



Human Rights, Gender and Community Updates of GRI's G3 Guidelines

**Public Comment Period
26 May – 23 August 2010**

Overview

- Updating the G3 Guidelines
- Background and Reason for Revisions
- The G3 Guidelines: Areas of Revision
- Developing the G3.1 Guidelines
 - Gender
 - Human Rights
 - Community



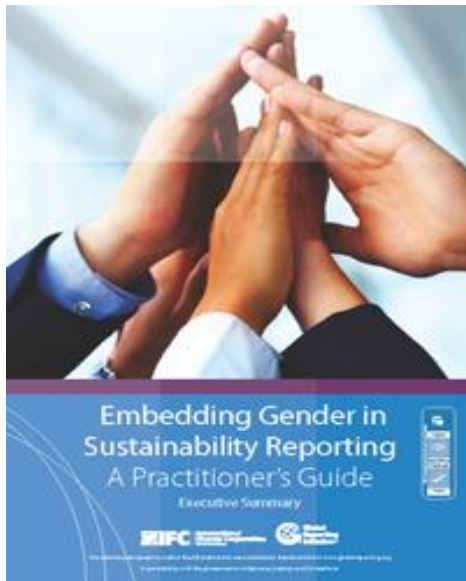
Updating the G3 Guidelines

- G3 Guidelines which provide up-to-date reporting guidance on Gender, Human Rights and Community issues.
- Address lack of coverage and comparability of gender, human rights and community issues in sustainability reports

