



GRI 404: Training and Education 2016

404

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TOPIC STANDARD

GRI 404: Training and Education 2016

Topic Standard

Effective Date

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

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Introduction

GRI 404: Training and Education 2016 contains disclosures for organizations to report information about their training and education-related impacts, and how they manage these impacts.

The Standard is structured as follows:

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

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

Background on the topic

This Standard addresses the topic of training and education. This includes an organization's approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

These concepts are covered in key instruments of the International Labour Organization and the Organisation for Economic Co-operation and Development: see the [Bibliography](#).

System of GRI Standards

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

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

Universal Standards: GRI 1, GRI 2 and GRI 3

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

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

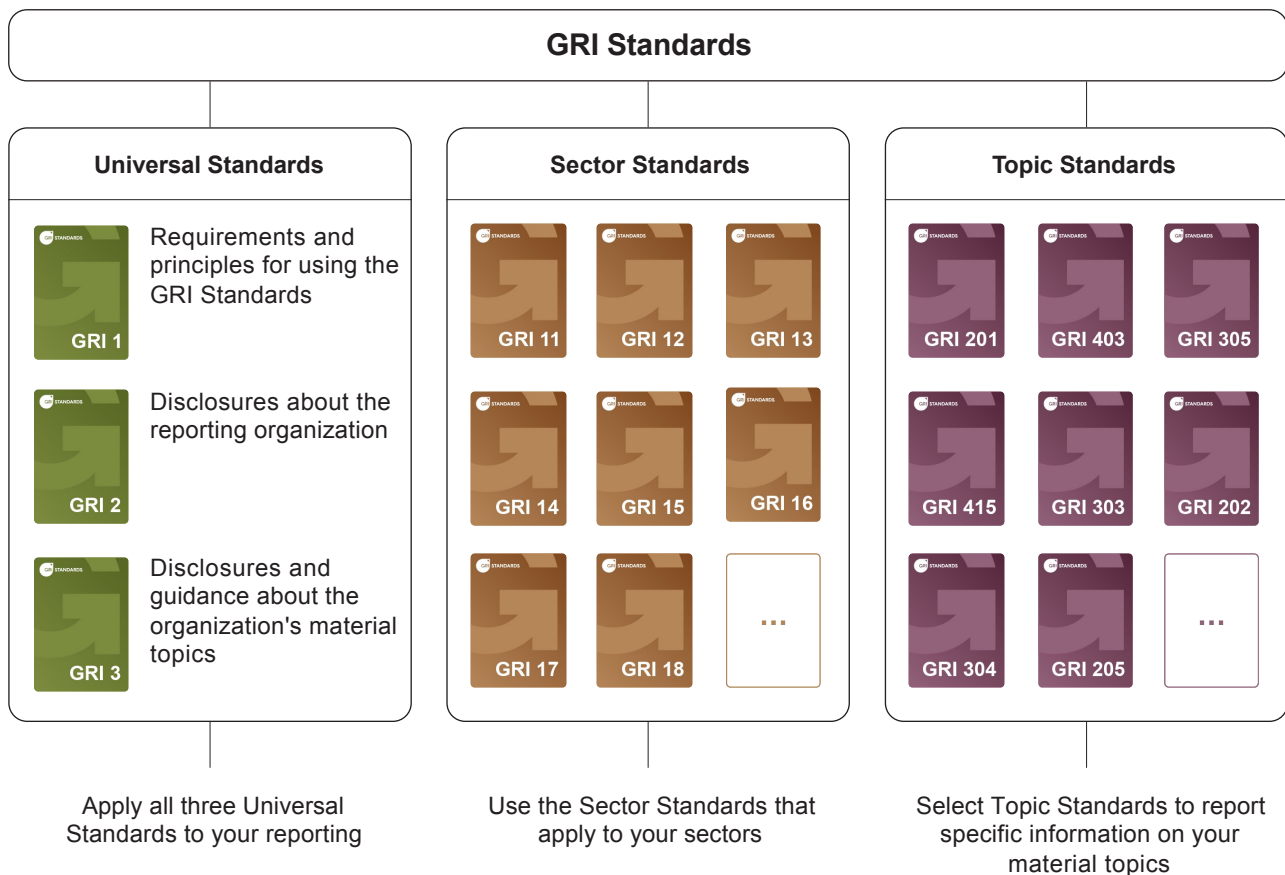
[GRI 3: Material Topics 2021](#) provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

Sector Standards

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

Topic Standards

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

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

Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its training and education-related impacts.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined training and education to be a material topic:

- [Disclosure 3-3 in GRI 3: Material Topics 2021](#) (see clause 1.1 in this Standard);
- Any disclosures from this Topic Standard that are relevant to the organization's training and education-related impacts (Disclosure 404-1 through Disclosure 404-3).

