



# Item 04 – GRI Topic Standard Project for Labor – Significant Changes for Workers – Exposure draft

## For GSSB approval

<b>Date</b>	26 April 2024
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<b>Project</b>	GRI Topic Standard Project for Labor
<b>Description</b>	<p>This document sets out the exposure draft of the GRI Significant Changes for Workers Standard, including the explanatory memorandum summarizing the objectives of the project and the significant proposals contained within the draft. These are submitted for GSSB approval for public exposure.</p> <p>If approved, public exposure is proposed to commence in early June and run until late September 2024.</p>

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# **GRI SICH: Significant Changes for Workers 202X**

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# 1 Introduction

2 GRI SICH: Significant Changes for Workers 202X contains disclosures for organizations to report  
3 information about their impacts related to significant changes for workers and how these impacts are  
4 managed.

5 The Standard is structured as follows:

- 6 • Section 1 contains one disclosure, which provides information about how the organization  
7 manages its significant changes to workers-related impacts.
- 8 • Section 2 contains two disclosures, which provide information about the organization's  
9 impacts related to significant changes for workers.
- 10 • The Glossary contains defined terms with a specific meaning when used in the GRI  
11 Standards. The terms are underlined in the text of the GRI Standards and linked to the  
12 definitions.
- 13 • The Bibliography lists authoritative intergovernmental instruments and additional references  
14 used in developing this Standard.

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

## 17 Background on the topic

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

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

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

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

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

41 The International Labour Organization (ILO) *Termination of Employment Convention*, 1982 (No. 158)  
42 aims to protect workers' rights during employment termination, particularly in the context of economic  
43 challenges and technological changes. The ILO provides additional guidelines through the  
44 *Recommendation Termination of Employment Convention*, 1982 (No. 166) and the *Termination of*  
45 *Employment Convention*, 1982 (No. 158). These instruments cover issues related to termination  
46 payments, notice periods, and appeal procedures. In addition, early and meaningful consultation with  
47 workers' representatives provides an opportunity for cooperation to mitigate the impacts of such

48 changes, promote suitable alternatives to mass termination, and balance employer rights with worker  
49 protection.