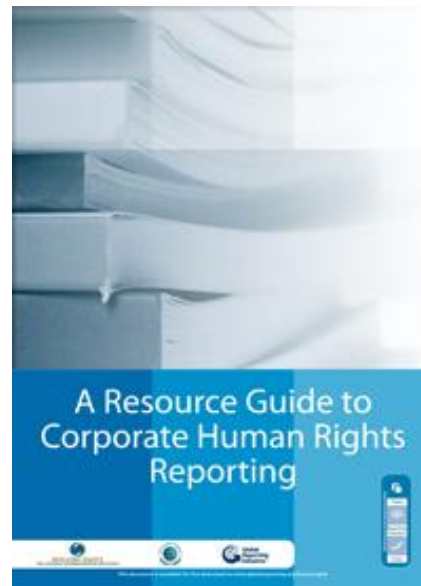


Reason for Revisions

Embedding Gender in Sustainability Reporting



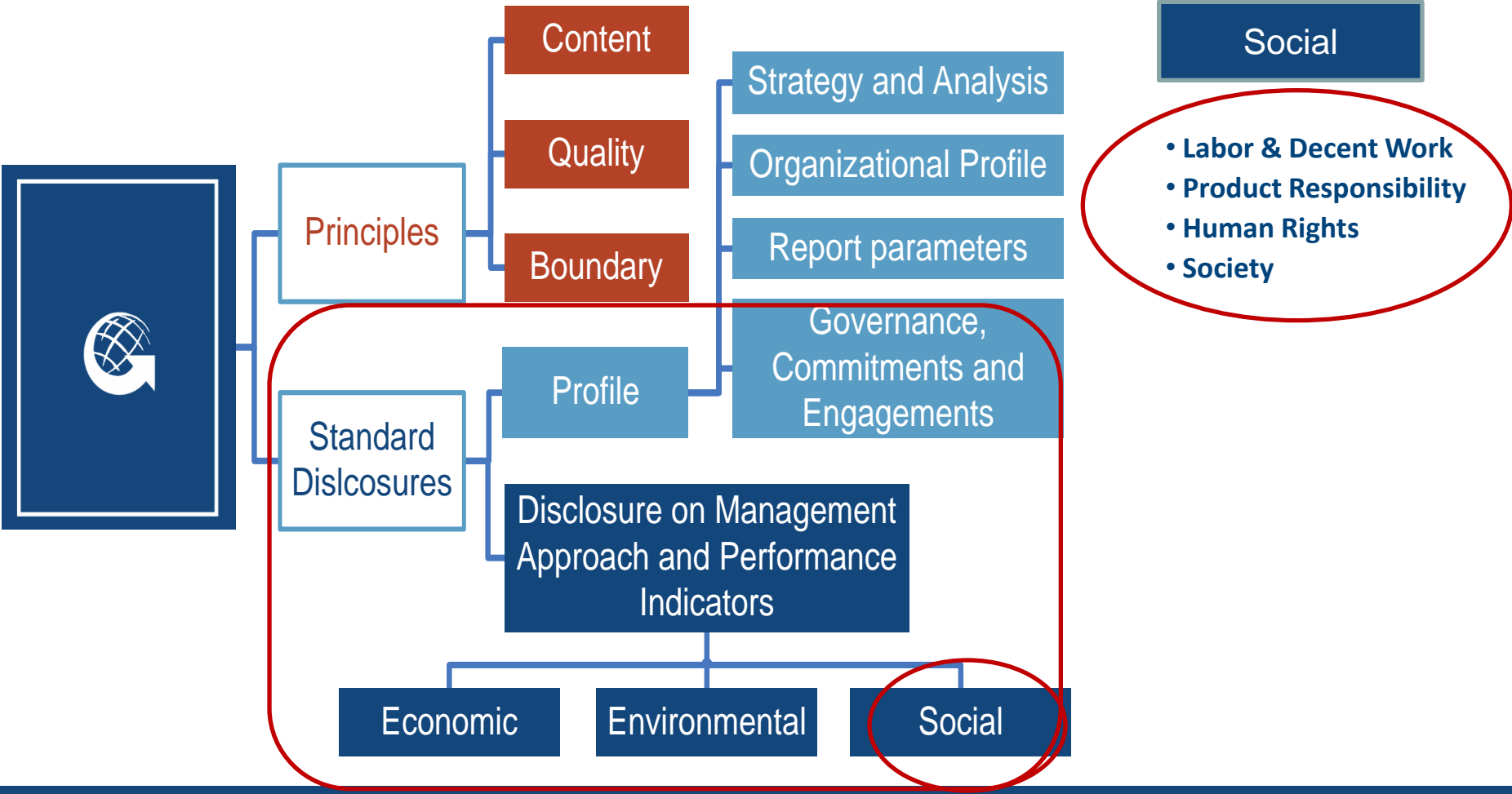
A Resource Guide to Corporate Human Rights Reporting



