

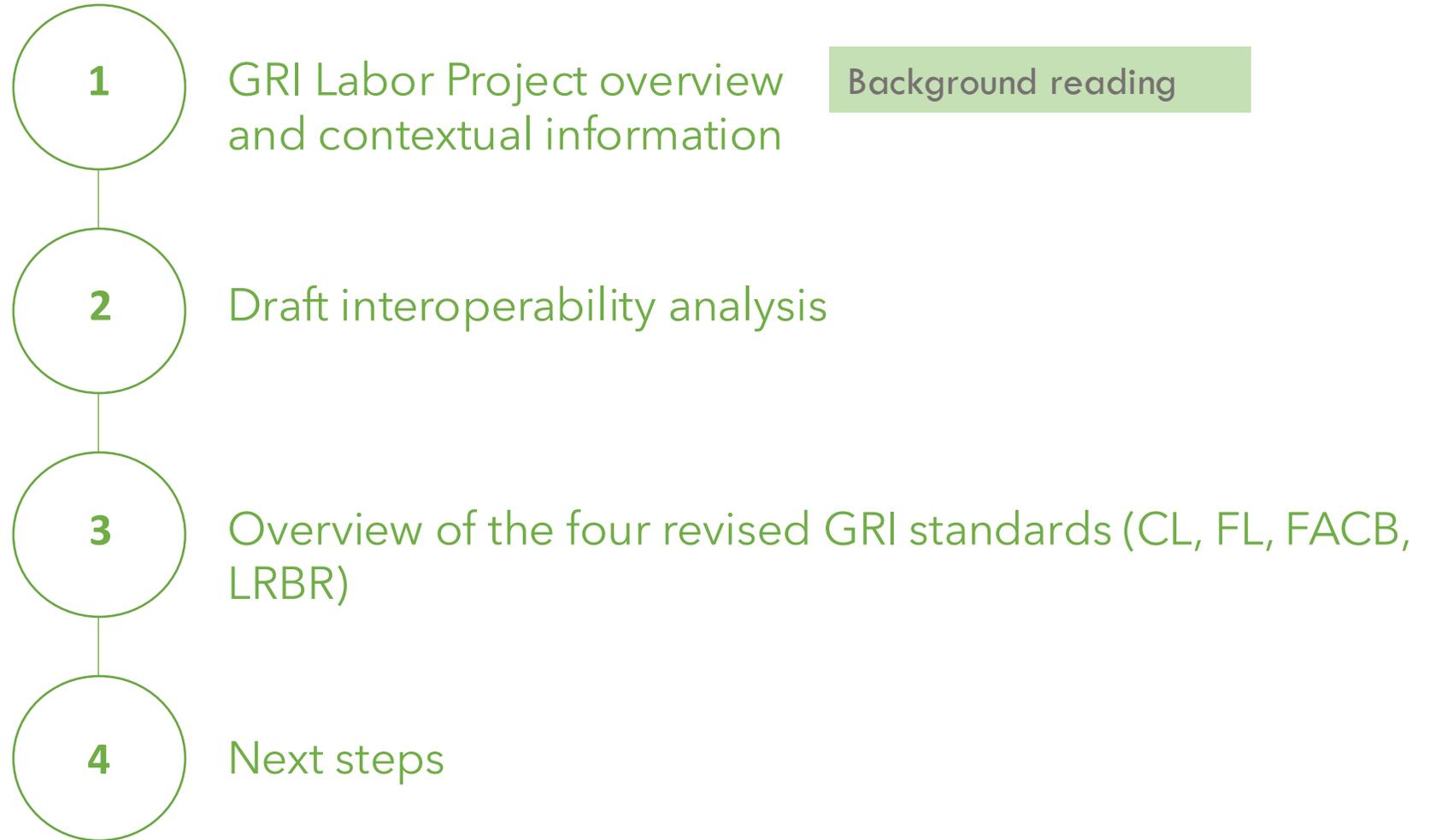
GRI Revision of Labor Standards (FACB, LRBR, CL, FL)