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

## 56 **System of GRI Standards**

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

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

### 64 **Universal Standards: GRI 1, GRI 2 and GRI 3**

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

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

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

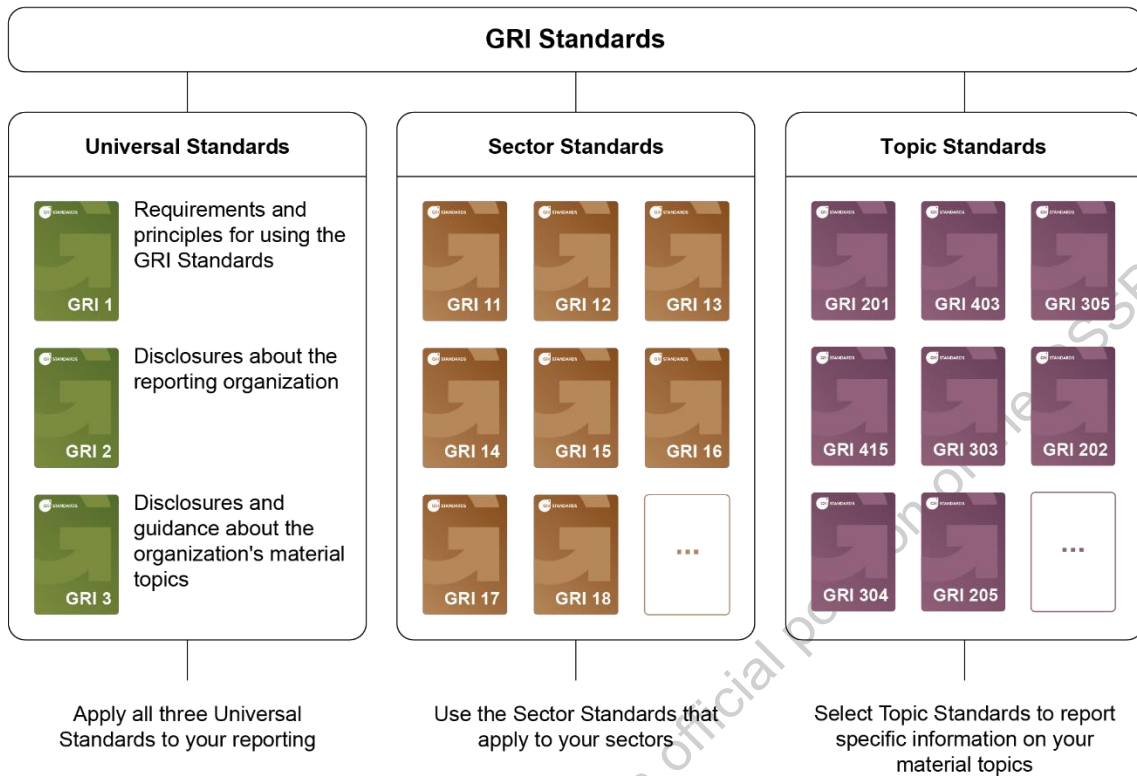
### 74 **Sector Standards**

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

### 78 **Topic Standards**

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

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



83 **Using this Standard**

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

- 87
- 88 • [GRI CC: Climate Change 202X](#)
  - 89 • [GRI EMPL: Employment 202X](#)
  - 90 • [GRI TRED: Training and Education 202X](#)
  - 91 • [GRI REWO: Remuneration and Working Time 202X](#)
  - 92 • [Control of Work Standard Interpretation to GRI 2](#)

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

- 94
- 95 • [Disclosure 3-3 in GRI 3: Material Topics 2021](#).
  - 96 • Any disclosures from this Topic Standard that are relevant to the organization's significant changes for workers-related impacts (Disclosure SIC-2 through Disclosure SIC-3).

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

98 Reasons for omission are permitted for these disclosures.

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

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

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

#### 114 **Requirements, guidance and defined terms**

115 The following apply throughout this Standard:

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

118 Requirements may be accompanied by guidance.

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

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

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

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

126

# 1. Topic management disclosures

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

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129

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.

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

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## Disclosure SICH 1 Management of significant changes for workers

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136

### REQUIREMENTS

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The organization shall:

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

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

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143

- i. redeployment;

144

- ii. training for up- and reskilling;

145

- iii. workforce planning;

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147

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

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149

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

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- ii. the appeal procedure;

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- iii. notice periods provided;

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- iv. termination payments and separation benefits.

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154

### GUIDANCE

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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.

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157

158

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.

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161

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.

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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.

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168 **Guidance to SICH 1-a**

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

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

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

189 **Guidance to SICH 1-b**

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

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

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

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

203 See reference [2] in the Bibliography.

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

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

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

216 See reference [4] in the Bibliography

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

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

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

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

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

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

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

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

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

256 See reference [4] in the Bibliography

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

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

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

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

270 See reference [1] in the Bibliography.

271 **Guidance to SICH 1-c**

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

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

282 In addition, the organization can describe how it manages the termination process and who is exempt  
283 from the mass termination procedure. If employees and workers who are not employees are exempt  
284 from the mass termination procedure, the organization can describe why this is the case and how it  
285 manages the termination for these categories.

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

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

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

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

- 298 • clear and objective criteria for reasons for the termination;
- 299 • number of affected workers;
- 300 • period over which the terminations are intended to be carried out;
- 301 • information on the employment status of affected workers, including employment category,  
302 employee type, and skill level;
- 303 • gender, other social demographic groups of affected workers;
- 304 • likely impacts of the changes;
- 305 • intended measures to mitigate the negative impacts.

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

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

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

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

#### 325 **Guidance to SICH 1-c-ii**

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

#### 332 **Guidance to SICH 1-c-iii**

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

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

#### 348 **Guidance to SICH-1-c-iv**

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

## 352 2. Topic disclosures

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

### 356 Disclosure SICH 2 Minimum consultation and notice 357 periods

#### 358 REQUIREMENTS

359 The organization shall:

- 360 a. report how many weeks of notice is provided to workers' representatives before the  
361 implementation of mass termination affecting employees and workers who are not  
362 employees;
- 363 b. report how many weeks were taken in consultation with workers' representatives before  
364 the implementation of mass termination affecting employees and workers who are not  
365 employees;
- 366 c. report whether a notice period and provisions for consultation and negotiation are  
367 specified within any collective bargaining agreements.

