



GRI Topic Standard Project for Labor – Significant Changes for Workers Exposure draft

Comments to be received by 4 October 2024

This exposure draft of the GRI Labor Topic Standards is published for public comment by the [Global Sustainability Standards Board \(GSSB\)](#), the independent standard-setting body of GRI. This exposure draft is intended to replace GRI 402: Labor-management relations 2016.

Any interested party can submit comments on this draft by 4 October 2024 via this [online survey](#). As required by the [GSSB Due Process Protocol](#), only comments submitted in writing and in English will be considered. Comments will be published on the GRI website and considered a matter of public record. Instructions to submit comments are outlined on the first page of the online questionnaire.

A separate [explanatory memorandum](#) summarizes the objectives of the project and the summary of the proposals contained within this exposure draft.

This draft is published for comment only and may change before official publication.

For more information, please visit the [GRI Standards webpage](#). For questions regarding the exposure draft or the public comment period, please send an email to labor@globalreporting.org

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

GRI SICH: Significant Changes for Workers 202X

Content

Introduction	3
Background on the topic.....	4
System of GRI Standards.....	4
Using this Standard	6
1. Topic management disclosures	7
Disclosure SICH 1 Management of significant changes for workers	7
2. Topic disclosures	12
Disclosure SICH 2 Minimum consultation and notice periods.....	12
Disclosure SICH 3 Redeployment and training	13
Glossary	17
Bibliography	19

Note on reading this document

This document includes generic text used in all GRI Standards. This text is highlighted in grey and cannot be changed – please do not comment on this text.

Underlined terms in the draft Standard indicate terms for which definitions have been provided. Most of these terms are already defined in the [GRI Standards Glossary](#) – these are highlighted in grey and cannot be changed. The proposed new definitions are not highlighted in grey and are open for review.

Introduction

[GRI SICH: Significant Changes for Workers 202X](#) contains disclosures for organizations to report information about their impacts related to significant changes for workers and how these impacts are managed.

The Standard is structured as follows:

- [Section 1](#) contains one disclosure, which provides information about how the organization manages its significant changes to workers-related impacts.
- [Section 2](#) contains two disclosures, which provide information about the organization's impacts related to significant changes for workers.
- 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 and additional references 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.

24 **Background on the topic**

25 This Standard addresses the topic of significant changes for workers.

26 A significant change is an alteration to the organization's pattern of operations that has significant
27 positive or negative impacts on workers. Examples include closures, expansions, mergers, new
28 openings, outsourcing operations, restructuring, sale of all or part of the organization, and takeovers.
29 Business model transformations, demographic shifts, the introduction of technology, or the climate
30 just transition to a greener economy can cause significant changes.

31 Variations to the organization's activity can affect workers by causing changes in day-to-day tasks,
32 work locations, the number of hours worked, working time arrangements, or even mass terminations.
33 It can cause disproportionate negative impacts for certain workers, such as those in low-skilled roles
34 and fewer skills, migrant workers, or workers with disabilities.

35 Significant changes for workers can also result in positive impacts, such as opportunities for the
36 organization to provide more quality jobs. For example, the adoption of new technologies can
37 eliminate work-related hazards. This can also lead to higher-quality jobs requiring new skills,
38 promoting worker upskilling, and potentially improving job satisfaction. Another example is the
39 changes to day-to-day operations, such as teleworking, which can lead to policies prioritizing workers'
40 well-being and promoting a better work-life balance.

41 Organizations should report the actions taken to mitigate the negative impacts of significant changes
42 on their workers. For example, organizations can consider alternatives to mass termination, such as
43 voluntary retirement or restricting overtime. Workforce planning is another effective strategy to align
44 the existing workforce with anticipated future labor demand, thus ensuring organizational stability and
45 avoiding sudden mass termination. Upskilling and re-skilling programs also allow existing workers to
46 enhance their employability and gain valuable portable skills. Additionally, redeployment enables
47 workers to stay employed and enables organizations to retain skilled workers.