SRB meeting, 12 February 2026

Gemma Sanchez Danes



Agenda





GRI Labor project overview and contextual information

GRI Labor Project's objective

- GRI's review of the 2016 labor standards to reflect stakeholder expectations, related to impacts for providing decent work that contributes to sustainable development, poverty alleviation, and dignity to workers.
 - *"How the organization manages labor impacts – with employees, workers who are not employees and whose work is controlled by the organization, and workers in business relationships – enhances accountability and trust with workers and other stakeholders. "*
 - *"The implementation of international labor standards, including fundamental labor rights, by offering decent work and dignified working conditions, as well as the involvement of workers' representatives in developing and implementing policies."*
 - *"Its approach to human rights is to provide decent work in terms of decent remuneration and working time, employment conditions, skills, career development, and work-life balance, improving workers' satisfaction and talent retention."*

GRI Labor Project: Coordination, Alignment & Timeline

- GRI Coordination
 - GSSB (Global Sustainability Standards Board)
 - Technical Committee (TC) - formed with representation from workers, employers, and ILO
 - Advisory group - formed to incorporate stakeholder feedback

- GRI Alignment
 - ILO - International Labor Organization (ILO) Conventions and Recommendations;
 - UNGP - UN Guiding Principles on Business and Human Rights;
 - OECD - Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises

- Timeline
 - 2022 – 2026 timeframe in four phases

GRI Labor Project: Phases (Public Call End Dates)

- **Phase 1 (Oct. 2024) - Employment practices and conditions**
 - Employment
 - Remuneration and working time
 - Significant changes for workers
 - Control of work standard interpretations to GRI 2 (Note: this is guidance and not a standard per se)
- **Phase 2 (April 2025) - Working life and career development**
 - Training and Education
 - Working Parents and Caregivers
- Phase 3 – Workers' rights and protections
- **Phase 3.1 (Sept. 2025) - Inclusion and equal opportunities at work**
 - Diversity and Inclusion
 - Non-discrimination and equal opportunity
- **Phase 3.2 (March 2026) - Rights and protection at work**
 - Child Labor
 - Forced Labor
 - Freedom of Association and Collective Bargaining
 - Labor Rights in Business Relationships

Background reading



GRI Labor Project Phases

Background reading

| Revised GRI Standards (2024-2026) | GRI Standards 2016 | Oct. 2024 | April 2025 | Sept. 2025 | March 2026 |
|---|---|-----------|------------|------------|------------|
| Review: Control of Work Standard Interpretation to GRI 2 (General Disclosures) - 2021 | | | | | |
| New GRI: Remuneration & working time (REWO) | GRI 202: Market Presence 2016 (Disclosure 202-1), GRI 405: Diversity and Equal Opportunity 2016 (Disclosure 405-2), GRI 401: Employment 2016. | | | | |
| New GRI: Significant Changes for Workers (SICH) | GRI 402: Labor-Management Relations 2016 | | | | |
| GRI 401: Employment (EMPL) | GRI 401: Employment 2016 | | | | |
| New GRI: Working Parents and Caregivers (PARE) | GRI 401: Employment 2016 (Disclosure 401-3) | | | | |
| GRI 404: Training and Education (TRED) | GRI 404: Training and Education 2016 | | | | |
| GRI DIVE: Diversity and inclusion (DIVE) | GRI 405: Diversity and Equal Opportunity 2016 | | | | |
| GRI 406: Non-discrimination and Equal Opportunity (NDEO) | GRI 406: Non-discrimination 2016. | | | | |
| GRI 407: Freedom of Association and Collective Bargaining (FACB) | GRI 407: Freedom of Association and Collective Bargaining 2016 | | | | |
| GRI 408: Child Labor (CL) | GRI 408: Child Labor 2016 | | | | |
| GRI 409: Forced Labor (FL) | GRI 409: Forced or Compulsory Labor 2016 | | | | |
| GRI 414: Labor Rights Business Relationships (LRBR) | GRI 414: Supplier Social Assessment 2016 | | | | |

To note that GRI 403 Health and Safety was issued in 2018 and it doesn't form part of the GRI Labor standards review.

