

UN GUIDING PRINCIPLES

*REPORTING FRAMEWORK*

# ACKNOWLEDGMENTS

The UN Guiding Principles Reporting Framework is the first comprehensive guidance for companies to report on human rights issues in line with their responsibility to respect human rights. This responsibility is set out in the UN Guiding Principles on Business and Human Rights, which constitute the authoritative global standard in this field.

The Reporting Framework provides a concise set of questions to which any company should strive to have answers in order to know and show that it is meeting its responsibility to respect human rights in practice. It offers companies clear and straightforward guidance on how to answer these questions with relevant and meaningful information about their human rights policies, processes and performance.

The Reporting Framework has been developed through the Human Rights Reporting and Assurance Frameworks Initiative (RAFI). RAFI is co-facilitated by Shift and Mazars through an open, global, consultative process involving representatives from over 200 companies, investor groups, civil society organizations, governments, assurance providers, lawyers and other expert organizations from all regions of the world. Consultations took place in Addis Ababa, Bangkok, Jakarta, London, Manila, Medellin, New York and Yangon.

The UN Guiding Principles Reporting Framework is the first of two guidance documents developed through the RAFI process, the second of which is Assurance Guidance for assurance providers and internal auditors. The Assurance Guidance will be issued in 2017 following further consultations.

The Human Rights Reporting and Assurance Frameworks Initiative was led by Caroline Rees, President of Shift, and Richard Karmel, Partner, Mazars UK. Additional members of the project team include Anna Triponel, Beth Holzman, John Sherman and Rachel Davis of Shift, and Howard Dorman, Anthony Carey, Bill Mellon and Bridget Day of Mazars. The Reporting and Assurance Frameworks Initiative was overseen by an Eminent Persons Group whose composition can be viewed at [UNG-Reporting.org](http://UNG-Reporting.org).

The project team from Shift and Mazars would like to express their gratitude to all the individuals who participated in consultations that were held across the world and who provided comments on the ideas, concepts and drafts that culminated in the UN Guiding Principles Reporting Framework.



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# FOREWORD

After decades of discord and contestation among the different stakeholders, in June 2011, the UN Human Rights Council unanimously endorsed the Guiding Principles on Business and Human Rights that I developed over a six-year mandate as the Secretary-General's Special Representative.

In the nearly four years since that time, I have been gratified to see so much being done by so many to embed the Guiding Principles into practice for the benefit of the people for whom this standard was written: those at risk of greatest harm from corporate activities.

*Today, the UN Guiding Principles Reporting Framework marks the critical next step in generating truly transformative change.*

At one level, the Reporting Framework is just what it says: a framework to help companies report on their human rights performance in line with the UN Guiding Principles. Yet it is also much more than that.

This Reporting Framework puts the corporate responsibility to respect human rights into everyday language: a set of smart, straightforward questions to which any company needs to have answers – inside and outside its own walls. It offers companies a powerful tool to deepen internal conversations, identify gaps in performance and drive improvements in practice. It provides a basis to build constructive and meaningful conversations with their investors, civil society stakeholders and those groups directly affected by their operations.

The Reporting Framework further empowers all these stakeholders to call for essential information about how companies are tackling the human rights challenges they face. Reporting that glosses over these realities with easy anecdotes no longer meets the grade. Governments, stock exchanges and rating systems the world over, with an interest in advancing non-financial reporting, can now turn to this Framework to set clear expectations for corporate disclosure and to drive improved accountability in relation to human rights. Companies that respond should be recognized and rewarded.

This Reporting Framework represents an indispensable contribution to the collective effort to embed the UN Guiding Principles into practice. Many companies began using it, and investors and civil society supporting it, even before it was launched. This attests to its practicality and its value. I urge others to follow in their steps.