48 The International Labour Organization (ILO) *Termination of Employment Convention*, 1982 (No. 158)
49 aims to protect workers' rights during employment termination, particularly in the context of economic
50 challenges and technological changes. The ILO provides additional guidelines through the
51 *Recommendation Termination of Employment Convention*, 1982 (No. 166) and the *Termination of*
52 *Employment Convention*, 1982 (No. 158). These instruments cover issues related to termination
53 payments, notice periods, and appeal procedures. In addition, early and meaningful consultation with
54 workers' representatives provides an opportunity for cooperation to mitigate the impacts of such
55 changes, promote suitable alternatives to mass termination, and balance employer rights with worker
56 protection.

57 The scope of this Standard is the organization's employees and workers who are not employees and
58 whose work is controlled by the organization, hereinafter 'workers who are not employees'. Workers
59 who are not employees perform work for the organization but are not in an employment relationship
60 with the organization. Control of work implies that the organization directs the work performed or has
61 control over the means or methods for performing the work. See the [Control of Work Standard](#)
62 [Interpretation to GRI 2](#) for more information.

63 **System of GRI Standards**

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

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

71 **Universal Standards: GRI 1, GRI 2 and GRI 3**

72 **GRI 1: Foundation 2021** specifies the requirements that the organization must comply with to report in
73 accordance with the GRI Standards. The organization begins using the GRI Standards by consulting
74 **GRI 1**.

75 **GRI 2: General Disclosures 2021** contains disclosures that the organization uses to provide
76 information about its reporting practices and other organizational details, such as its activities,
77 governance, and policies.

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

81 **Sector Standards**

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

85 **Topic Standards**

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

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



90

Using this Standard

91 This Standard can be used by any organization – regardless of size, type, sector, geographic location,
92 or reporting experience – to report information about its impacts related to significant changes for
93 workers. In addition to this Standard, disclosures that relate to this topic can be found in

- 94 • [GRI CC: Climate Change 202X](#)
- 95 • [GRI EMPL: Employment 202X](#)
- 96 • [GRI TRED: Training and Education 202X](#)
- 97 • [GRI REWO: Remuneration and Working Time 202X](#)
- 98 • [Control of Work Standard Interpretation to GRI 2](#)

99 An organization reporting in accordance with the GRI Standards is required to report the following
100 disclosures if it has determined significant changes for workers to be a material topic:

- 101 • [Disclosure 3-3 in GRI 3: Material Topics 2021](#).
- 102 • Any disclosures from this Topic Standard that are relevant to the organization's significant
103 changes for workers-related impacts (Disclosure SIC1-2 through Disclosure SIC1-3).

104 See [Requirements 4 and 5 in GRI 1: Foundation 2021](#).

105 Reasons for omission are permitted for these disclosures.

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

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

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

121 **Requirements, guidance and defined terms**

122 The following apply throughout this Standard:

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

125 Requirements may be accompanied by guidance.

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

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

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

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

133

1. Topic management disclosures

134

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

135

136

An organization that has determined significant changes for workers to be a material topic is required to report how it manages the topic using [Disclosure 3-3 in GRI 3: Material Topics 2021](#). The organization is also required to report any disclosure from this section Disclosure SICH-1 that is relevant to its significant changes for workers-related impacts.

137

138

139

140

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

141

Disclosure SICH 1 Management of significant changes for workers

142

143

REQUIREMENTS

144

The organization shall:

145

- a. describe how significant changes affecting employees and workers who are not employees are managed, including how it consults workers' representatives;

146

147

148

- b. describe any actions taken to mitigate the negative effects of significant changes for employees and workers who are not employees, including:

149

150

- i. redeployment;

151

- ii. training for up- and reskilling;

152

- iii. workforce planning;

153

154

- c. in cases where significant changes result in mass termination for employees and workers who are not employees, describe how it manages:

155

156

- i. the termination procedure, including how workers' representatives are consulted

157

- ii. the appeal procedure;

158

- iii. notice periods provided;

159

- iv. termination payments and separation benefits.

160

161

GUIDANCE

162

The disclosure provides an understanding of how organizations manage significant changes, especially those that result in mass termination, as well as how it mitigates negative impacts on employees and workers who are not employees.

163

164

165

Mass termination occurs when a significant number of workers' employment is terminated simultaneously or within a short period. Although there is no specific numerical criterion or threshold, national laws establish the threshold for mass termination.