Corporate Human Rights Reporting



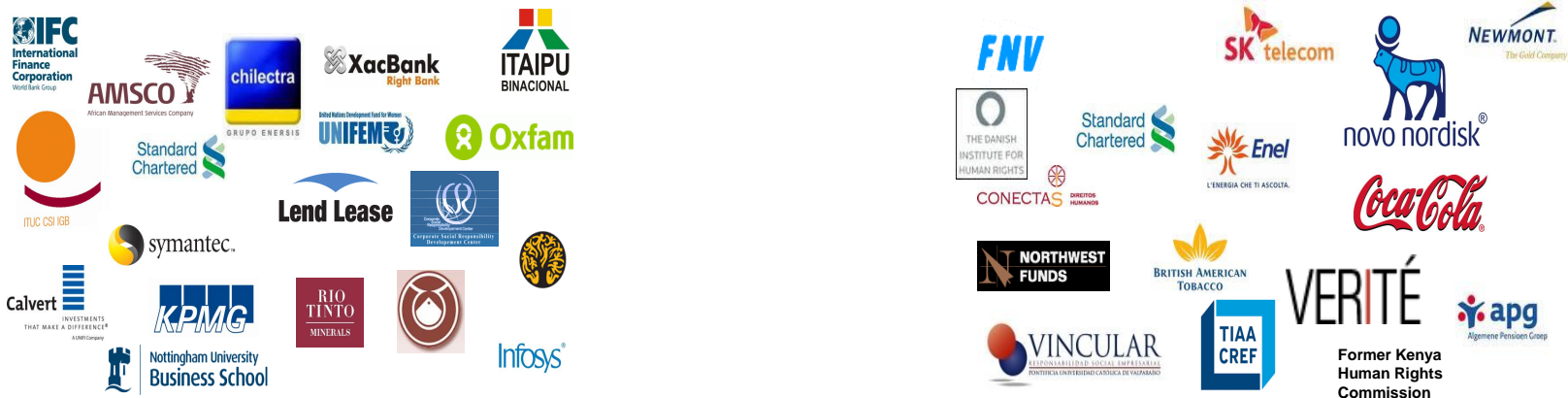
The G3 Guidelines: Areas of Revisions



Developing the G3.1 Guidelines

Multi-stakeholder Working Groups:

GRI's consensus-seeking development process with participants drawn globally from **business, civil society, labor, and professional institutions.**



Human Rights Working Group

Former Kenya Human Rights Commission



FNV



SK telecom



NEWMONT.
The Gold Company



THE DANISH
INSTITUTE FOR
HUMAN RIGHTS



Standard
Chartered



Enel
L'ENERGIA CHE TI ASCOLTA.



novo nordisk®



CONECTAS DIREITOS
HUMANOS



Coca-Cola®



NORTHWEST
FUNDS



BRITISH AMERICAN
TOBACCO



VERITÉ



VINCULAR
RESPONSABILIDAD SOCIAL EMPRESARIAL
PONTIFICIA UNIVERSIDAD CATÓLICA DE VALPARAISO



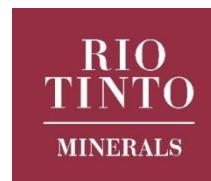
TIAA
CREF



apg
Algemene Pensioen Groep



Gender Working Group



G3.1 Public Comment Period

Public Recommendations will be reviewed before the final proposals will be forwarded to the GRI governance bodies.

Online Survey
available in English
at <http://bit.ly/b6cwVv>

Closing Date:
23 August 2010



MAIN GENDER EDITS AND REVISIONS



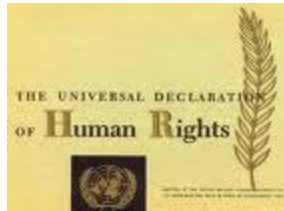
Defining Gender Equality

Focus on nondiscrimination against women and the advancement of women's rights

- Equality **under the law**
- Equality of **opportunity**
- Equality of **voice**