Sub-topical mapping – GRI to ESRS

Draft high level mapping between GRI labor standards vs ESRS S1 subtopics

Background reading



| GRI revised standards (2024-2026) | ESRS Sub-topics | Coverage |
|--|--|--|
| Review: Control of Work Standard Interpretation to GRI 2 (General Disclosures) exposure draft | <u>Scope definition: distinction between employees and non-employees</u> | Covered |
| New GRI: Remuneration & Working Time 202X (REWO) | Adequate wages, Working time, Gender equality and equal pay for work of equal value | Covered |
| New GRI: Significant Changes for Workers 202X (SICH) | Training and skills development | Partially covered by ESRS. It doesn't include management of significant changes for workers and minimum consultation and notice periods, partially covers redeployment and training. |
| New GRI: Working Parents and Caregivers 202X (PARE) | Work-life balance | Covered |
| GRI 401: Employment 202X (EMPL) | Adequate wages, Secure employment, Working time, Privacy | Covered |
| GRI 404: Training and Education 202X (TRED) | Training and skills development | Covered |
| GRI 405: Diversity and Inclusion 202X (DIVE) | Gender equality and equal pay for work of equal value, Employment and inclusion of persons with disabilities | Covered |
| GRI 406: Non-discrimination and Equal Opportunity 202X (NDEO) | Measures against violence and harassment in the workplace, Adequate wages, Working time, Work-life balance, Employment and inclusion of persons with disabilities, Training and skills development | Covered |
| GRI 407: Freedom of Association and Collective Bargaining 202X (FACB) | Freedom of association, and Collective bargaining | Covered |
| GRI 408: Child Labor 202X (CL) | Child labor | Covered |
| GRI 409: Forced Labor 202X (FL) | Forced labor | Covered |

| ESRS | ESRS Sub-topics | GRI draft standards | Coverage |
|---------------------------------|---|--|-----------------------------------|
| S1 Own Workforce | Secure employment | GRI 401: Employment 202X (EMPL) | Covered |
| | Working time | New GRI: Remuneration & Working Time 202X (REWO) GRI 401: Employment 202X (EMPL) GRI 406: Non-discrimination and Equal Opportunity 202X (NDEO) | Covered |
| | Adequate wages | New GRI: Remuneration & Working Time 202X (REWO) GRI 401: Employment 202X (EMPL) GRI 406: Non-discrimination and Equal Opportunity 202X (NDEO) | Covered . |
| | Social dialogue | / | Not explicitly covered by GRI. |
| | Freedom of association | GRI 407: Freedom of Association and Collective Bargaining 202X (FACB) | Covered |
| | Collective bargaining | GRI 407: Freedom of Association and Collective Bargaining 202X (FACB) | Covered |
| | Work-life balance | New GRI: Working Parents and Caregivers 202X (PARE) GRI 406: Non-discrimination and Equal Opportunity 202X (NDEO) | Covered |
| | Health and safety | GRI 403: Occupational Health & Safety (no proposed draft revisions) | Covered- Not under review by GRI. |
| | Gender equality and equal pay for work of equal value | New GRI: Remuneration & Working Time 202X (REWO) GRI 405: Diversity and Inclusion 202X (DIVE) | Covered |
| | Training and skills development | New GRI: Significant Changes for Workers 202X (SICH) GRI 404: Training and Education 202X (TRED) GRI 406: Non-discrimination and Equal Opportunity 202X (NDEO) | Covered |
| | Employment and inclusion of persons with disabilities | GRI 405: Diversity and Inclusion 202X (DIVE) GRI 406: Non-discrimination and Equal Opportunity 202X (NDEO) | Covered |
| | Measures against violence and harassment in the workplace | GRI 406: Non-discrimination and equal opportunity 202X (NDEO) | Covered |
| | Diversity | GRI 405: Diversity and Inclusion 202X (DIVE) | Covered |
| | Child Labor | GRI 408: Child Labor 202X (CL) | Covered |
| | Forced Labor | GRI 409: Forced Labor 202X (FL) | Covered |
| | Adequate housing | / | Not covered |
| Privacy | GRI 401: Employment 202X (EMPL) | Covered | |



Draft interoperability analysis

EFRAG Approach to the revised GRI labor standards

- Background

ESRS reference to GRI topical standards (Draft ESRS 1, AR 5)

| | |
|--|--|
| <p>AR 5 for para. 12 (Sources for entity-specific disclosures)</p> | <p>(131(b) amended) In developing its entity-specific disclosures, the undertaking may use available best practices, frameworks or reporting standards, such as IFRS industry-based guidance and GRI Standards (including GRI topic and sector standards).</p> |
|--|--|

