



31 July 2015

**Francis Evans**

Senior Policy Adviser

Business Environment Directorate, Department for Business, Innovation & Skills  
London, United Kingdom

**Subject:** GRI's submission to the revision process of the UK's National Action Plan on Business and Human Rights

Dear Mr. Evans,

On behalf of GRI, I am writing to congratulate the Government of the United Kingdom for being the first country to release its National Action Plan to implement the UN Guiding Principles on Business & Human Rights in 2013. GRI fully supports the development of such plans to promote the protection and respect of human rights. With this letter, GRI is formally responding to the consultation launched in relation to the revision process of the 2013 NAP, specifically in relation to the importance of transparency and reporting of the private sector on human rights impacts.

The UN Guiding Principles on Business and Human Rights (UNGP) emphasize the importance of corporate transparency and communication (Principles 3d and 21 of the UNGP) and in doing so, they recognize that reporting is a key element for companies to respect human rights. GRI is pleased to see this element already embedded in several instances in the current NAP by bringing forward existing policies related to corporate reporting such as the clarification of the Companies Act 2006 which asks that company directors include human rights issues in their annual reports, and other initiatives such as the Extractive Industries Transparency Initiative and Construction Sector Transparency Initiative.

Human rights are a key component of corporate sustainability reporting. GRI, the provider of the world's most trusted and widely used standards on sustainability reporting, integrated in 2013 the UNGP into its reporting guidelines<sup>1</sup>. Further, GRI's Guidelines are aligned with international tools and instruments that promote and ensure the respect for human rights such as the ILO Conventions, the OECD Guidelines for Multinational Enterprises and the UN Global Compact Principles. As such, the GRI Guidelines offer a tool for companies that is aligned with the UNGP to gather information and formulate responses related to their human rights performance and impacts. To date, more than 24,000 reports have been registered in GRI's Sustainability Disclosure Database highlighting the reach and potential opportunity for companies to communicate on their human rights impacts through their sustainability reporting process.

Based on the aforementioned, GRI's submission consists of two main points:

**I. Reflect recent policy developments related to corporate sustainability reporting**

Part of GRI's work includes following and monitoring the development of sustainability reporting initiatives and policies by governments. In recent years, sustainability reporting policies have globally been on the rise. The UK has also maintained this trend and since the launch of the 2013 NAP, some

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<sup>1</sup> For more information about the GRI Guidelines, go to <https://www.globalreporting.org/standards/g4/Pages/default.aspx>

policies which can have an impact on human rights reporting have been developed (or are in the process of development). The most prominent, which should be referenced in the update of the NAP include:

- 2015 *UK Modern Slavery Act*, which aims to tackle modern slavery by cracking down on traffickers and improving the protection and support available to victims. The Act has a clause of transparency in supply chains
- 2015 *Disclosure and Transparency Rules*, which requires listed companies to review their business using financial and non-financial KPIs related to employment and environmental matters
- 2015 *Well-being of Future Generations (Wales) Act*, which introduced a reporting requirement for the public sector

In addition to this, the EU *Directive On Disclosure Of Non-Financial And Diversity Information By Large Companies And Groups* adopted in 2014 will make compulsory for public interest companies with more than 500 employees to report on their sustainability impact, including on human rights. The directive mentions GRI as one of the instruments companies can rely on.<sup>2</sup>

## **2. Update references to initiatives supported by Department for International Development (DFID)**

GRI is appreciative of the financial support offered by DFID to advance the impact of sustainability reporting, including on human rights. Furthermore, GRI greatly values the UK participation in GRI's Governmental Advisory Group<sup>3</sup> to help advance the uptake of sustainability reporting. This is a significant commitment from the UK government to sustainability reporting and a proof of support to the work developed by GRI.

To facilitate the understanding and practice of transparency and reporting from the private sector and to avoid additional burden, it is important to refer to established standards, both general and sector-specific such as the Extractive Industries Transparency Initiative and Construction Sector Transparency Initiative, which are already mentioned in the current NAP. The guidance to develop NAP authored by the UN Working Group on Business and Human Rights also recommends that governments support efforts towards corporate transparency and invites governments to refer to established reporting standards such as GRI.<sup>4</sup> The governments of Denmark and Finland are two of the governments that have referenced GRI and highlighted its activities in relation to promoting transparency and corporate sustainability reporting.

GRI is available to further elaborate on the above points linked to this important review process.

Yours Sincerely,



Teresa Fogelberg  
Deputy Chief Executive, GRI

<sup>2</sup> For the links between the EU Directive and G4, see [https://www.globalreporting.org/resource/library/GRI\\_G4\\_EU%20Directive\\_Linkage.pdf](https://www.globalreporting.org/resource/library/GRI_G4_EU%20Directive_Linkage.pdf)

<sup>3</sup> For more information on GRI's Governmental Advisory Group, go to <https://www.globalreporting.org/network/network-structure/governmental-advisory-group/Pages/default.aspx>

<sup>4</sup> UN Working Group on Business and Human Rights, December 2014, *Guidance on National Action Plans on Business and Human Rights* [http://www.ohchr.org/Documents/Issues/Business/UNWG\\_%20NAPGuidance.pdf](http://www.ohchr.org/Documents/Issues/Business/UNWG_%20NAPGuidance.pdf)