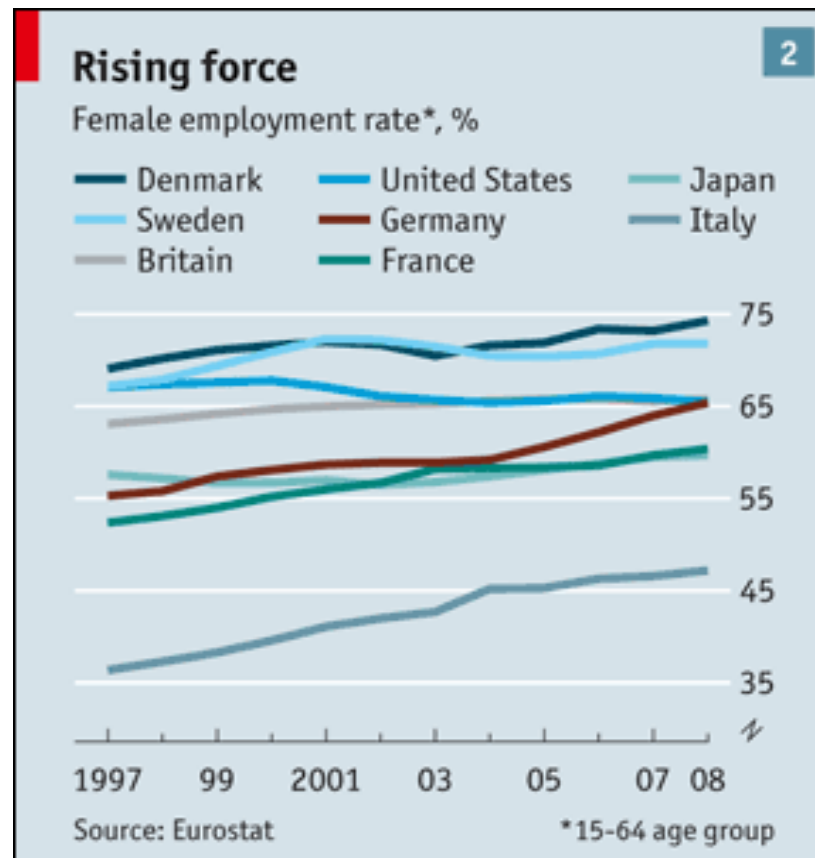


Gender Equality: An International Commitment



- Enshrined in a broad range of international legal and policy frameworks ratified by governments around the world.
 - International Declaration on Human Rights
 - Convention on the Elimination of All Forms Of Discrimination against Women (CEDAW)
 - The Millennium Declaration
- Internationally recognized as being **fundamental** to sustainable development.

An improved context yet gender inequalities persist



Trend: Regulation

- Equality in Parental Leave e.g. **Iceland**
- Requirements on Gender Diversity of Boards in some EU countries e.g. **Norway**
- Gender wage gap vol. reporting requirement e.g. **UK** for employers with 250 plus employees
 - A measurement of the mean hourly earnings of men and women
 - Average overall earnings of men & women by job type and grade
 - The difference between men's and women's starting salaries
 - A narrative to compliment the above options



Trends: Voluntary Initiatives to drive best practice

Women's Empowerment Principles



1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work — respect and support human rights and nondiscrimination.
3. Ensure the health, safety and well-being of all women and men workers.
4. Promote education, training and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.

Trends: Increased Financial Market Recognition

- Increasing number of **Investment Funds** with gender screens
- Screens include:
 - Representation of women
 - Accountability to women
 - Organizational culture

Pax World Women's Fund

Amazone Euro Fund

Nikko Cordial Corp

Naissance Women's Equity Fund



Trends: Increased Stock Exchange Listing Requirements

- **US Securities Exchange Commission (SEC)**
 - Since 28 Feb 2010
 - Disclosure of whether and if so how a nominating committee considers diversity in identifying nominees for director.
 - Disclosure of if there is a policy with regard to the consideration of diversity in identifying director nominees, how this policy is implemented and how its effectiveness is assessed.
- **Australian Stock Exchange (ASX)**
 - Proposed from 1 Jan 2011
 - Disclosure on achievements against measurable objectives on gender
 - Disclosure of the proportion of women employees in an organization, in senior executive positions and on the board.



Trends: Gender Practices and Reporting

- **Increase** in gender related practices
- **Limited** coverage of gender issues in sustainability reports
- A **low frequency** of reporting against GRI's three gender-related indicators LA2, LA13, LA14
- Typically a mix of **statistics** related to the gender breakdown of the **workforce** and **management**
- Some reporters do provide **gender-disaggregated data** on other indicators



The Business Case

- **Strong correlation between gender diversity & financial performance**
 - Companies with 3 or more women in top management outperform those with no women in top management (Mckinsey & Co 2007)
- Attract, motivate and retain talented employees
- Market place recognition
- Maintain Social License to Operate



How Reporting Can Help

- Communicate commitment
- Communicate context
- Communicate **management approach**
 - Policies
 - Goals
 - Monitoring & follow up
 - Organizational Responsibility
- **Communicate & manage performance**