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

Reasons for omission are permitted for these disclosures.

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

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

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

Requirements, guidance and defined terms

The following apply throughout this Standard:

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

Requirements may be accompanied by guidance.

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

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

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

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

1. Topic management disclosures

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

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

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

REQUIREMENTS	1.1 The reporting organization shall report how it manages training and education using Disclosure 3-3 in GRI 3: Material Topics 2021.
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2. Topic disclosures

Disclosure 404-1 Average hours of training per year per employee

REQUIREMENTS

The reporting organization shall report the following information:

- a. Average hours of training that the organization's employees have undertaken during the reporting period, by:
 - i. **gender;**
 - ii. **employee category.**

RECOMMENDATIONS

- 2.1 When compiling the information specified in Disclosure 404-1, the reporting organization should:
 - 2.1.1 express employee numbers as either head count or full-time equivalent (FTE), and disclose and apply the approach consistently in the period, and between periods;
 - 2.1.2 use data from [Disclosure 2-7 in GRI 2: General Disclosures 2021](#) to identify the total number of employees;
 - 2.1.3 draw from the information used for [Disclosure 405-1 in GRI 405: Diversity and Equal Opportunity 2016](#) to identify the total number of employees by employee category.

GUIDANCE

Guidance for Disclosure 404-1

This disclosure provides insight into the scale of an organization's investment in training, and the degree to which the investment is made across the entire employee base.

In the context of this Standard, 'training' refers to:

- all types of vocational training and instruction;
- paid educational leave provided by an organization for its employees;
- training or education pursued externally and paid for in whole or in part by an organization;
- training on specific topics.

Training does not include on-site coaching by supervisors.

To calculate the information in Disclosure 404-1, the reporting organization can use the following formulas:

$$\text{Average training hours per employee} = \frac{\text{Total number of training hours provided to employees}}{\text{Total number of employees}}$$

$$\text{Average training hours per female} = \frac{\text{Total number of training hours provided to female employees}}{\text{Total number of female employees}}$$

$$\text{Average training hours per male} = \frac{\text{Total number of training hours provided to male employees}}{\text{Total number of male employees}}$$

$$\text{Average training hours per employee category} = \frac{\text{Total number of training hours provided to each category of employees}}{\text{Total number of employees in category}}$$

A number of calculations can be undertaken to report on employee categories. These calculations are specific to each organization.

Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs

REQUIREMENTS

The reporting organization shall report the following information:

- a. **Type and scope of programs implemented and assistance provided to upgrade employee skills.**
- b. **Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.**

GUIDANCE**Guidance for Disclosure 404-2**

Employee training programs that aim to upgrade skills can include:

- internal training courses;
- funding support for external training or education;
- the provision of sabbatical periods with guaranteed return to employment.

Transition assistance programs provided to support employees who are retiring or who have been terminated can include:

- pre-retirement planning for intended retirees;
- retraining for those intending to continue working;
- severance pay, which can take into account employee age and years of service;
- job placement services;
- assistance (such as training, counselling) on transitioning to a non-working life.

Background

Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. More skilled employees enhance the organization's human capital and contribute to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they are supported in their transition from work to retirement.

Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

REQUIREMENTS

The reporting organization shall report the following information:

- a. **Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.**

RECOMMENDATIONS

- 2.2 When compiling the information specified in Disclosure 404-3, the reporting organization should:
 - 2.2.1 use data from [Disclosure 2-7 in GRI 2: General Disclosures 2021](#) to identify the total number of employees;
 - 2.2.2 draw from the information used for [Disclosure 405-1 in GRI 405: Diversity and Equal Opportunity 2016](#) to identify the total number of employees by employee category.

GUIDANCE

Background

This disclosure measures the extent to which an organization regularly appraises employee performance. This aids the personal development of individual employees. It also contributes to skills management and to the development of human capital within the organization. This disclosure also demonstrates the extent to which this system is applied throughout the organization, and whether there is inequity of access to these opportunities.

Regular performance and career development reviews can also enhance employee satisfaction, which correlates with improved organizational performance. This disclosure helps demonstrate how an organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with Disclosure 404-2, the disclosure also helps to illustrate how the organization approaches skills enhancement.

Glossary

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

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

continued employability

adaptation to the changing demands of the workplace through the acquisition of new skills

employee

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

employee category

breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

human rights

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

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

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

impact

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

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

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

material topics

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

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

regular performance and career development review

review based on criteria known to the employee and his or her superior

Note 1: The review is undertaken with the knowledge of the employee at least once per year.

Note 2: The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.

sustainable development / sustainability

development that meets the needs of the present without compromising the ability of future

generations to meet their own needs

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

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

Bibliography

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

Authoritative instruments:

1. International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
2. International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
3. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.
4. International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
5. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.



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