

Corporate Sustainability Reporting on Conflict-Affected and High-Risk Areas: A Blueprint for a GRI Topic Standard

PART 3





Photo credit: Mufid Majnun, Unsplash

A BLUEPRINT FOR A GRI TOPIC STANDARD ON CONFLICT-AFFECTED AND HIGH-RISK AREAS

Introduction

Doing business in conflict-affected and/or high-risk areas of the globe represents a unique challenge for responsible, sustainable businesses. Many companies (and other entities) that use the GRI for sustainability reporting are exposed to conflict-affected and high-risk areas through their business activities, value chains or other business relationships. Due to legislation in prominent jurisdictions and other governance instruments, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, there are a growing number of companies recognizing the material impacts of their engagements in such regions.

Existing GRI Standards offer an inadequate treatment of responsible business conduct in conflict-affected and high-risk areas (CAHRAs). To rectify this, the Global Sustainability Standards Board should commence the drafting and adoption of a stand-alone CAHRAs Topic Standard for inclusion in the GRI Standards.

The development of a dedicated GRI Topic Standard on CAHRAs would respond to this market need and provide a much-needed approach to reporting on CAHRAs-related sustainability issues in the most prominently used tool for corporate sustainability reporting, namely the GRI Standards.

Below is an elaboration of what the reporting requirements of such a GRI CAHRAs Topic Standard could be, based on the established good practice actions detailed earlier in this report, emphasizing the three priority themes of (1) conflict-sensitivity; (2) responsible security management and (3) respect for international humanitarian law.

For further background information and research that led to this proposal, please see our accompanying report: “Security, Conflict and Sustainability: Strengthening the GRI Sustainability Standards for Corporate Reporting on Conflict-Affected and High-Risk Areas.”

1. Disclosure 1: Embed conflict-sensitivity into strategy, governance, and policies

The reporting organization shall report:

- 1.1.A description of the policy commitments made to ensure business conduct is conflict-sensitive, including commitments to responsible security practices and respect for international humanitarian law.
- 1.2.A description of the steps taken to ensure relevant strategy, governance and policies are conflict-sensitive, including:
 - 1.2.1. the approach to ensuring adherence to international humanitarian law when operating in conflict-affected or high-risk areas, including steps taken to integrate IHL principles and norms into relevant governance processes and policies.
 - 1.2.2. the approach to embedding responsible security practices into relevant governance processes and policies when operating in conflict-affected or high-risk areas.
- 1.3.A description of how the above steps and commitments were communicated with corporate managers and other personnel.

2. Disclosure 2: Conduct heightened human rights due diligence

The reporting organization shall report:

- 2.1.A list of the locations of operations in conflict-affected or high-risk areas and how these were identified.
- 2.2.A description of the due diligence process applied for operations in, or when sourcing from, conflict-affected and high-risk areas. This should include:
 - 2.2.1. details of how the company conducts impact assessments on an ongoing basis, and how they include evaluation of conflict and security-related risk including IHL risks, and, where appropriate, analysis of conflict dynamics, including identification of parties, drivers and triggers of violence and company's impact upon on them.
 - 2.2.2. the steps taken to address the actual or potential negative impacts on existing social tensions and relationships in CAHRAs between various groups that could exacerbate/ create new tensions or conflicts due to the company's operations or business relationships, including details of participation in grievance/remedial mechanisms.
 - 2.2.3. noting which authoritative instruments the due diligence process is aligned to, including the DCAF-ICRC Security and Human Rights Toolkit; the Voluntary Principles on Security and Human Rights; OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas; Australian Red Cross-RMIT, Doing Responsible Business in Conflict: Rights Risks and Responsibilities.
 - 2.2.4. providing a link to the most recent due diligence report for each CAHRA.

3. Disclosure 3: Engage with stakeholders, including local communities

The reporting organization shall report:

- 3.1. How the company consulted with local community and stakeholders on security and conflict issues, including government and community-based organizations. This should include:
 - 3.1.1. name of organizations;
 - 3.1.2. number of meetings;
 - 3.1.3. any agreements or commitments made to/with stakeholders.
- 3.2. How the company engaged with its suppliers on security and conflict-related issues. This should include:
 - 3.2.1. number and percentage of suppliers engaged;
 - 3.2.2. details of any due diligence assessment conducted with suppliers, especially private security providers;
 - 3.2.3. any agreements or commitments made by suppliers, including any commitments to responsible security management, conflict-sensitivity, and respect for IHL.