Regulators

Investors

NGOs

Labor Unions

Multilaterals



Embedding Gender in Sustainability Reporting

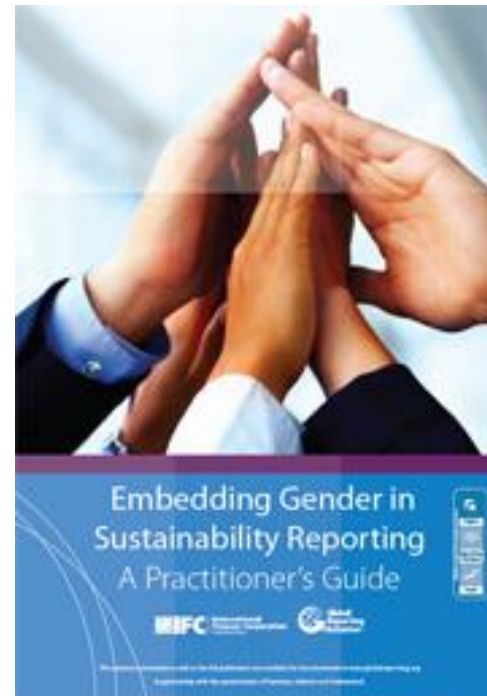


- A GRI & IFC multi-stakeholder engagement process
- Research & Consultation process
5 Workshops on 5 Continents
- Considers practices & reporting on Gender Equality & Governance & Values, Workplace, Supply Chain, Community, Customers, & Investors



Online resources

- A Practitioners' Guide
- Available in online in Chinese, English, Hindi, Portuguese & Spanish
- Download at:
- <http://www.globalreporting.org/LearningAndSupport/GRIPublications/ResearchPublications/Topics.htm>
- GRI Gender Practitioners' Network:
- <http://groups.google.com/group/gri-gender-practitioners-network>



GRI Guidelines Gender Revisions Project

- A formal review of the GRI G3 Guidelines from a gender perspective funded by **GTZ, Germany**
- Address lack of gender disaggregated data (i.e. male and female breakdown of performance information) in sustainability reports
- An international, multi stakeholder working group process
- Two working group meetings: New York & Mumbai



Governance Profile Section

- Disclosure added on the **process** for determining the **composition** of the highest governance bodies, including any consideration of gender and other diversity characteristics.
- Split **LA13** and proposed including all governance body composition disclosures in the profile section.



Labor & Decent Work

New Aspect: Equal Remuneration for Women & Men

Disclosure on Management Approach:

- **Policy:** the **types, lengths, entitlements** and payments of Maternity, Paternity & Adoption leave and also other forms of care leave. Statutory provisions governing the length of these, and the responsibilities of payments during this period.
- **Training & Awareness:** **who** participates in diversity & equal opportunities training & **topics** addressed
- **Context:** socio-economic environment that provides opportunities & barriers for the participation of both women and men e.g. women's workforce participation rates.



Labor & Decent Work Performance Indicators

New Aspect: Equal Remuneration for Women & Men

New Performance Indicators:

- Return to work and retention rates after maternity, paternity or adoption leave by gender.
- Strategies, current actions and future plans for managing gender wage gaps.

Revised Performance Indicators

- LA2, LA14 revised and Gender disaggregation of LA1, LA3, LA6, LA7, LA10, LA12



Product Responsibility

New Aspect: Gender Equality Impact

Disclosure on Management Approach:

- Responsible gender portrayal in marketing & communications

New Performance Indicator

- Life cycle stages in which gender impacts of products and services are assessed for risks, improvement and percentage of significant product and service categories subject to procedure.