166

167

168

Consultations with workers' representatives and relevant authorities are vital to seeking genuine, effective solutions through constructive social dialogue to mitigate the effects of significant changes on workers, especially in cases of mass termination. This disclosure provides an understanding of the organization's consultation practices with workers' representatives.

169

170

171

172

For the purpose of clarity, the term 'workers who are not employees' refers to workers who are not employed by the organization but whose work is controlled by the organization. See the [Control of Work Standard Interpretation to GRI 2](#) for more information.

173

174

175 **Guidance to SICH 1-a**

176 Organizations should describe how significant changes are managed from the beginning until the
177 completion of the process. In addition, the organization should explain how employees and workers
178 who are not employees are informed of any changes that would affect them. The organization can
179 also describe how it notifies and cooperates with authorities in the locations where significant changes
180 occur.

181 For example, newly introduced anti-money laundering legislation in the retail banking sector requires
182 significant changes within an organization that will result in revised roles and responsibilities for
183 employees. Performance targets may no longer be met due to the increased time taken to verify
184 customer identities. Sales employees may lose cash bonuses, and employees found violating the
185 regulations may face monetary fines or criminal liability. The organization can describe how it
186 prioritizes transparent communication and explain why roles and responsibilities need adjustment. It
187 can also introduce training to ensure employee awareness of the legislation and new IT software to
188 reduce the time taken by employees for new tasks. Additionally, the organization can describe how it
189 updates its disciplinary and termination processes when an employee is non-compliant and does this
190 in consultation with its workers' representatives.

191 The organization should report whether there is a procedure to consult workers' representatives as
192 early as possible, as these negotiations can affect how the organization manages significant changes
193 and, ultimately, the outcomes. The organization can also report how it ensures that all relevant
194 information is available to workers' representatives so that workers can participate effectively in
195 consultations.

196 **Guidance to SICH 1-b**

197 The organization can report how it provides alternatives to voluntary retirement, restriction of paid
198 overtime, or a temporary reduction of normal working hours to employees and workers who are not
199 employees. The organization should also report whether it provides compensation for the loss of
200 remuneration during temporary reductions in normal working hours, and if so, whether this
201 compensation is financed and if this is financed by methods appropriate under national laws and
202 practices.

203 The organization should report the social contributions made in cases of early retirement. See
204 [Disclosure REWO 5 in GRI Remuneration and Working Time 202X](#).

205 The organization should report how it ensures that any alternatives to mass termination, such as early
206 retirement, are freely chosen. For example, the organization can report how it determines this was
207 voluntary by informing the workers that a refusal does not affect their employment status.

208 The organization should report if it enters a dialogue with government entities or worker
209 representatives to discuss significant changes and actions to mitigate adverse effects.

210 See reference [2] in the Bibliography.

211 The organization can report additional incentives, especially those implemented with other
212 stakeholders and government entities. This may include providing outplacement support and career
213 transition services to former employees and workers who are not employees.

214 Significant changes can result in a disproportionately negative impact on specific segments of
215 workers, such as those on temporary contracts, low-skilled workers, and those from vulnerable
216 groups. For example, the pandemic has affected workers globally, with low-skilled workers being
217 more heavily affected than highly-skilled employees during the initial phase. Women were more likely
218 than men to reduce their working hours to manage family responsibilities with the closure of schools
219 and childcare facilities. In addition, low-paid workers in essential services faced more challenging
220 health and safety issues as their work could not be completed remotely.

221 Therefore, the organization should report how they mitigate changes so as not to disproportionately
222 affect specific groups of employees or workers who are not employees.

223 See reference [4] in the Bibliography.

224 **Guidance to SICH 1-b-i**

225 Redeployment is the process of moving existing workers to a different job before a notice period
226 expires. Redeployment can be internal within the organization or external to another organization.
227 This can be managed directly by the organization or with the assistance of government authorities or
228 private recruitment agencies. An example of external redeployment is when an employee signs a
229 temporary contract with another organization during a suspension of employment with the primary
230 organization.

