG
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 Michael Cass, Shell
 Nicholas Bollons, Bureau Veritas
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 Peggy Foran, The Climate Registry
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 Rudolf Schwob, F. Hoffmann-La Roche
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 Vince(Yoonjae) Heo, Bloomberg

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 Jane Hwang, Social Accountability International (SAI)
 Jayson Cainglet, Agribusiness Action Initiative (AAI)
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 Ole Henning Sommerfelt, Ethical Trading Initiative Norway
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 Zhang Long/Yu Ziqiang, Baosteel

PUBLIC COMMENTS

Around 2550 submissions were received in response to two Public Comment Periods held in relation to the development of the G4 Guidelines. They ran from August – November 2011 and June – November 2012 respectively.

8.3 G4 PROJECT SUPERVISION

GENERAL SUPERVISION

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PROJECT MANAGEMENT

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Jessica Fries (PricewaterhouseCoopers (PwC))

Eric Hespenheide (Deloitte)

Kim Hessler (GE)

Andrew Howard (former Goldman Sachs)

Kevin Mcknight (Alcoa)

Marina Migliorato (Enel)

Rupert Thomas (Shell)

FOR THEIR ADVICE ON THE TECHNICAL EDITION

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LEGAL LIABILITY

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

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