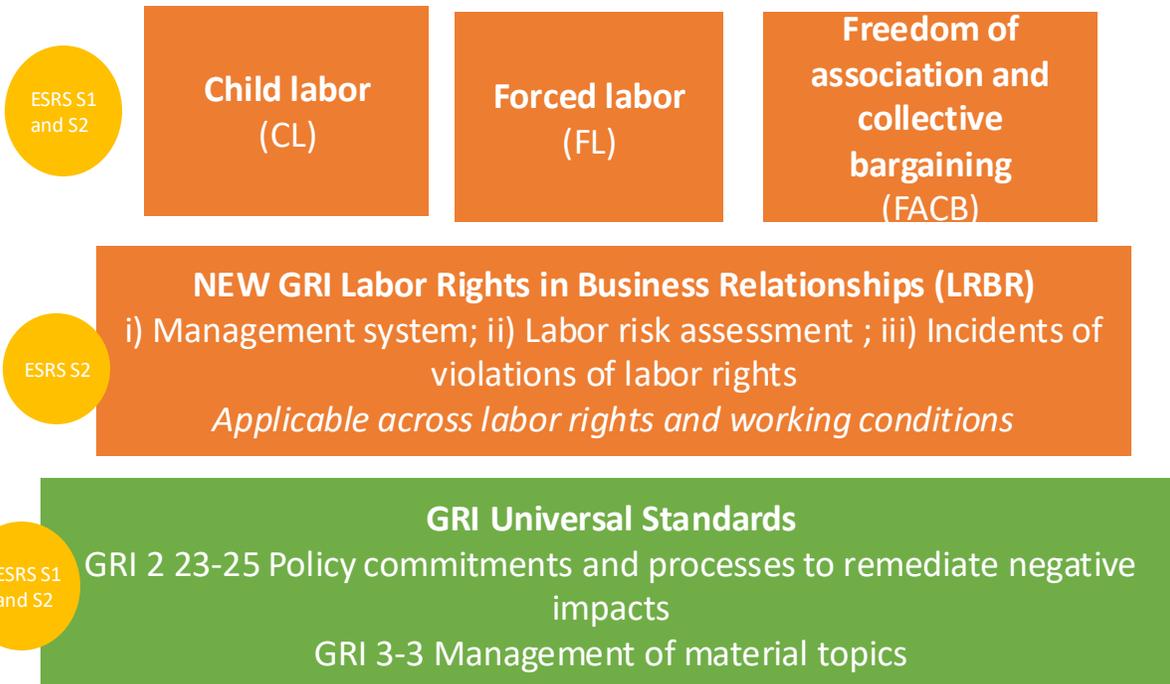
- Approach to the draft interoperability analysis

- Sub-topic level mapping
- Architecture
- Disclosure and datapoints level by categorisation of datapoint: narrative, semi-narrative or quantitative
- Glossary terms

- Output

- **Public letter by early March**

Building block approach for GRI



Narrative disclosures

The focus of the analysis is the topical layer (Orange boxes in the chart). The additional disclosures in topical standards have been analysed from an interoperability standpoint against the draft ESRS S1-S2.

- ESRS S1-S2 DR 1 - Policies - Two DRs added in CL, FL, FACB; one for employee and workers who are not employees, and one for business relationships.
- ESRS S1-S2 DR 2 - Engagement and channels to raise concerns - One DR added in the LRBR standard and two new DRs in the CL, FL, FACB; one for employees and workers who are not employees and one for business relationships.
- ESRS S1-2 DR 3 - Actions and resources - Refer to the DR 2 analysis.
- ESRS S1-2 DR 4 - Targets - only covered in GRI Universal standards and no topical specifications.

Metrics

- Quantitative metrics added to all topical standards (inc the equivalent of ESRS S2 for social which is LRBR).
- Each standard contains a disclosure on incidents with various breakdowns.