231 The organization should describe its process for managing redeployment, including:

- 232 • identifying available internal job opportunities for redeployment within the organization;
- 233 • outlining the selection criteria and process for choosing workers;
- 234 • ensuring that offers are extended to employees and workers who are not employees before
235 the end of their notice period;
- 236 • incorporating employees and workers who are not employees into the process who are on
237 sick leave, maternity leave, paternity leave, or other family and care leave;
- 238 • communicating with employees and workers who are not employees about the process, as
239 well as any possible consequences for declining a job offer.

240 The organization should explain how it determines if the offered employment is suitable with similar
241 employment conditions to the worker's current job. Working conditions include remuneration, benefits,
242 working time arrangements, contract type (permanent, full-, or part-time), location of the work, and
243 how it matches the workers' skills and abilities. It should also consider personal circumstances, such
244 as a worker's childcare obligations.

245 The organization should report how the employees and workers who are not employees are given
246 adequate information and time to assess the suitability of the jobs offered.

247 **Guidance to SICH 1-b-ii**

248 Up- and re-skilling are formal or non-formal training and education activities provided directly or
249 indirectly by the organization. Upskilling of workers refers to training that supplements and updates
250 existing knowledge, skills, and competencies. An example of re-skilling is when an employee in a
251 manufacturing plant, faced with the prospect of losing their job due to the introduction of new
252 machinery, undergoes training in machine operation and maintenance. As a result, the employee
253 becomes a highly skilled technician responsible for maintaining the new machinery. Re-skilling is
254 where the training and education of a worker enable them to acquire new skills. An example of
255 upskilling is when an administrator in the finance department is trained in financial knowledge,
256 technical expertise, and professional certifications to become a qualified accountant. The goal of
257 upskilling and re-skilling is to provide and enhance a worker's transferable skills and competencies.
258 This strategy improves the ability to secure decent work in a changing labor market by ensuring a
259 worker has portable skills that can be used in other occupations or in a different socio-cultural or
260 technical environment.

261 The organization should report if the worker pays for the cost of up- and re-skilling activities and if the
262 worker still receives remuneration during this period.

263 See reference [4] in the Bibliography.

264 The organization should report on the type and the content of training provided for up- and re-skilling.
265 See [TRED 2](#) in [GRI TRED: Training and Education 202X](#).

266 **Guidance to SICH 1-b-iii**

267 Workforce planning is the process by which the organization understands its expected short- and
268 long-term organizational needs for worker supply and demand. It uses this information to develop
269 existing workers to meet these expected needs, which can result in upskilling, recruitment, and
270 introduction of technologies, such as automation.

271 An organization can report how information on workforce planning was gathered, including any
272 involvement of stakeholders, such as national authorities and workers representatives, and how this
273 information was used to make decisions. Important information can include the timeframes, scenario
274 planning, and the gap analysis of workers' current skills and expected needs. For example, National
275 authorities can assess the labor supply, demand, and any gaps in skills, as well as develop policies
276 related to education, training, and job creation.

277 See reference [1] in the Bibliography.

278 **Guidance to SICH 1-c**

279 The organization should report whether it communicates mass terminations to workers in writing and
280 that relevant information is provided. Relevant information includes termination payment and an
281 explanation of calculation, notice period, any time off to look for employment, advice on social
282 protection, and information on the procedure to appeal.

283 The organization should describe how it complies with national law and collective bargaining
284 agreements when administering mass termination, including notifying the relevant competent
285 authorities. When public authorities and other relevant stakeholders are notified in advance, they may
286 mediate between an organization and workers in finding appropriate solutions, thereby mitigating the
287 negative effects of mass terminations on workers and the wider community [2]. The organization can
288 also report any joint incentives taken with the public authorities or other stakeholders.

289 In addition, the organization can describe how it manages the termination process and who is exempt
290 from the mass termination procedure. If employees and workers who are not employees are exempt
291 from the mass termination procedure, the organization can describe why this is the case and how it
292 manages the termination for these categories.

293 **Guidance to SICH-1-c-i**

294 The organization should report all stages of the termination process, including consultations with
295 worker representatives, notifying competent authorities, selecting workers for termination, informing
296 workers, providing a notice period, and ensuring an appeals procedure is available.