Economic, Environment & Community

Economic

- Gender disaggregation of EC5

Environmental

- Relevance text added to DMA & EN 6, 9 & 14

Community

- Relevance text added to DMA and #1, 2 & 3
- Specific emphasis on differential impacts by gender and stakeholder consultation of both women & men



MAIN HUMAN RIGHTS EDITS AND REVISIONS



Human Rights Reporting Working Group Recommendations

- Scope of Human Rights
 - Companies can affect a wide range of rights
 - International Bill of Rights as point of reference
- Key developments in Human Rights
 - UN Special Representative of the Secretary General on Business and Human Rights John Ruggie
 - “Complicity”
 - “Root causes”



Human Rights Reporting Working Group Recommendations

A sustainability report should address:

1. Which human rights are material to the organization and its stakeholders, from the perspective of both risks and opportunities.
2. Due diligence processes - the degree to which the organization has the ability to anticipate, prevent, manage and remedy human rights impacts
3. Performance - the degree to which the organization's due diligence processes are proving effective in avoiding incidents of human rights violations and how the organization has contributed positively and/or negatively to and/or affected certain human rights.



Human Rights DMA

New headings:

- Organizational Risk Assessment
- Organizational Impact Assessment
- Follow-Up and Remediation



Human Rights Performance Indicators

New Performance Indicators

Aspect: Assessment

- **HR10** Percentage and total number of sites/operations in high-risk countries or areas (e.g. conflict zones) and percentage and total number of those sites/operations that have been **subject to human rights reviews** and/or **impact assessments**. (Core)
- **HR11** Percentage of human rights impact assessments/reviews that have **engaged external stakeholders** in the assessment process. (Core)

Aspect: Follow-up/Remediation

- **HR12** Number of **grievances related to human rights** filed through formal internal grievance procedures broken down by internal and external stakeholders. (Core)

Edits to HR 1, 2, 3, 5, 6, 7



MAIN COMMUNITY EDITS AND REVISIONS



Existing G3 Reporting Guidance

DMA

Aspect: Community

- *Goals and Performance*
- *Policy*
- *Organizational responsibility*
- *Training and awareness*
- *Monitoring and Follow-Up*
- *Additional Contextual Information*

Performance Indicator

- **SO1:** Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities including entering, operating and exiting.



Proposed new Community DMA

DMA

Impacts of operations on local communities, including vulnerable groups within the communities

- *Goals and Performance*
- **Policy**
- *Organizational responsibility*
- *Training and awareness*
- **Monitoring and Follow-Up**
- *Additional Contextual Information*

Text under DMA Headings

- **Policies** related to assessing the risks to and managing the impacts of operations on local communities.
- **Procedures** related to assessing the risks and managing the impacts of operations on local communities, including entering, operating, and exiting. These should include information on how data was collected and the process for selecting the local community members (individual or group) from whom information was gathered.



Definitions

- **Local community.** *Persons or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) from aspects of the company's operations. The local community can range from persons living literally adjacent to the facility to isolated settlements located at a distance but within the sphere of impact of the company's operations.*



Definitions

- **Vulnerable Groups:** *A vulnerable group is a set or subset of persons that have some specific physical, social, political, or economic condition or characteristic that place it at a higher risk to suffer a burden or at a risk of suffering a is proportionate burden of the social, economic or environmental impacts of a company's activities. Vulnerable groups may include, but are not limited to, children and youth at risk, the elderly, the mentally and physically disabled, ex-combatants, the internally displaced, refugees or returning refugees, HIV/AIDS affected households, indigenous peoples, ethnic minorities and women.*



Definitions

- **Facility** – *a single location used by an organization for the manufacture, storage and/or distribution of its goods and services or for administrative purposes (e.g., office). Within a single facility, 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 reporting organization.*



Community Performance Indicators

- **Indicator 1.** *Extent of local community engagement and development programs applied across facilities*
- **Indicator 2.** *Facilities with significant negative potential and actual impacts on local communities*
- **Indicator 3.** *Mitigation measures implemented in facilities with the most significant negative potential and actual impacts on local communities.*



G3.1 Public Comment Period

Public Recommendations will be reviewed before the final proposals will be forwarded to the GRI governance bodies.

Online Survey
available in English
at <http://bit.ly/b6cwVv>

Closing Date:
23 August 2010