#### 370 GUIDANCE

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

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

#### 380 Guidance to SICH 2-a

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

#### 386 Guidance to SICH 2-b

387 This disclosure requirement aims to report the workers' representatives' involvement in negotiation  
388 and meaningful dialogue. The organization should report the number of weeks of consultation from  
389 initial communication with workers' representatives to workers receiving their notice period regarding  
390 the termination of employment. The organization can report the number of consultation meetings with  
391 workers' representatives and government authorities.

#### 392 Guidance to SICH 2-c

393 The organization can use the collective bargaining agreements reported under [Disclosure 2-30](#) of [GRI  
394 2: General Disclosures 2021](#) to determine whether these documents contain a notice period and  
395 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
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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	=	$\frac{\text{Number of employees affected by significant changes who received training for up-and re-skilling}}{\text{Number of employees affected by significant changes}}$
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- 432 Organizations can report the number of employees affected by significant changes whose
- 433 employment was terminated but are awaiting redeployment. For example, they are waiting to finish a
- 434 training program prior to their new employment.
- 435 The organization should report the number and percentage of employees affected by significant
- 436 changes whose redeployment has been in collaboration with a national authority or another initiative.
- 437 See Table 1 for an example of how to present the information on SICH 3-a and SICH 3-b.

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439  
440

**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
<b>Regions A</b>						
<b>Employee Category</b>						
Employee category 1						
Employee category 2						
Employee category 3						
<b>Employee type</b>						
Employee type 1						
Employee type 2						
Employee type 3						
<b>Gender</b>						
Men						
Women						
Other *						
Not disclosed **						
<b>Regions B</b>						
<b>Employee Category</b>						
Employee category 1						
Employee category 2						
Employee category 3						
<b>Employee type</b>						
Employee type 1						
Employee type 2						
Employee type 3						
<b>Gender</b>						
Men						
Women						
Other *						
Not disclosed **						



441 \*\* Gender is specified by the employees themselves.

442 \*\* Gender is not disclosed by the employees themselves.

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

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

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

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

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

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

455 The organization is free to choose how to report the breakdown by gender. It is not required to report  
456 the four categories suggested in Table 1.

457 **Guidance to SICH 3-c**

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

461 **Guidance to SICH 3-d**

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

464

# Glossary

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

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

## 470 **collective bargaining**

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

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

## 477 **employee category**

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

## 481 **employee**

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

## 484 **impact**

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

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

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

## 491 **mitigation**

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

495 Note:] The mitigation of an actual negative impact refers to actions taken to reduce the severity of  
496 the negative impact that has occurred, with any residual impact needing remediation. The mitigation  
497 of a potential negative impact refers to actions taken to reduce the likelihood of the negative impact  
498 occurring.

## 499 **non-guaranteed hours employee**

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

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

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

504

505 **severity (of an impact)**

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

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

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

514

515 **significant change**

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

518 Examples: closures, expansions, mergers, new openings, outsourcing of operations,  
519 restructuring, sale of all or part of the organization, takeovers

520

521 **temporary employee**

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

525 **vulnerable group**

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

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

536 Note: Vulnerabilities and impacts can differ by gender.

537 **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.

538

539 **worker representative**

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

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

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

## 548 **Bibliography**

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

### 551 **Authoritative references:**

- 552 1. International Labour Organization (ILO), *Termination of Employment Recommendation*, 1982 (No.  
553 166).
- 554 2. International Labour Organization (ILO), *Termination of Employment Convention*, 1982 (No. 158).
- 555 3. International Labour Organization (ILO), *Private Employment Agencies Convention*, 1997 (No.  
556 181).
- 557 4. International Labour Organization (ILO), *Paid Education Leave Convention*, 1974 (No. 140).

558

### 559 **Additional references:**

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

562

### 563 **Resources:**

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