



Explanatory memorandum to the exposure drafts

Exposure draft for public comment

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1 Explanatory memorandum

2 Introduction

3 This explanatory memorandum sets out the objectives for the first set of exposure drafts of the Labor
4 project, the significant proposals contained in the exposure drafts, and a summary of the GSSB's
5 involvement and views on the development of the following drafts.

- 6 • [Item 04 – GRI Topic Standard Project for Labor – Working Parents and Caregivers](#)
- 7 • [Item 05 – GRI Topic Standard Project for Labor - Training and Education](#)

8 This second phase of labor-related Standards includes new proposed disclosures next to an
9 extensive revision of [GRI 401: Employment 2016](#) (Disclosure 401-3) and [GRI 404: Training and
10 Education 2016](#).

11 Objectives for the project

12 The objective of the [labor project](#) is to review and revise all GRI labor-related Standards and to
13 incorporate new issues to reflect the stakeholder expectations for reporting labor-related impacts. In
14 line with the [GSSB Due Process Protocol](#), a multi-stakeholder [technical committee](#) was established in
15 September 2022 to contribute to the review and content development.

16 Due to the focus on labor topics, a technical committee (TC) was formed with representation from
17 workers, employers, and the International Labour Organization (ILO). Next to this tripartite technical
18 committee, an [advisory group](#) (AG) was established with a broad stakeholder representation to advise
19 and assist the technical committee during the process.

20 The aim is to align with internationally agreed best practices, the latest developments, and relevant
21 authoritative intergovernmental instruments related to human rights and labor conditions such as
22 International Labor Organization (ILO) Conventions and Recommendations; the United Nations (UN)
23 Guiding Principles on Business and Human Rights (Guiding Principles, UNGPs) and the Organization
24 for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

25 The project reviews the current contents of existing GRI labor-related disclosures, and it also includes
26 new labor issues to reflect the stakeholders' expectations related to reporting impacts to provide
27 decent work that contributes to sustainable development, poverty alleviation, and dignity to workers.

28 The revised labor disclosures will facilitate the organization to disclose its impacts regarding:

- 29 • How the organization manages labor impacts – with employees, workers who are not
30 employees and whose work is controlled by the organization, and workers in business
31 relationships – enhancing accountability and trust with workers and other stakeholders.
- 32 • The implementation of international labor standards, including fundamental labor rights by
33 offering decent work and dignified working conditions, including the involvement of workers'
34 representatives in developing and implementing policies.
- 35 • Its approach to human rights is to provide decent work in terms of decent remuneration and
36 working time, employment conditions, skills, career development, and work-life balance,
37 improving workers' satisfaction and retention of talent.

38 The labor project is divided into three sets of thematic Standards to allow targeted messaging and
39 stakeholder engagement during the public comment periods. This ensures the workload is
40 manageable for stakeholders and GRI reporters worldwide reviewing the draft Standards during
41 public inquiry, the GSSB, the technical committee, the advisory group, the GRI Standards Division,
42 and other GRI divisions.

43 **Phase 1 - Employment practices and conditions**

44 This set of Standards asks how the organization manages its employment conditions and
45 relationships. This includes working time, remuneration, employment practices such as recruitment,
46 performance management and termination, data, and worker privacy, as well as how the organization
47 responds to changes that substantially affect workers.

48 Set 1 comprises three Topic Standards and one Standard interpretation as follows:

- 49
- 50 • Employment
 - 51 • Remuneration and Working Time
 - 52 • Significant Changes for Workers
 - 53 • Control of work Standard interpretation to *GRI 2*

54 This first phase of exposure drafts was made available for discussion and approval at the May 2024
55 meeting of the GSSB. The public comment period was from 10 June to 4 October 2024.

56 **Phase 2 - Working life and career development**

57 This set of Standards focuses on the equal treatment and the development of an organization's
58 workers. It requests information on how the organization responds to the training and education
59 programs and their effectiveness, family-related policies at the workplace, and measures to provide
60 work-life balance and an inclusive and diverse environment.

61 Set 2 includes the following Topic Standards:

- 62
- 63 • Training and Education
 - 64 • Working Parents and Caregivers

65 This second set of labor exposure drafts will be sent for discussion and approval by the GSSB on 20
66 February 2025. The public commentary period is planned for late February until late April 2025.

