



GSSB Global
Sustainability
Standards Board

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Transition to GRI Standards

Item 06 – Addendum

For GSSB discussion and approval

Date	4 April 2016
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Project	Employee Worker Terminology
Description	This addendum to item 6 presents 3 different options for ‘employee’/‘worker’ terminology-related suggested revisions to G4-I0.

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1 Introduction

2 *About this paper*

3 This paper sets out different options for revisions to disclosure G4-I0. The options are drawn
 4 within the restrictions of the Technical Committee’s (TC) mandate to clarify which terminology
 5 and phrasing related to employee/ worker should be used, in order to align the disclosure contents
 6 with key references, such as the ILO instruments, and other references, such as the OECD
 7 Guidelines for MNEs and ISO 26000, where applicable. The review of the terminology to use
 8 includes the exercise to clarify the scope of workers to be considered and reported for the specific
 9 disclosure context of G4-I0. The TC’s mandate did not include reviewing the content of the
 10 disclosure requirements such as the requirement to breakdown by region or gender.

11 The 3 Options are based on the understanding that the term ‘worker’ refers to any person who
 12 performs work. This includes employees and workers of other organizations, such as suppliers.

13 The main differences in the Options focus on the extent of reporting on *workers who are not*
 14 *employees* – these sections of the requirements have therefore been highlighted with a **grey**
 15 **background text**.

16 The original G4 Text can be found in the table below, along with revisions that the TC had
 17 previously discussed during its initial review, and which will be taken as a base line for the different
 18 options presented in the chapter ‘options for review’:

Column 1: Original G4-I0 text	Column 2: Revisions previously agreed by the Technical Committee
<ul style="list-style-type: none"> a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal 	<ul style="list-style-type: none"> a. Report the total number of employees by employment contract (permanent and temporary), disaggregated by and gender. b. Report the total number of employees by employment contract, disaggregated by region. c. Report the total number of permanent employees by employment type (full-time and part-time), and disaggregated by gender. d. Report the total workforce by employees and supervised workers and by gender. e. Report the total workforce by region and gender d. [placeholder for the different Options mentioned below. This disclosure requirement should capture whether a substantial portion of the organization’s work is performed by persons other than the reporting organization’s employees.] e. [placeholder for the different Options mentioned below. This disclosure requirement should capture a narrowed scope of workers who are not employees to be quantified and

<p>variations in employment in the tourism or agricultural industries).</p>	<p><i>reported. If the scope of workers is narrowed down, d. needs to be aligned accordingly.]</i></p> <p>f. Report any significant variations in the numbers reported for a-e employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p>
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19 The **changes marked in blue text** in a, b, c, and f in Column 2 have already been implemented in
 20 each of the draft Options below.

21 Options for review

22 *Introduction*

23 The Options differ according to the scope of ‘worker’ to be considered and reported, next to
 24 reporting key figures on employees.

25 Options 1 and 2 invite disclosure on employees plus only specific types of other workers. This
 26 invites reporting on employees and those groups of workers who are most important for certain
 27 sustainability considerations which sustainability report readers care about. The exercise for the
 28 reporting organization to quantify only specific workers who are not employees is less intensive
 29 than to quantify all workers. Option 3 does not ask for a quantification of the workers and thus
 30 does not specify specific types of workers.

31 Option 1 is the preferred option of the Technical Committee, Options 2 and 3 are presented as
 32 back-up options.

33 *Option 1: Focus the disclosure on employees and workers*
 34 *involved in core activities*

Option 1	Focus the disclosure on employees and <u>specific types of workers</u> – those involved in core activities
<p>a. Report the total number of employees by employment contract (permanent and temporary) disaggregated by gender.</p> <p>b. Report the total number of employees by employment contract, disaggregated by region</p> <p>c. Report the total number of employees by employment type (full-time and part-time), disaggregated by gender.</p> <p>d. Report whether a substantial portion of the organization’s core activities (as described in Disclosure 201-2) is performed by workers who are not employees.</p> <p>e. Report the total number of workers who are not employees, who are involved in the core activities by region, disaggregated by gender.</p> <p>f. Report any significant variations in the numbers reported for a-e (such as seasonal variations in the tourism or agricultural industries).</p>	

35 *Implications: (Option 1):* Option 1 narrows the scope of workers to those involved in the
 36 organization’s core activities. This includes certain employees and workers of other organizations,
 37 such as supplier organizations, if they are involved in the reporting organization’s core activities.
 38 It excludes workers who are not involved in core activities, e.g., for a construction company,
 39 workers of suppliers who perform cleaning work in the reporting organization’s offices. Although
 40 ‘core activities’ is a well-defined term for businesses, it will still need to be investigated as to
 41 whether organizations can easily distinguish between workers performing ‘core’ and ‘non-core’
 42 activities.