Scope and terminology

- **Labor rights and working conditions newly defined.** Disclosures specify if the scope is limited to labor rights (fundamental rights set out in the ILO Declaration on Fundamental Principles at work) or also include working conditions (e.g. remuneration, working time, social protection, training and development).
- Three dimensions covered in most of the topical standards (e.g. CL, FL, FACB): **employees, workers who are not employees and business relationships.**

Architecture and interaction amongst standards

- **Interaction between GRI Universal standards, LRBR and topical standards** (e.g. CL, FL, FACB). Potential overlaps observed in narrative disclosures for policies, actions, engagement with stakeholders and grievance mechanisms with the GRI US and also with LRBR. Additional process-based disclosures in the revised GRI standards.
- **Potential overlaps on metrics:** incidents (LRBR, FL, CL, FACB), collective bargaining coverage (GRI 2-30, FASB) and list of business associations (GRI 2-28 and FACB).
- **Definition of the role of the LRBR within the GRI Social topical standards system:** interaction with the other topical standards for business relationships (implicit vs explicit disclosure) and potential new layer for all social topical standards.

Interaction with the materiality assessment

- **Interplay between the disclosures on the labor risk assessment or heightened risk of labor risks and the materiality assessment** (i.e. input to the materiality assessment or additional process disclosure for material impacts only). This applies to LRBR and CL, FL an FACB.
- **Interaction between impact and financial materiality in some disclosures** (e.g. FACB lockout and strike metrics, risk assessment).

Other

- Breakdowns required: activity by region (CL, FL) and region (FACB) for employees, workers that are not employees and business relationships. Option to develop other breakdowns for own operations vs business relationships (for example, country for FACB)

GRI 408 Child Labor (CL)



Overview of Child Labor (CL) Draft Standard

- **Scope:**

- Child Labor draft standard applies to the organization's employees, as well as to workers who are not employees but whose work is controlled by the organization, and to workers within its business relationships – it broadens coverage to include actual and potential impacts across the organization's own operations and value chain.

- **Definition:**

- **Child** (Source: [GRI Child Labor Standard 408](#)): Person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher.
- **Child Labor** (Source: [ILO - Min. Age \(ILO Convention 138\) and Worst Forms \(ILO Convention 182\)](#)): Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that is
 - mentally, physically, socially, or morally dangerous and harmful to children; and/or
 - interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

- **Objective:** replacement of the GRI 2016 Child Labor Standard (408) with a revised standard (408).

- **Interaction with other standards:** aim is to align with internationally agreed best practices, latest developments, and relevant authoritative intergovernmental instruments related to human rights and labor conditions such as: ILO, UNGP and OECD.

Draft analysis– Child Labor (CL)

| GRI Draft Proposal | Changes from 2016 GRI standard | Interoperability Analysis with ESRS |
|---|---|--|
| <i>Deleted in draft</i> | 2016 deleted - Supplements GRI 3-3 | Covered in ESRS 2 |
| CL1 - Policies and risk assessment for the organization's activities | new | Alignment on policies (DR 1); grievance mechanisms (DR 2), and actions (DR 3) |
| CL 2 - Policies and risk assessment for business relationships | new | Alignment with ESRS 1; policies (DR 1); engagement with BRs and grievance mechanisms (DR 2) |
| CL 3 - High-risk activities | 2016 amended (operations & suppliers split) | Alignment with ESRS 1 and 2; actions (DR 3) - risk & region |
| CL 4 - High-risk business relationships | new/amended (includes suppliers - 2016) | Alignment with ESRS 2; actions (DR 3) - risk & region, expanded scope from suppliers to BRs |
| CL 5 - Incidents in the organization's activities | new | Alignment on actions (DR 3); HR incidents (S1-16). New metrics , e.g. children removed, root causes with further granularity |
| CL 6 - Incidents in business relationships | new | Alignment on actions and incidents (DR 3). New metrics, e.g. BRs terminated, root causes with further granularity |

GRI Disclosure Count: 2 prior (2016) - 1 deleted + 4 new + 1 new/amended = 6 draft disclosures

| Colour legend – DR & Datapoints | |
|---------------------------------|---------------------------------|
| | Management (narrative) approach |
| | Narrative approach |
| | Both: Narrative + Metrics |

GRI 409 Forced Labor (FL)



Overview of Forced Labor (FL) Draft Standard

- **Scope:**

- Forced Labor draft standard applies to the organization's employees, as well as to workers who are not employees but whose work is controlled by the organization, and to workers within its business relationships.

