

GRI 409: Forced or Compulsory Labor 2016

409

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TOPIC STANDARD

GRI 409: Forced or Compulsory Labor 2016

Topic Standard

Effective Date

This Standard is effective for reports or other materials published on or after 1 July 2018

Responsibility

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Introduction

GRI 409: Forced or Compulsory Labor 2016 contains disclosures for organizations to report information about their impacts related to forced or compulsory labor, and how they manage these impacts.

The Standard is structured as follows:

- [Section 1](#) contains a requirement, which provides information about how the organization manages its impacts related to forced or compulsory labor.
- [Section 2](#) contains one disclosure, which provides information about the organization's impacts related to forced or compulsory labor.
- The [Glossary](#) contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The [Bibliography](#) lists authoritative intergovernmental instruments used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of forced or compulsory labor.

Not to be subjected to forced or compulsory labor is a fundamental human right. According to International Labour Organization (ILO) Convention 29 'Forced Labour Convention', forced or compulsory labor is defined as 'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily'.¹

Forced and compulsory labor affects all world regions, countries, and economic sectors, and includes workers in both formal and informal employment.²

Some of the most common forms of forced labor include forced labor in prisons (except for prisoners that have been convicted in a court of law, and whose labor is under the supervision and control of a public authority), human trafficking for the purpose of forced labor, coercion in employment, forced labor linked to exploitative labor contract systems, and debt-induced forced labor, also known as 'debt-bondage' or 'bonded labor'.³

The victims are most likely from groups subject to discrimination or performing work on an informal or precarious basis. This can include women and girls forced into prostitution, migrants trapped in debt bondage, and sweatshop or farm workers, among other groups.⁴

Due diligence is expected of an organization in order to prevent and combat all forms of forced or compulsory labor in its activities. It is also expected to avoid contributing to or becoming linked to the use of forced or compulsory labor through its relationships with others (e.g., suppliers, clients).

These concepts are covered in key instruments of the ILO, the Organisation for Economic Co-operation and Development, and the United Nations: see the [Bibliography](#).

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see [Figure 1](#) in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

[GRI 1: Foundation 2021](#) specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

[GRI 2: General Disclosures 2021](#) contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

¹ International Labour Organization (ILO) Convention 29, 'Forced Labour Convention'.

² International Labour Organization (ILO), *Combating Forced Labour Handbook for Employers & Business*, 2015.

³ International Labour Organization (ILO), *Combating Forced Labour. A Handbook for Employers & Business*, 2015.

⁴ International Labour Organization (ILO), *Forced labour, human trafficking and slavery*, <http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>, accessed on 1 September 2016.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

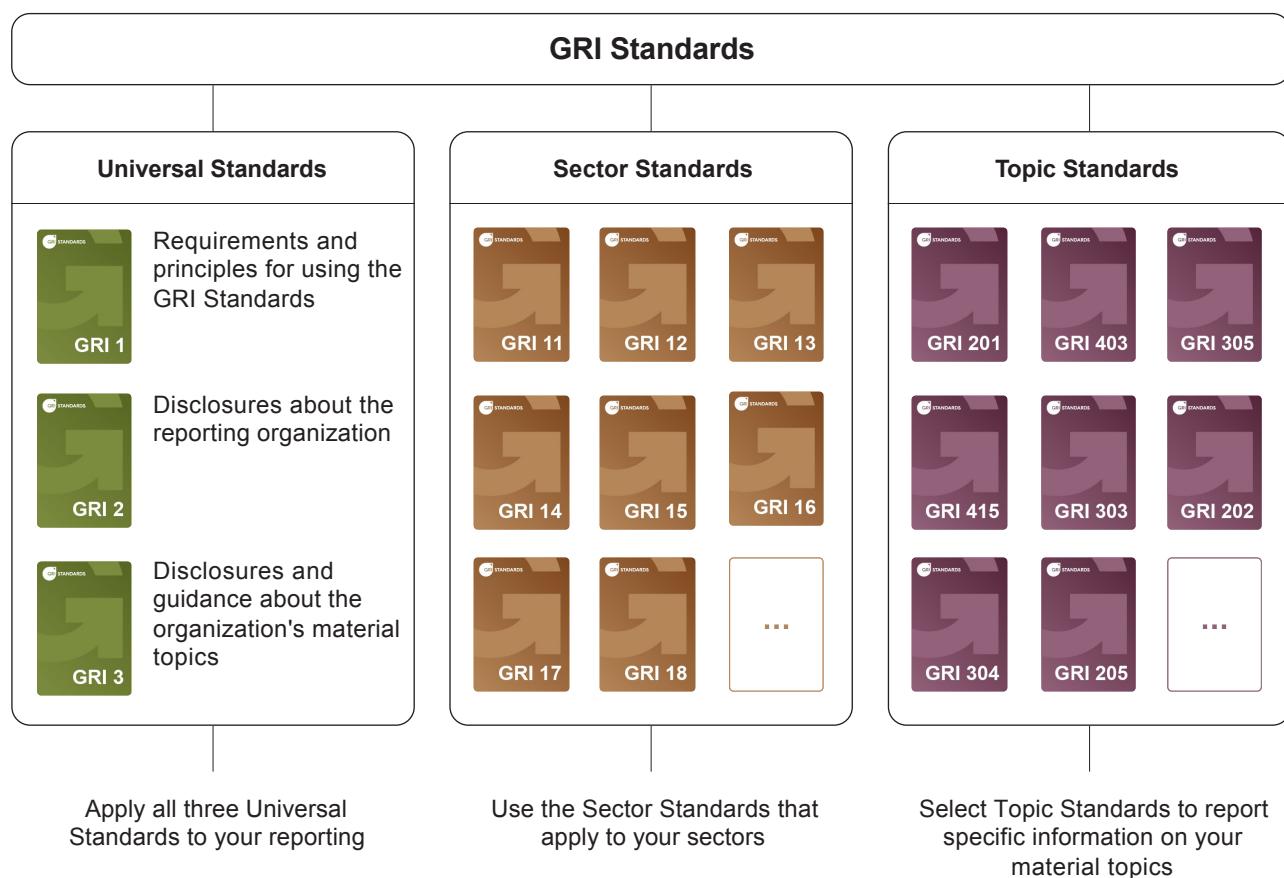
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to forced or compulsory labor. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 408: Child Labor 2016*.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined forced or compulsory labor to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021* (see clause 1.1 in this Standard);
- Any disclosure from this Topic Standard that is relevant to the organization's impacts related to forced or compulsory labor (Disclosure 409-1).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See [Requirement 6 in GRI 1: Foundation 2021](#) for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms

The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the [Glossary](#). The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined forced or compulsory labor to be a material topic is required to report how it manages the topic using [Disclosure 3-3 in GRI 3: Material Topics 2021](#) (see clause 1.1 in this section).

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

| | |
|--------------|---|
| REQUIREMENTS | 1.1 The reporting organization shall report how it manages <u>forced or compulsory labor</u> using Disclosure 3-3 in GRI 3: Material Topics 2021. |
|--------------|---|

2. Topic disclosures

Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

- REQUIREMENTS**
- The reporting organization shall report the following information:
- a. **Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:**
 - i. type of operation (such as manufacturing plant) and supplier;
 - ii. countries or geographic areas with operations and suppliers considered at risk.
 - b. **Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.**

- GUIDANCE**
- Guidance for Disclosure 409-1**
- The process for identifying operations and suppliers, as specified in Disclosure 409-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the ILO *Information and reports on the application of Conventions and Recommendations* (see reference [1] in the *Bibliography*).
- When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

Background

Forced or compulsory labor exists globally in a variety of forms. 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. Indicators of forced labor can also include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

Eliminating forced labor remains an important challenge. Forced labor is not only a serious violation of a fundamental human right, it also perpetuates poverty and is a hindrance to economic and human development.⁵

The presence and effective implementation of policies for eliminating all forms of forced or compulsory labor are a basic expectation of responsible business conduct. Organizations with multinational operations are required by law in some countries to provide information on their efforts to eradicate forced labor in their supply chains.

⁵ International Labour Organization (ILO), *International Labour Standards on Forced labour* http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/forced-labour/lang--en/index.htm#P23_4987, accessed on 1 September 2016.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

business partner

B entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships

relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

due diligence

D process to identify, prevent, mitigate, and account for how the organization addresses its actual and potential negative impacts

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011; modified

United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*, 2011; modified

Note: See [section 2.3 in GRI 1: Foundation 2021](#) for more information on ‘due diligence’.

employee

E individual who is in an employment relationship with the organization according to national law or practice

forced or compulsory labor

F all work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily

Source: International Labour Organization (ILO), *Forced Labour Convention*, 1930 (No. 29); modified

Note 1: The most extreme examples of forced or compulsory labor are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor.

Note 2: Indicators of forced labor include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

human rights

H

rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See [Guidance to 2-23-b-i in GRI 2: General Disclosures 2021](#) for more information on 'human rights'.

impact

I

effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See [section 2.1 in GRI 1: Foundation 2021](#) for more information on 'impact'.

material topics

M

topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See [section 2.2 in GRI 1: Foundation 2021](#) and [section 1 in GRI 3: Material Topics 2021](#) for more information on 'material topics'.

mitigation

action(s) taken to reduce the extent of a negative impact

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the negative impact that has occurred, with any residual impact needing remediation. The mitigation of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact occurring.

remedy / remediation

R

means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

severity (of an impact)

S

The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

supplier

entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain

range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

sustainable development / sustainability

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

value chain

V

range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

worker

W

person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

Bibliography

This section lists authoritative intergovernmental instruments used in developing this Standard.

Authoritative instruments:

1. International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report III - Information and reports on the application of Conventions and Recommendations*, updated annually.
2. International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.
3. International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957.
4. International Labour Organization (ILO), 'Protocol to Convention 29', 2014.
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6. International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 2006.
7. League of Nations Convention, 'Convention to Suppress the Slave Trade and Slavery', 1926.
8. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
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13. United Nations (UN) Supplementary Convention, 'Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery', 1956.



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