67 **Phase 3 – Workers' rights and protection**

68 This set of Standards focuses on four of the ILO's Fundamental Principles and Rights at work. In
69 addition, it has a specific Standard to target the labor rights and working conditions for workers in
70 business relationships with a due diligence approach.

71 Set 3 includes the following Topic Standards:

- 72
- 73 • Diversity and Inclusion
 - 74 • Child Labor
 - 75 • Forced or Compulsory Labor
 - 76 • Non-discrimination
 - 77 • Freedom of Association and Collective Bargaining
 - 78 • Workers of Business Relationships

79 The third set of labor exposure drafts is planned to be sent to the GSSB in later 2025.

80 **Summary of the proposals**

81 For more information on the project, consult the [Project Proposal](#) and the [technical committee](#) and
82 [advisory group](#) biographies.

83 The scope of the workers in set 1 is the organization's employees and workers who are not
84 employees and whose work is controlled by the organization (hereafter, workers who are not
85 employees). Workers of the organization's business relationships are in the scope of set 3 labor-
86 related Topic Standards and, therefore, are not included in set 1.

87 The key revisions and new proposed disclosures and guidance for the first set of exposure draft
88 standards are summarized as follows:

89

87 **1) General proposed change**

88 This first set of draft labor-related Topic Standards includes new proposed disclosures next to an
89 extensive revision of:

- 90 • *GRI 401: Employment 2016* (Disclosure 401-3)
- 91 • *GRI 404: Training and Education 2016*

92 The revised draft of Working Parents and Caregivers (Item 05) includes the revision of *GRI 401*
93 *Employment 2016* (Disclosures 401-3).

94 **2) Summary of proposals and changes related to Training and Education (Item 04)**

95 An exposure draft for GRI TRED: Training and Education has been developed in line with the project
96 objectives set out above. Notable changes and inclusions in this exposure draft are summarized
97 below:

98 **Content of the training and education:** The standard emphasizes employability skills, such as
99 technical and soft skills, as well as lifelong learning. Lifelong learning includes numeracy and literacy,
100 life skills such as household financial management, or awareness training in areas such as sexual
101 and reproductive healthcare. This ensures that organizations can report the provision of training and
102 education that meets the needs of their employees and workers who are not employees (See TRED-
103 2).

104 **Non-formal and formal training and education:** The standard focuses on formal or non-formal
105 training and education. Formal training is institutionalized and planned by public or recognized private
106 organizations, while non-formal training includes short courses, workshops, or seminars as
107 alternatives or supplements to formal training. Non-formal training and education lead to skills or
108 abilities not recognized by relevant educational authorities. This also recognizes different types of
109 learning methods an organization can provide to their employees and workers who are not employees
110 (See TRED-2).

111 **Training and education policies:** The organization is expected to report its training and education
112 policy, the objectives of the policy, how training and education needs are identified within the
113 organization, the scope of the policy, and the mechanisms used to evaluate the effectiveness of the
114 training and education provided (See GRI TRED-1-a).

115 **Participation and completion of training and education:** This is how an organization ensures
116 participation and completion of training and education. Accommodations may be necessary to
117 facilitate equal opportunities for everyone. For example, workers with disabilities might require
118 reasonable accommodations, while women employees may face challenges attending sessions
119 outside of regular working hours and workplace location due to childcare arrangements (See GRI
120 TRED-1-a).

121 **Involvement of workers' representatives:** The organization will report on the involvement of
122 workers' representatives in the training and education policy.

123 **Supporting employability through training and education:** Training and education benefit
124 workers transitioning to or temporarily leaving work by enabling them to acquire new or updated skills.
125 The standard focuses on how the organization's programs support the transition to work. These
126 requirements are a revision of the existing Disclosure 404-2 Programs for upgrading employee skills
127 and transition assistance programs (See TRED 2-b).

128 **Vulnerable groups and under-represented social groups:** Training and education play a crucial
129 role in facilitating labor integration and social inclusion for groups that may experience discrimination,
130 such as women, migrants, low-skilled workers, and individuals with disabilities. This is addressed
131 throughout the Standard, particularly in its training and education policy (See TRED-1 and TRED 2).

132 **Stakeholder activities:** The Standard encourages an organization to report engagement with various
133 stakeholders in their training and education activities, including educational institutions, governments,
134 and disabled person organizations (See TRED-1-a and TRED-2).