- **Definition:**

- **Forced Labor** (Source: [GRI draft proposal on FL 409](#)): 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.
 - **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.
- **Forced Labor** (Source: [ILO - Forced Labor Convention 1930, No. 29](#)): all work or service which is extracted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. The definition consists of three elements (1) **Work or service** refers to all types of work occurring in any activity, industry or sector including in the informal economy. (2) **Menace of any penalty** refers to a wide range of penalties used to compel someone to work. (3) **Involuntariness**.

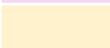
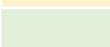
- **Objective:** replace the GRI 2016 Forced or Compulsory Labor Standard (409) with a revised standard (409).

- **Interaction with other standards:** aim is to align with internationally agreed best practices, latest developments, and relevant authoritative intergovernmental instruments related to human rights and labor conditions such as: ILO, UNGP and OECD.

Draft analysis– Forced Labor (FL)

| GRI Draft Proposal | Changes from 2016 GRI standard | Interoperability Analysis with ESRS |
|--|---|---|
| <i>Deleted in draft</i> | 2016 deleted - Supplements GRI 3-3, material FL | Covered in ESRS 2 |
| FL 1 - Policies and risk assessment for the organization's activities | new | Alignment on policies (DR 1); grievance mechanisms (DR 2), and actions (DR 3) |
| FL 2 - Policies and risk assessment for business relationships | new | Alignment with ESRS 1; policies (DR 1); engagement with BRs and grievance mechanisms (DR 2) |
| FL 3 - High-risk activities | 2016 amended (operations & suppliers split) | Alignment with ESRS 1 and 2; actions (DR 3) - risk & region |
| FL 4 - High-risk business relationships | new/amended (includes suppliers - 2016) | Alignment with ESRS 2; actions (DR 3) - risk & region, expanded scope from suppliers to BRs |
| FL 5 - Incidents in the organization's activities | new | Alignment on actions (DR 3); HR incidents (S1-16). New metrics , e.g. root causes with further granularity |
| FL 6 - Incidents in business relationships | new | Alignment on actions and incidents (DR 3). New metrics, e.g. BRs terminated, root causes with further granularity |

GRI Disclosure Count: 2 prior (2016) - 1 deleted + 4 new + 1 new/amended = 6 draft disclosures

| Colour legend – DR & Datapoints | |
|---|---------------------------------|
|  | Management (narrative) approach |
|  | Narrative approach |
|  | Both: Narrative + Metrics |

GRI 407 - Freedom of Association and Collective Bargaining (FACB)



Overview– GRI Freedom of Association and Collective Bargaining (FACB)

- **Scope:**

- Freedom of Association and Collective Bargaining draft standard applies to the organization’s employees, workers who are not employees and whose work is controlled by the organization, hereafter ‘workers who are not employees’, and workers in business relationships.

- **Definition:**

- **Freedom of association** (Source: : [ILO- Collective Bargaining Convention, 1981 \(No. 154\)](#)): the right of workers to join and run their own organizations without prior authorization or interference by the state or other entity.
- **Collective bargaining** (Source: [ILO- Collective Bargaining Convention, 1981 \(No. 154\)](#)): refers to the process of negotiations between employers or employers’ organizations and workers’ organizations, such as trade unions. These negotiations aim to set or improve working conditions, employment terms, and regulate relations between employers and workers.

- **Objective:** replace **GRI 407: Freedom of Association and Collective Bargaining 2016**.

- **Interaction with other standards:** aim is to align with internationally agreed best practices, the latest developments, and relevant authoritative intergovernmental instruments related to human rights and labor conditions such as ILO, UNGPs and OECD.

| GRI Draft Proposal | Changes from 2016 GRI standard | Interoperability Analysis with ESRS |
|--|--------------------------------|--|
| Disclosure FACB 1 - Freedom and association and collective bargaining policies | New/amended | Extended scope in line with ESRS (GDR-P, DR 1) with additional granularity, actions to remedy, manage retaliation (DR 3) and engagement and grievance mechanism (DR 2) |
| Disclosure FACB 2 - Freedom and association and collective bargaining policies in business relationship | New | GRI Extended scope to Business relationships in line with ESRS S2 Policies (DR 1), engagement with worker reps, effective grievance (DR 2) |
| Disclosure FACB 3 – Collective bargaining agreements coverage | New | Alignment with ESRS metrics S1-7 overall, but extended scope metrics eg 'workers not covered', non-employees |
| Disclosure FACB 4 – Engagement with business relationship | New | Extended scope to metrics on Business relationships FACB Coverage - increased granularity (region, number and percentage) |
| Disclosure FACB 5 – Incidents on the organizations' activities | New/amended | Additional metrics: incidents violating FACB |