297 According to the ILO *Termination of Employment Recommendation*, 1982 (No. 166) [1], when an
298 organization considers significant changes that would cause terminations, it must consult workers'
299 representatives as early as possible. These consultations should be held before the stage at which
300 the termination becomes inevitable to allow timely cooperation to mitigate the effect of such changes.

301 In accordance with the ILO *Termination of Employment Convention*, 1982 (No. 158) [2], the
302 organization needs to provide accurate and relevant information to workers' representatives, enabling
303 them to have an accurate and fair view of the organization's performance. Important information to be
304 provided to workers' representatives includes:

- 305 • clear and objective criteria for reasons for the termination;
- 306 • number of affected workers;
- 307 • period over which the terminations are intended to be carried out;
- 308 • information on the employment status of affected workers, including employment category,
309 employee type, and skill level;
- 310 • gender, other social demographic groups of affected workers;
- 311 • likely impacts of the changes;
- 312 • intended measures to mitigate the negative impacts.

313 The organization should report on the accuracy and relevance of the information provided to ensure
314 that workers' representatives can effectively participate in the negotiations.

315 The organization should report how the input of the workers' representatives was considered before
316 making any decisions, such as providing consultation on the selection criteria for employment
317 termination. Where trade union representatives and elected representatives exist in the organization,
318 the organization should report the appropriate measures taken to ensure that elected representatives
319 are not used to undermine the position of workers' representatives.

320 The organization can report the selection criteria used for mass terminations to demonstrate how the
321 interests of employees and workers who are not employees and the organization are balanced. The
322 organization can report how it uses a combination of criteria for termination to ensure it does not
323 disproportionately affect a single demographic group. For example, using length of service as a
324 selection criterion may disproportionately affect migrant workers or young workers as they often have
325 the shortest length of service.

326 The organization is expected to have safeguards to prevent the discriminatory dismissal of employees
327 and workers who are not employees. Some groups of workers are more vulnerable to arbitrary or
328 discriminatory dismissal, such as workers with disabilities, migrant workers, older workers, union
329 workers, and women. The organization reports how it ensures that employees and workers who are
330 not employees when temporarily absent from their employment due to sick leave, maternity leave,
331 paternity leave, and other family and care leave are not dismissed based on such reasons.

332 **Guidance to SICH 1-c-ii**

333 In accordance with the ILO *Termination of Employment Convention*, 1982 (No. 158) [2], any worker
334 who believes their employment has been unjustifiably terminated has a right to appeal to an impartial
335 body, such as a court, labor tribunal, arbitration committee, or arbitrator. When describing the process
336 for appeal against termination, the organization can describe the types of authority to which the
337 appeal can be made, such as intra-company office, government labor authority, or judicial branch,
338 and the period after termination during which the worker can appeal.

339 **Guidance to SICH 1-c-iii**

340 In the context of mass termination, a notice period is the period between formally informing the worker
341 of the termination of their work and the end of the last working day. According to the ILO *Termination
342 of Employment Convention*, 1982 (No. 158) [2], a worker whose employment is terminated is entitled
343 to a reasonable period of notice or monetary compensation in lieu of, unless a worker is guilty of
344 serious misconduct. In cases where an organization cannot provide a reasonable minimum notice
345 period, the organization should report the financial compensation given in lieu of the notice period.
346 The specific length of notice periods depends on relevant legislation, collective agreements, or
347 employment contracts. The organization should report if the notice period differs from relevant
348 legislation or collective agreements stipulated.

349 Notice periods enable workers to make necessary preparations and mitigate the negative impacts on
350 their livelihood by allowing time to make necessary adaptations and look for new employment.
351 According to the ILO *Termination of Employment Recommendation*, 1982 (No. 166) [1], during the
352 notice period, the worker is entitled to a reasonable amount of time off, convenient to both parties and
353 without loss of pay, to look for employment. The organization should report its policy allowing time off
354 during the notice period for workers to seek employment elsewhere.

355 **Guidance to SICH-1-c-iv**

356 Requirement SICH-1-c-ic enables the organization to report whether it provides termination payments
357 to employees and workers who are not employees. The organization is not required to report the
358 amount of termination payments provided.