**John Ruggie**

*Former Special Representative of the UN Secretary-General for Business and Human Rights  
Berthold Beitz Professor in Human Rights and International Affairs, Harvard University Kennedy School of Government  
Chair of Shift*

# REPORTING PRINCIPLES

These principles should define a company's approach to implementing the UN Guiding Principles Reporting Framework.

**A**

## SETTING HUMAN RIGHTS REPORTING IN THE BUSINESS CONTEXT

Readers of a company's human rights disclosure should understand the broader context of what the company does. Relevant information includes the company's business model, organizational structure, governance, strategy and operations. If the company's human rights reporting is included in its annual report, integrated report, sustainability report or similar, the company may already be providing this information. If it uses this Reporting Framework for stand-alone reporting on human rights, it should include such information or clearly indicate where it can be found easily. It may look to the Integrated Reporting Framework or the GRI G4 Framework for guidance on the general information to be included.

**B**

## MEETING A MINIMUM THRESHOLD OF INFORMATION

Any company claiming to use this Framework should *at a minimum*:

- Provide a substantive response to the two overarching questions in Part A;
- Meet the four informational requirements under Part B;
- Provide a substantive response to the six overarching questions in Part C.

This threshold is designed to be attainable by any company that has begun to address human rights within its business. Reporting companies should then work towards answering the supporting questions and improving the quality of their responses to all questions over time.

**C**

## DEMONSTRATING ONGOING IMPROVEMENT

Implementing the necessary policies and processes to meet the responsibility to respect human rights takes time. Moreover, human rights risks evolve as a company's activities, operating contexts and business relationships change. Putting the Guiding Principles into practice is, therefore, an ongoing process requiring continuous improvement. It is not a finite process that can be reported as complete.

The Reporting Framework enables companies to start reporting, whatever their size or stage of progress in implementing the Guiding Principles, and to highlight progress over time. In using the Reporting Framework, companies should endeavour to show how they have progressed in their implementation of the Guiding Principles and how they intend to continue to improve.

**D**

## FOCUSING ON RESPECT FOR HUMAN RIGHTS

The Reporting Framework focuses on respect for human rights: the baseline expectation that all companies “should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved” (UN Guiding Principle 11). The Framework does not, therefore, address any social investment or philanthropic activities to support or promote human rights, except where these form part of a deliberate strategy to address a risk to human rights related to the company’s salient human rights issues.

A company may wish to report on initiatives that support or promote human rights but which are unrelated to the management of salient human rights issues; if so, it should ensure that this does not obscure or detract from the responses it provides to the questions in this Reporting Framework.

**E**

## ADDRESSING THE MOST SEVERE IMPACTS ON HUMAN RIGHTS

Companies should focus their human rights disclosure on the most severe actual and potential impacts on human rights associated with their activities and business relationships. The starting point for disclosure is, therefore, risk to human rights rather than risk to business, while recognizing that where impacts on human rights are most severe, they converge strongly with risk to the business as well.

**F**

## PROVIDING BALANCED EXAMPLES FROM RELEVANT GEOGRAPHIES

Companies should ground their responses to the questions in the Reporting Framework as far as possible in specific information, including examples of how impacts related to their salient human rights issues have occurred and been prevented, mitigated or remedied during the reporting period. Where this requires the selection of examples from different operating contexts, companies should prioritize those contexts where the salient human rights issues are most significant. Taken together, examples should be balanced and broadly representative of the company’s performance; if they are not, the company should explain why.

**G**

## EXPLAINING ANY OMISSION OF IMPORTANT INFORMATION

In exceptional circumstances, it may not be possible for a company to disclose certain information that is required either to meet the basic threshold for reporting under this Framework, or to respond accurately to a supporting question that the company has chosen to address. In such cases, the company should indicate the nature of the information it has omitted and explain its reasons for the omission: for example, risk to the human rights of stakeholders, specific and legitimate legal prohibitions or confidentiality constraints, or the unavailability of reliable information. Where the company is prevented from disclosing information in specific or explicit form, it should, wherever possible, provide it in aggregated or anonymized form in order to avoid significant gaps in its disclosure.