ESRS S1-7 Metrics

23. (a) % employees covered by collective bargaining agreements (CBA);
(b) in EEA), one/more CBAs + % employees covered
 If so, the overall % employees covered by such agreement(s)
 And EEA countries disclosed (Significant)
(c) outside the EEA, + % employees covered by region.

24. social dialogue for EEA countries:
(a) % employees covered
(b) the existence of any agreements
 EWC, SE or SCE Works Council.

Draft analysis- FACB (2/2)

| GRI Draft Proposal | Changes from 2016 GRI standard | Interoperability Analysis with ESRS |
|--|---|---|
| Disclosure FACB 6 – Incidents in business relationships | New/amended (FACB at risk, measures taken by the organization and geographical area from prior 407-1) | Metrics for Business relations + granularity (number, type, region) Narrative datapoint on each type of action addressing remediation, prevent future incidents; mitigation not included. |
| Disclosure FACB 7 – Strikes and lockouts | New | New metric, not included in ESRS. Potentially covered by financial effects in ESRS 2 SBM-3. |
| Disclosure FACB 8 – Trade and employer association | New | New metric, not included in ESRS. |

GRI Disclosure Count: 3 new/amended prior (2016) + 5 new = 8 draft disclosures

| Colour legend – DR & Datapoints | |
|---------------------------------|---------------------------------|
| [Purple box] | Management (narrative) approach |
| [Yellow box] | Narrative approach |
| [Light Green box] | Both: Narrative + Metrics |

GRI 414 - Labor Rights in Business Relationship (LRBR)



Overview- Draft Labor Rights in Business Relationships (LRBR)

- **Scope:**
 - Labor Rights in Business Relationship draft standard applies to **workers in business relationships** in entities other than the reporting organization, such as suppliers, sub-contractors or other entities in its value chain including those beyond the first tier, who perform work for the organization.

- **Definition:**
 - **Supplier** (Source: [GRI Supplier Social Assessment 414](#)): organization or person that provides a product or service used in the supply chain of the reporting organization.
 - **Business Relationship** (Source: [UN Guiding Principles on Business and Human Rights “Protect, Respect and Remedy” Framework, 2011](#)): 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.**

- **Objective:** this exposure draft is intended to **replace GRI 414: Supplier Social Assessment 2016.**
- **Interaction with other Standards:** aim is to align with internationally agreed best practices, the latest developments, and relevant authoritative intergovernmental instruments related to human rights and labor conditions such as ILO, UNGPs and OECD.

Draft Analysis – Labor Rights in Business Relationship (LRBR)

| GRI Draft Proposal | Changes from 2016 GRI standard | Interoperability Analysis with ESRS |
|--|---|--|
| Disclosure LRBR 1 - Management system | New/amended (content of management of social assessment from prior 414 topic management disclosure) | Explicit DRs on management system. It incorporates the datapoints of ESRS S2 incl. Policies (DR 1), Engagement with workers and grievance (DR 2) actions and use of remediation, leverage (DR 3). Additional metric on termination of business relationships |
| Disclosure LRBR 2 - Labor rights risk assessments | New/amended from 2016 (414-1 and 414-2 merged in draft proposal) | New metrics for workers in the value chain |
| Disclosure LRBR 3 – Incidents related to violations of labor rights | New/amended merged (content on incidents on negative impacts from prior 414-2) | Alignment on actions on incidents (DR 3 NARR) GRI broader guidance of 'incident' metrics on incidents (# and % of workers, business relationship types and per region) |

Disclosure Count: 3 prior 2016 new/merged amended = 3 disclosures

| Colour legend – DR & Datapoints | |
|---------------------------------|---------------------------------|
| | Management (narrative) approach |
| | Narrative approach |
| | Both: Narrative + Metrics |



Next steps

Next steps





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35 Square de Meeûs, B-1000 Brussels
info@efrag.org - www.efrag.org



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