359 2. Topic disclosures

360 An organization reporting in accordance with the GRI Standards is required to report any disclosures
361 from this section (Disclosure SICH 2 through Disclosure SICH 3) that are relevant to its impacts
362 related to significant changes for workers.

363 Disclosure SICH 2 Minimum consultation and notice 364 periods

365 REQUIREMENTS

366 The organization shall:

- 367 a. report how many weeks of notice is provided to workers' representatives before the
368 implementation of mass termination affecting employees and workers who are not
369 employees;
- 370 b. report how many weeks were taken in consultation with workers' representatives before
371 the implementation of mass termination affecting employees and workers who are not
372 employees;
- 373 c. report whether a notice period and provisions for consultation and negotiation are
374 specified within any collective bargaining agreements.

377 GUIDANCE

378 According to the ILO *Termination of Employment Convention*, 1982 (No. 158) [2], an organization is
379 expected to provide reasonable notice of mass termination to its workers, workers' representatives,
380 and other stakeholders, such as government authorities, before implementing any significant changes
381 that will affect employees and workers who are not employees. This disclosure aims to understand
382 the organization's practice of ensuring timely notice and meaningful dialogue with workers'
383 representatives.

384 For the purpose of clarity, the term 'workers who are not employees' refers to workers who are not
385 employed by the organization but whose work is controlled by the organization. See the [Control of](#)
386 [Work Standard Interpretation to GRI 2](#) for more information.

387 Guidance to SICH 2-a

388 This requirement provides insight into the organization's practice of ensuring timely discussion of
389 mass termination and engaging with its workers' representatives to negotiate and implement these
390 changes, which can have positive or negative impacts on workers. When reporting the minimum
391 notice period, the organization should report the minimum notice period for mass termination it has
392 given its workers' representatives before implementing this significant change.

393 Guidance to SICH 2-b

394 This disclosure requirement aims to report the workers' representatives' involvement in negotiation
395 and meaningful dialogue. The organization should report the number of weeks of consultation from
396 initial communication with workers' representatives to workers receiving their notice period regarding
397 the termination of employment. The organization can report the number of consultation meetings with
398 workers' representatives and government authorities.

399 Guidance to SICH 2-c

400 The organization can use the collective bargaining agreements reported under [Disclosure 2-30](#) of [GRI](#)
401 [2: General Disclosures 2021](#) to determine whether these documents contain a notice period and
402 provisions for consultation and negotiation.

Disclosure SICH 3 Redeployment and training

REQUIREMENTS

The organization shall:

- a. for each significant location of operation, report the number, in headcount, and percentage of employees affected by significant changes who received training for up- and re-skilling, and a breakdown by:
 - i. employee category;
 - ii. employee type;
 - iii. gender;
- b. for each significant location of operation, report the total redeployed and terminated employees due to significant changes and a breakdown by:
 - i. employee category;
 - ii. employee type;
 - iii. gender;
- c. report the definition used for ‘significant locations of operation’;
- d. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used.

GUIDANCE

This disclosure asks the organization to report its activities to ensure employees can obtain quality jobs after implementing any significant change, including when mass termination occurs.

Employees from vulnerable groups are at greater risk of not being able to find employment after termination. Therefore, the organization can provide a breakdown of the information required by SICH 3-a and SICH 3-b by vulnerable groups, such as persons with disabilities. The organization can also report 3-a and SICH 3-b for workers who are not employees.

For the purpose of clarity, the term ‘workers who are not employees’ refers to workers who are not employed by the organization but whose work is controlled by the organization. See the [Control of Work Standard Interpretation to GRI 2](#) for more information.

Guidance to SICH 3-a

The following formula can be used to calculate the percentage of employees affected by significant changes who received training for up- and re-skilling:

Percentage of employees affected by significant changes who received training for up- and re-skilling	=	$\frac{\text{Number of employees affected by significant changes who received training for up-and re-skilling}}{\text{Number of employees affected by significant changes}}$	X	100
---	---	--	---	-----

The organization should describe the employee upskilling or re-skilling programs, including an overview of the content and the time taken to complete the program. See [TRED 2](#) and [TRED 3](#) in [GRI TRED: Training and Education 202X](#). The organization should report if any upskilling or re-skilling has been done in collaboration with a governmental institution or another initiative. The organization may report the number of up- and re-skilled employees before a significant change as part of long-term workforce planning.