# THE UN GUIDING PRINCIPLES REPORTING FRAMEWORK

## PART A: GOVERNANCE OF RESPECT FOR HUMAN RIGHTS

### POLICY COMMITMENT

**A1** What does the company say publicly about its commitment to respect human rights?

- A1.1** How has the public commitment been developed?
- A1.2** Whose human rights does the public commitment address?
- A1.3** How is the public commitment disseminated?

### EMBEDDING RESPECT FOR HUMAN RIGHTS

**A2** How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?

- A2.1** How is day-to-day responsibility for human rights performance organized within the company, and why?
- A2.2** What kinds of human rights issues are discussed by senior management and by the Board, and why?
- A2.3** How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?
- A2.4** How does the company make clear in its business relationships the importance it places on respect for human rights?
- A2.5** What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?

## PART B: DEFINING THE FOCUS OF REPORTING

**B1** **Statement of salient issues:** State the salient human rights issues associated with the company's activities and business relationships during the reporting period.

**B2** **Determination of salient issues:** Describe how the salient human rights issues were determined, including any input from stakeholders.

**B3** **Choice of focal geographies:** If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.

**B4** **Additional severe impacts:** Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.

## PART C: MANAGEMENT OF SALIENT HUMAN RIGHTS ISSUES

### SPECIFIC POLICIES

**C1** Does the company have any specific policies that address its salient human rights issues and, if so, what are they?

- C1.1** How does the company make clear the relevance and significance of such policies to those who need to implement them?

## STAKEHOLDER ENGAGEMENT

**C2**

### **What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?**

- C2.1** How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?
- C2.2** During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?
- C2.3** During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?

## ASSESSING IMPACTS

**C3**

### **How does the company identify any changes in the nature of each salient human rights issue over time?**

- C3.1** During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?
- C3.2** During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?

## INTEGRATING FINDINGS AND TAKING ACTION

**C4**

### **How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?**

- C4.1** How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?
- C4.2** When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?
- C4.3** During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?

## TRACKING PERFORMANCE

**C5**

### **How does the company know if its efforts to address each salient human rights issue are effective in practice?**

- C5.1** What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?

## REMEDICATION

**C6**

### **How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?**

- C6.1** Through what means can the company receive complaints or concerns related to each salient issue?
- C6.2** How does the company know if people feel able and empowered to raise complaints or concerns?
- C6.3** How does the company process complaints and assess the effectiveness of outcomes?
- C6.4** During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?
- C6.5** During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?

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an initiative of:

The logo for Shift, featuring the word "Shift" in a bold, red, sans-serif font.

*Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team facilitates dialogue, builds capacity and develops new approaches with companies, government, civil society organizations and international institutions to bring about a world in which business gets done with respect for people's fundamental welfare and dignity. Shift is a non-profit, mission-driven organization.*

*Shift was established following the 2011 unanimous endorsement of the Guiding Principles by the UN Human Rights Council, which marked the successful conclusion of the mandate of the Special Representative of the UN Secretary-General for Business and Human Rights, Professor John Ruggie. Shift's founders were part of Professor Ruggie's core advisory team that helped develop the Guiding Principles. Professor Ruggie is the Chair of Shift's Board of Trustees.*

*Mazars is an international, integrated and independent organisation specialising in audit, advisory, accounting and tax services.*

*As a global organisation, we believe it is both our privilege and responsibility to help create a better world by contributing to the business community and wider society through our reach and areas of expertise.*

*Through Mazars' Business. For Good™ initiative, we encourage business leaders to 'think and act long-term' in order to enhance business performance and pursue profit responsibly for the benefit of companies, their stakeholders and wider society. The initiative not only underpins our purpose but it also brings together a number of services that help organisations respond to emerging sustainability issues in the global marketplace including Anti-Corruption and Whistleblowing, Culture and Human Rights.*

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