4. Disclosure 4: Responsible security management for security personnel

The reporting organization shall report:

- 4.1. Steps taken to ensure security personnel engaged by the company (both public and private) have been screened, and ensure they possess the requisite qualifications as defined by the applicable contract, applicable national law, and industry standards to minimise the risk of human rights violations. This should include details of any vetting conducted by the company for past allegations of human rights or IHL violations.
- 4.2. Number and percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.
- 4.3. Whether training requirements also apply to third-party organizations providing security personnel, including public security forces and private contractors.
- 4.4. Document how the training provided includes respect for IHL, human rights and responsible security practices. This should include:
 - 4.4.1. describe how the training provided aligns with authoritative governance instruments, such as those produced by the United Nations, Red Cross, DCAF and their partners.
 - 4.4.2. whether third party organizations were engaged to deliver the training or validate its content.

5. Disclosure 5: Conflict-sensitivity training for all personnel

The reporting organization shall report:

- 5.1. Number of personnel, including managers, who have received formal training in international humanitarian law, conflict-sensitivity, and responsible security practices. This should include:
 - 5.1.1. roles of personnel within the company
 - 5.1.2. location where personnel are stationed/working
 - 5.1.3. description of training received
- 5.2. Document how the training provided includes respect for international humanitarian law and responsible security practices. This should include describing how the training is aligned with authoritative governance instruments, such as those produced by the United Nations, Red Cross, and their partners.

6. Disclosure 6: Conflict-sensitive capacity-building

The reporting organization shall report:

- 6.1. Description of investments made to develop the capacity of business and its personnel to conduct conflict-sensitive business. This should include investments related to:
 - 6.1.1. commissioning and conducting of relevant training.
 - 6.1.2. commissioning and conducting of heightened human rights due diligence tailored for conflict-affected and high-risk areas.
 - 6.1.3. investments in strengthening suppliers' conflict-sensitivity capacities.
 - 6.1.4. investments in diversity, gender-equity in hiring practices in operations in CAHRAs, including amongst security personnel.
 - 6.1.5. investments in the local communities.

7. Disclosure 7: Responding to adverse impacts

The reporting organization shall report:

- 7.1. On the processes that are implemented to monitor and evaluate the conduct and professionalism of security personnel providing security services to the company. This should include direct employees, third-party contractors, and public security providers.
- 7.2. Details of any grievance mechanisms that the company established or participates in to address allegations of violations or misconduct by security providers.
- 7.3. The number and description of any incidents or allegations of adverse human rights impacts or violations of IHL arising from business activities, and detail the investigations launched as a result of those incidents. This should include:
 - 7.3.1. incidents involving security personnel and workers in CAHRAs engaged in use of force/violence, discharge of weapons, incidents involving damage or targeting of corporate property or personnel due to fragile security situation/conflict.
 - 7.3.2. any other adverse human rights impacts arising from security-related or other business activities.
 - 7.3.3. actions or steps taken by the company in response to the investigation
 - 7.3.4. how it will monitor the effectiveness of its response.

8. Disclosure 8: Monitor and report

The reporting organization shall report on:

- 8.1. Any challenges it experienced in reporting under this Topic.
- 8.2. Any challenges it experienced in, practically, embedding greater conflict-sensitivity, including respect for international humanitarian law and responsible security practices into its policies and practices.



**For more information
and resources see
the full report:**

Available on DCAF, ICRC
and RMIT websites

Acknowledgements

Thank you to Dr Jonathan Kolieb: primary author and researcher of this document. Thank you to Jean-Michel Rousseau and Mirna Adjami of DCAF and to Harold Pauwels of GRI and the GRI secretariat for their feedback and support. Dr Kolieb thanks John Ishak for his research assistance.

This document is part of a project led by DCAF- The Geneva Centre for Security Sector Governance, the International Committee of the Red Cross (ICRC), and the RMIT University Business and Human Rights Centre.

Front-cover image

Clockwise from the top: DCAF, DCAF, Remy Gieling on Unsplash, Mufid Majnun on Unsplash

Citation

Jonathan Kolieb, Anna Marie Burdzy, Claude Voillat, “Corporate Sustainability Reporting on Conflict-Affected and High-Risk Areas: A Blueprint for a Global Reporting Initiative Topic Standard,” DCAF- The Geneva Center for Security Sector Governance, International Committee of Red Cross, RMIT University Business and Human Rights Centre (2024).