135 **Completed training and education:** Organizations are to report the total number of employees and
136 workers who are not employees who have completed training and education, with a breakdown of
137 employee categories and genders. Employee category refers to the career or skill level within the
138 organization, which helps to determine if low-skilled workers have opportunities for skills
139 development. These requirements are a revision of the existing Disclosure 404-1 Average hours of
140 training per year per employee (See TRED 3-a and TRED 3-b).

141 **Number of hours of training and education:** The number of hours of training and education with a
142 breakdown by content. These requirements are a revision of the existing 404-1 Average hours of
143 training per year per employee (See TRED 3-c and TRED 3-d).

144 **Training and education outcomes and effectiveness:** The organization is to report on the link
145 between the training and education provided and the outcomes of the training and education for the
146 employees and workers who are not employees. The organization reports the effectiveness of the
147 training and education provided and assesses it against the previously reported organizational
148 training and education objectives. This allows the organization to report, monitor, and improve its
149 training and education policy (See TRED-4).

150 **3) Summary of proposals and changes for PARE: Working Parents and Caregivers (Item 05)**

151 An exposure draft for GRI PARE: Working Parents and Caregivers has been developed in line with
152 the project objectives set out above. Notable changes and inclusions in this exposure draft are
153 summarized below:

154 **New Topic Standard on working parents and caregivers:** A Topic Standard was developed to
155 focus on workers with family responsibilities, which affects gender equality. Although improvements
156 are being made, women still bear the majority of family and childcare responsibilities. This can affect
157 their integration into the workforce, career advancement, and overall work-life balance. The purpose
158 of the topic standard is to enable organizations to report on how they proactively support employees
159 and workers who are parents.

160 **Policy and metrics on paid family-related leave:** Organizations are required to report the amount of
161 paid family leave offered to employees for the care of immediate family members, including during the
162 birth or adoption of a child. The organization should report the percentage of employees who were
163 eligible for paid leave and took it, with a breakdown by gender for those who took parental leave. The
164 organization is also asked to provide additional relevant information regarding paid family leave
165 usage, with a breakdown by gender. These requirements are a revision of the existing Disclosure
166 401-3 Parental Leave (See GRI PARE-1-a and PARE 2-a- PARE -2-b).

167 **Encourage family-related leave uptake:** Workers do not utilize the paid family leave available for
168 various reasons such as workplace culture, prevailing gender stereotypes, and fear of discrimination
169 or retaliation. Organizations are asked to report how employees and workers who are not employees
170 are encouraged to utilize their leave (See GRI PARE-1-b).

171 **Reintegration of employees and workers who are not employees after leave:** Returning to work
172 after family leave, especially maternity leave, is a significant and stressful transition. While many
173 women may face difficulties balancing work and family commitments, they often find that their
174 employment lacks flexibility and can hinder their career advancement. Organizations are expected to
175 report their policies to manage the reintegration of employees and workers who are not employees
176 after taking leave for family responsibilities. The organization is expected to report the retention rate of
177 employees who remain in employment relationships a year after returning from work. These
178 requirements are a revision of the existing Disclosure 401-3 Parental Leave (See GRI PARE-1-c and
179 PARE 2-c).

180 **Working time arrangements to support working parents and caregivers:** The organization is
181 expected to report how its working time arrangements (both working time and space) can support
182 employees and workers who are not employees in managing work and family organizations. The
183 organization is expected to report how its working time arrangements (both working time and
184 workplace) can support employees and workers who are not employees in managing work and family
185 responsibilities. First, the organization must outline its policy on breastfeeding and lactation breaks.
186 Second, recognizing that access to quality childcare is essential for women's participation in the
187 workforce, the organization is asked to provide information on employer-supported childcare options.
188 This may include onsite childcare facilities, childcare services referrals, or childcare cost subsidies
189 (See GRI PARE-1-d).

190 **Worker representatives' involvement:** The organization is expected to report how workers'
191 representatives are involved in developing policies for working parents and caregivers (See GRI
192 PARE-1-d).

193 **GSSB involvement and views on the development of** 194 **this draft**

195 The GSSB appointed one of its members as GSSB sponsor and technical committee member for this
196 project.

197 The GSSB sponsor is actively involved in the technical committee process and has attended all of
198 their meetings and many subgroup meetings. The GSSB has been regularly updated on the progress
199 of the labor project.

200 The exposure draft was approved by the GSSB on 20 February 2025..

201 All GSSB meetings are recorded and made available on the [GSSB GRI YouTube channel](#).