43 *Option 2: Focus the disclosure on employees and workers*
 44 *performing work that is controlled by the reporting*
 45 *organization, or working at sites that are controlled by the*
 46 *reporting organization*

Option 2	Focus the disclosure on employees and <u>specific types of workers</u> – those performing work that is controlled by the reporting organization, or who are working at sites controlled by reporting organization
<p>a. Report the total number of employees by employment contract (permanent and temporary) disaggregated by gender.</p> <p>b. Report the total number of employees by employment contract, disaggregated by region</p> <p>c. Report the total number of employees by employment type (full-time and part-time), disaggregated by gender.</p> <p>d. Report whether a substantial portion of the organization’s work* is performed by workers who are not employees, who perform work that is controlled by the reporting organization, or who are working at sites controlled by reporting organization</p> <p>e. Report the total number of workers who are not employees, who perform work that is controlled by the reporting organization, or who are working at sites controlled by reporting organization by region, disaggregated by gender.</p> <p>f. Report any significant variations in the numbers reported for a-e (such as seasonal variations in the tourism or agricultural industries).</p>	

47 *Implications (Option 2):* This option narrows down the scope of workers to those performing work
 48 which is controlled by the reporting organization or which is performed on sites controlled by the
 49 reporting organization. This would include certain employees and workers of other organizations
 50 such as suppliers.). ‘Work that is controlled by the organization’ is understood as control of work
 51 output and working methods.

52 **Additional Note:*

53 The TC has concerns that the term ‘organization’s work’ as used in the G4 Guidelines is unclear.
 54 Replacing the term with ‘core activities’ has been discussed as one option to improve this, since
 55 the term core activities is well-understood and defined in common dictionaries, and is narrower
 56 than ‘organization’s work’, in particular if the reporting entity is asked to self-identify its core
 57 activities (as described in Disclosure 201-2). Some TC members would also support the term
 58 ‘organization’s work’ - even though it seems much broader and hence the reporting requirements
 59 would be less realistic to ask of the reporting organization - if a clear definition was to be developed,
 60 narrowing the scope of what ‘organization’s work’ specifically refers to (and hence which non-
 61 employee workers need to be reported on).

62 *Option 3: Restrict the disclosure to reporting only on*
 63 *employees, but require transparency as to whether a*
 64 *significant share of work is performed by workers who are*
 65 *not employees*

Option 3	<i>Restrict the disclosure to reporting only on employees, but require transparency as to whether a significant share of work is performed by workers who are not employees</i>
<ul style="list-style-type: none"> a. Report the total number of employees by employment contract (permanent and temporary) disaggregated by gender. b. Report the total number of employees by employment contract (permanent and temporary), disaggregated by region c. Report the total number of employees by employment type (full-time and part-time), disaggregated by gender. d. Report whether a substantial portion of the organization’s work* is performed by workers who are not employees. e. Report any significant variations in the numbers reported for a-d (such as seasonal in the tourism or agricultural industries). 	

66 *Implications (Option 3):* In addition to reporting on employees, this option would elicit transparency
 67 on whether a significant share of the organization’s work is performed by workers other than
 68 employees. However, unlike the current G4-I0 requirements, organizations would not be
 69 required to quantify the total number of workers who are not employees. This would make the
 70 reporting requirements more manageable; however, it would reduce the amount of detail required
 71 and would give report readers less information about workers who are not employees.

72 **Additional Note:*

73 The TC has concerns that the term ‘organization’s work’ as used in the G4 Guidelines is unclear.
 74 Replacing the term with ‘core activities’ has been discussed as one option to improve this, since
 75 the term core activities is well-understood and defined in common dictionaries, and is narrower
 76 than ‘organization’s work’, in particular if the reporting entity is asked to self-identify its core
 77 activities (as described in Disclosure 201-2). Some TC members would also support the term
 78 ‘organization’s work’ - even though it seems much broader and hence the reporting requirements
 79 would be less realistic to ask of the reporting organization - if a clear definition was to be developed,
 80 narrowing the scope of what ‘organization’s work’ specifically refers to (and hence which non-
 81 employee workers need to be reported on).