Guidance to SICH 3-b

The ratio of redeployment of employees by the number of employees whose employment was terminated due to the significant change can be calculated using the following formula:

Ratio	=	$\frac{\text{Number of employees affected by significant changes who received training for up-and re-skilling}}{\text{Number of employees affected by significant changes}}$
-------	---	--

- 439 Organizations can report the number of employees affected by significant changes whose
- 440 employment was terminated but are awaiting redeployment. For example, they are waiting to finish a
- 441 training program prior to their new employment.
- 442 The organization should report the number and percentage of employees affected by significant
- 443 changes whose redeployment has been in collaboration with a national authority or another initiative.
- 444 See Table 1 for an example of how to present the information on SICH 3-a and SICH 3-b.

Exposure draft for public comment

445
446
447

Table 1. Example template for presenting the number and percentage of employees who received upskilling and re-skilling training, and those who were redeployed or terminated due to significant changes at each location of operation.

	Total number of employees affected by significant changes	Total number of employees affected by significant changes who received training for up- and re-skilling	Percentage of employees affected by significant changes who received training for up- and re-skilling	Total number of employees redeployed due to significant changes	Total number of employees whose employment was terminated due to significant changes	Ratio of the number of employees redeployed to the number of employees whose employment was terminated due to significant changes
Regions A						
Employee Category						
Employee category 1						
Employee category 2						
Employee category 3						
Employee type						
Employee type 1						
Employee type 2						
Employee type 3						
Gender						
Men						
Women						
Other *						
Not disclosed **						
Regions B						
Employee Category						
Employee category 1						
Employee category 2						
Employee category 3						
Employee type						
Employee type 1						
Employee type 2						
Employee type 3						
Gender						
Men						
Women						
Other *						
Not disclosed **						

448 ** Gender is specified by the employees themselves.

449 ** Gender is not disclosed by the employees themselves.

450 **Guidance to SICH 3-a-i and SICH 3-b-i**

451 These requirements necessitate the organization to provide a breakdown by employee category to
452 understand how upskilling, re-skilling, or redeployment has assisted low-skilled employees who are at
453 a greater disadvantage in finding new job opportunities.

454 The organization should report the employee category breakdown by level (such as senior
455 management and middle management) and function (such as technical, administrative, and
456 production). This information is derived from the organization's human resources system.

457 **Guidance to SICH 3-a-ii and SICH 3-b-ii**

458 Employee type refers to the different types of employees reported under 2-7-b in *GRI 2*: permanent
459 employees, temporary employees, non-guaranteed hours employees, full-time employees, and part-
460 time employees.

461 **Guidance to SICH 3-a-iii and SICH 3-b-iii**

462 The organization is free to choose how to report the breakdown by gender. It is not required to report
463 the four categories suggested in Table 1. For example, instead of an 'other' category, the organization
464 can report any gender category specified by employees.

465 **Guidance to SICH 3-c**

466 Significant locations of operations refer to sites or specific geographical areas where the organization
467 conducts its operations or activities. These locations can affect the likelihood of a potential, actual, or
468 severe impact, such as areas where migrant workers are at higher risk of exploitation.

469 **Guidance to SICH 3-d**

470 The organization should provide the methodology for determining the overall number of employees
471 affected, workers eligible for re-skilling and upskilling, deployment, and workers terminated.

472

Glossary

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

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

478 **collective bargaining**

479 all negotiations that take place between one or more employers or employers' organizations, on the
480 one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining
481 working conditions and terms of employment or for regulating relations between employers and
482 workers

483 Source: International Labour Organization (ILO), Collective Bargaining Convention, 1981 (No. 154);
484 modified

485 **employee category**

486 breakdown of employees by level (such as senior management, middle management) and function
487 (such as technical, administrative, production)[Note:/Note 1:] This information is derived from the
488 organization's own human resources system.

