



Amsterdam, 26 February 2016

**GRI Submission to the Consultation for the Revised draft Measurement Themes and Indicators for the 2016 Corporate Human Rights Benchmark (CHRB) Pilot Benchmark.** (open 8-26 February 2016)

GRI welcomes the initiative of the Corporate Human Rights Benchmark (CHRB) and the opportunity to participate in this consultation. GRI believes that meaningful human rights reporting is a key means of advancing the integration of respect for human rights into business practices. In this regard, GRI recently published a [linkage document](#) to help organizations understand the synergies between the UN Guiding Principles on Human and the GRI G4 Sustainability Reporting Guidelines.

Sustainability reporting is increasingly recognized as an important means of increasing the transparency and accountability of organizations. Of the world's largest 250 corporations, 92% report on their sustainability performance and 74% of these use GRI Sustainability Reporting Standards to do so.<sup>1</sup> As of 16 February 2016, there were over 22,500 GRI Reports in the [GRI Sustainability Disclosures Database](#).

Transparency and disclosure of sustainability information on key global challenges, such as human rights, helps to enable more informed decision making, which in turn helps to build trust with all stakeholders, including investors, employees, and the public. The current version of GRI Sustainability Reporting Standards, G4, is the outcome of more than 15 years of a robust global multi-stakeholder development process. G4 is a leading instrument for measuring and reporting a company's sustainability impacts and performance on critical sustainability issues such as climate change, human rights, corruption and many others. G4 is fully aligned with other key frameworks, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines and the UN Global Compact Principles, all of which are referenced throughout G4.

The work of the CHRB can promote transparency and accountability from companies on their human rights commitments and performance. In this regard, GRI recognizes the potential of the CHRB as an important project complementary to the mission and vision of GRI. Through this consultation, GRI invites the CHRB project team to evaluate and consider the below points to ensure the compatibility and complementarity of the CHRB with the work that GRI has been undertaking for the past two decades. GRI hopes that by considering the recommendations presented here, the CHRB can create an effective tool for companies to address their human rights impacts.

**I. The CHRB should be fully aligned with already existing frameworks, including the UN Guiding Principles on Business and Human Rights.**

The key international reference and authoritative framework for business and human rights is the UN Guiding Principles on Business and Human Rights. Therefore, we recommend that as an initiative seeking to benchmark companies on their human rights commitments and

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<sup>1</sup> [The KPMG Survey of Corporate Responsibility Reporting 2015](#)

performance, the CHRB is first and foremost fully aligned with the instrument that serves as a compass and reference point to companies and their stakeholders in this topic.

Not all the CHRB indicators in the draft methodology list as a reference one or more of the 31 UN Guiding Principles. Further, in certain cases, the CHRB indicators don't reference any other source. Referencing sources is necessary to ensure credibility and legitimacy of the CHRB indicators. This is particularly the case for indicators in Measurement Themes that have the most weight in the overall benchmark (*D. Performance: Company Human Rights Practices and E. Performance: Serious Allegations*).

## **2. Leverage on an existing reporting framework**

The CHRB seeks to establish a benchmark based on publicly available information. As such, it should not contribute to the multiplication of additional disclosure points for companies. Doing so would mean going beyond the scope of the CHRB. Instead, by leveraging and using the information that companies are already reporting on through sustainability reporting standards such as GRI's G4 Guidelines, the CHRB can create an effective benchmark. GRI Standards have been developed through a robust multi-stakeholder process, and make reference to more than 130 international and regional instruments that contribute to sustainable development.

With the complex and cross-cutting nature of human rights, GRI's G4 has the advantage of allowing companies to report on human right aspects that pertain to non-social themes. As such, G4 offers a tool for the CHRB to assess typical human rights aspects (directly related to the social dimension of sustainable development), but also human rights-related aspects that may be linked for example to environmental issues. There are other tools and platforms that allow companies and other stakeholders to complement the information provided through sustainability reports, but the goal of the CHRB should be to promote the use of what is already available for companies and to encourage them to be transparent with the existing reporting tools. Creating additional disclosures would undermine the use of existing reporting tools.

GRI engages extensively with the private sector, and a clear message from companies is that they expect harmonization, not duplication of reporting tools and standards. Companies struggle in the onerous selection of these and they want a single point of entry and alignment between tools to be able to do more with existing efforts and data.

## **3. Allocating additional points to credit transparency (“disclosure points”)**

GRI welcomes the idea from the CHRB to allocate points to recognize and credit companies disclosing information using certain reporting standards and frameworks, including G4. The undertaking of this benchmark is already an indication and proof of the importance of transparency in the field of business and human rights. Allocating additional points to companies that disclose information using established reporting standards and frameworks is a strong signal for companies that they should be using these standards, which is key for the comparability of information. Through this measure, GRI recognizes the potential for G4 reporters to disclose relevant and high-quality information.

For the sake of consistency, for every CHRB indicator that is aligned with one or more G4 disclosures, there should also be the possibility to award a disclosure point, including Disclosures on Management Approaches (DMAs).



#### **4. Assessing relevant and material information**

The issue of assessing relevant information is an important one to consider, especially when looking at companies within the same sector. One of the reporting principles in GRI Standards is *Materiality*. 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.

Even for companies in the same sector, each company is different and as such may have different material topics. Nonetheless, the CHRB can help companies and stakeholders identify and understand some of companies' material topics related to human rights for two reasons. First, because it will assess publicly available information: that is information provided by a company but also by its stakeholders. The second reason is because by looking at companies in the same sector, the CHRB can elevate and create awareness of the most pressing human rights issues confronted by companies in those sectors.

By referencing and using the reported information based on the most widely used sustainability reporting standards (GRI's G4), the CHRB can have comparable relevant and material information that is not directly related to the social dimension of human rights only, but that still has consequences and affects the rights of individuals. This, in turn, can be a driving force for companies to progressively ensure that they are addressing and reporting their most relevant human rights issues.

#### **5. Using GRI Sustainability Disclosure Database and GRI Content Index**

GRI keeps a Sustainability Disclosure Database that catalogues all GRI-based and non-GRI-based sustainability reports that GRI is aware of and contains reports from all industries and from all countries. Although the Database should not be considered as a resource with an exhaustive list of sustainability reports, GRI encourages the CHRB project team to use the Database as a source to locate sustainability reports.

In addition, GRI also offers the GRI Reports List which gives a detailed overview of all reports included in GRI's Sustainability Disclosure Database in an aggregated format, making it easier to analyze the data for the purpose of benchmarking, including whether one of the versions of the GRI Sector disclosures was used in the reports. This is a valuable resource because GRI's sector guidance makes reporting more relevant and user-friendly for organizations in diverse sectors.

An additional valuable resource for the CHRB is the GRI Content Index. This element is to be found in all sustainability reports of companies using G4 and it is the central navigation tool of GRI reports that acts as the first point of reference for report users.

We hope the CHRB project team will consider GRI's input into the consultation process. GRI is available to provide further clarification on any of the aforementioned points.