489 **employee**

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

492 **impact**

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

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

498 Note 2: See section 2.1 in GRI 1: Foundation 2021 for more information on 'impact'

499 **mitigation**

500 action(s) taken to reduce the extent of a negative impact Source: United Nations (UN), The
501 Corporate Responsibility to Respect Human Rights: An Interpretive Guide, 2012;
502 modified

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

507 **non-guaranteed hours employee**

508 employee who is not guaranteed a minimum or fixed number of working hours per day, week, or
509 month, but who may need to make themselves available for work as required

510 Source: ShareAction, Workforce Disclosure Initiative Survey Guidance Document, 2020; modified.

511 Examples: casual employees, employees with zero-hour contracts, on-call employees

512

513 **severity (of an impact)**

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

517 Source: Organisation for Economic Cooperation and Development (OECD), OECD Due
518 Diligence Guidance for Responsible Business Conduct, 2018; modified United
519 Nations (UN), The Corporate Responsibility to Respect Human Rights: An
520 Interpretive Guide, 2012; modified

521 Note: See section 1 in GRI 3: Material Topics 2021 for more information on 'severity'.
522

523 **significant change**

524 alteration to the organization's pattern of operations that can potentially have significant positive
525 or negative impacts on workers performing the organization's activities

526 Examples: closures, expansions, mergers, new openings, outsourcing of operations,
527 restructuring, sale of all or part of the organization, takeovers
528

529 **temporary employee**

530 employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific
531 time period expires, or when the specific task or event that has an attached time estimate is
532 completed (e.g., the end of a project or return of replaced employees)

533 **vulnerable group**

534 group of individuals with a specific condition or characteristic (e.g., economic, physical, political social)
535 that could experience negative impacts as a result of the organization's activities more severely than
536 the general population.

537 Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households;
538 human rights defenders; indigenous peoples; internally displaced persons; migrant
539 workers and their families; national or ethnic, religious and linguistic minorities;
540 persons who might be discriminated against based on their sexual orientation, gender
541 identity, gender expression, or sex characteristics (e.g., lesbian, gay, bisexual,
542 transgender, intersex); persons with disabilities; refugees or returning refugees;
543 women,

544 Note: Vulnerabilities and impacts can differ by gender.

545 **worker who is not an employees**

workers who perform work for the organization and whose work is controlled by the organization but
are not in an employment relationship with the organization. Control of work implies that the
organization directs the work performed or controls the means or methods for performing the work.

Note: the type of contractual relationship between the organization and the worker (e.g.,
employment agency, contractor) does not determine whether the organization controls the work.

Example: agency workers, apprentices, contractors, home workers, interns, self-employed
persons, sub-contractors, and volunteers.

546

547 **worker representative**

548 Person who is recognized as such under national law or practice, whether they are:

- 549 • a trade union representative, namely, a representative designated or elected by trade unions
550 or by members of such unions; or an elected representative, namely, a representative who is
551 freely elected by the workers of the undertaking in accordance with provisions of national
552 laws, regulations, or collective agreements, whose functions do not include activities which
553 are recognized as the exclusive prerogative of trade unions in the country concerned.

554 Source: International Labour Organization (ILO), Workers' Representatives Convention, 1971
555 (No. 135)

556 **Bibliography**

557 This section lists authoritative intergovernmental instruments and additional references used in
558 developing this Standard, as well as resources that the organization can consult.

559 **Authoritative references:**

- 560 1. International Labour Organization (ILO), *Termination of Employment Recommendation*, 1982 (No.
561 166).
- 562 2. International Labour Organization (ILO), *Termination of Employment Convention*, 1982 (No. 158).
- 563 3. International Labour Organization (ILO), *Private Employment Agencies Convention*, 1997 (No.
564 181).
- 565 4. International Labour Organization (ILO), *Paid Education Leave Convention*, 1974 (No. 140).

566

567 **Additional references:**

- 568 5. International Labour Organization (ILO), *The Impact of the Covid-19 pandemic on jobs and*
569 *incomes in G20 economies*, 2020.

570

571 **Resources:**

- 572 6. International Labour Organization (ILO), *The regulation of collective dismissals: Economic*
573 *rationale and legal practice*, 2020.