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

Comments to be received by 4 October 2024

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

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

A separate explanatory memorandum summarizes the objectives of the project and the summary of the proposals contained within this exposure draft.

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

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

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

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GRI SICH: Significant Changes for Workers 202X

Content

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

Exposure draft for public comment

Note on reading this document

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

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

Introduction

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

The Standard is structured as follows:

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

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

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Background on the topic

This Standard addresses the topic of significant changes for workers.

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

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

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

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

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

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

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

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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*.

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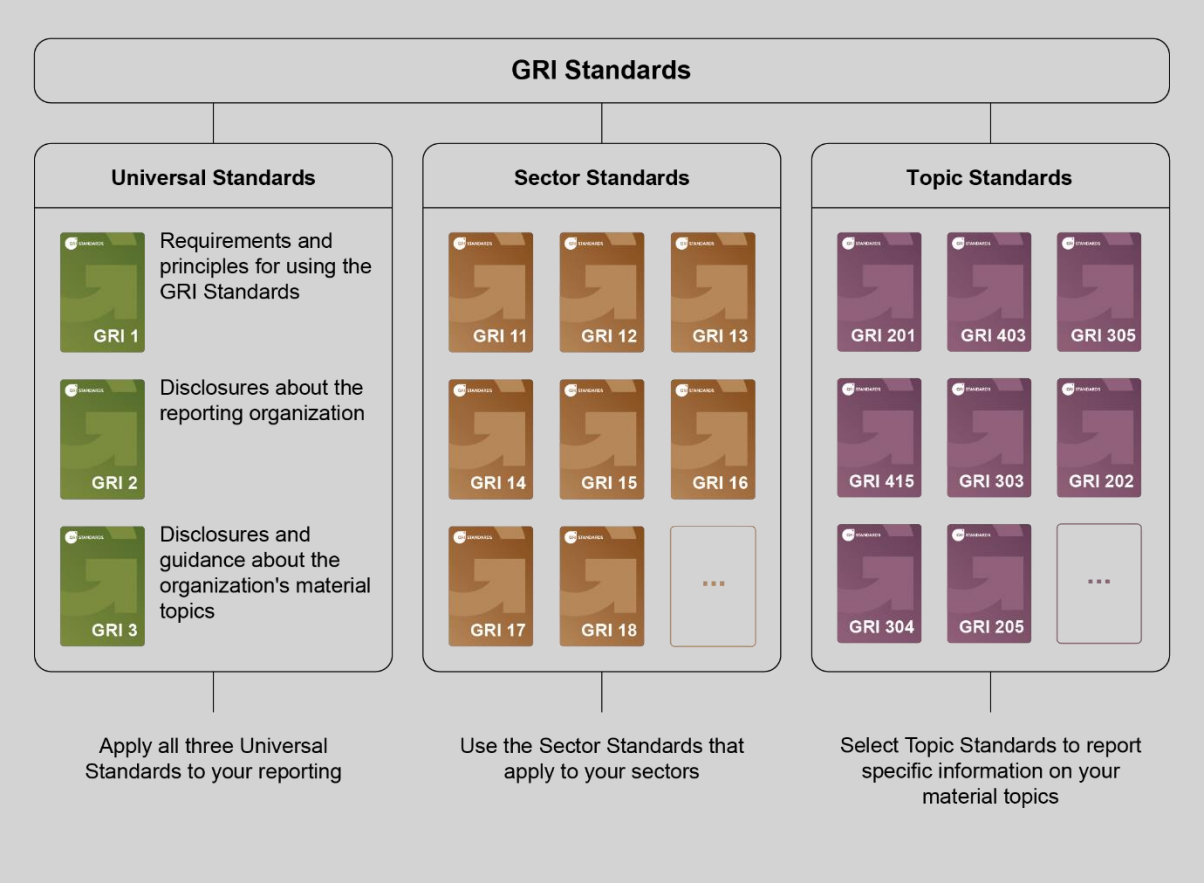
Figure 1. GRI Standards: Universal, Sector and Topic Standards



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 impacts related to significant changes for workers. In addition to this Standard, disclosures that relate to this topic can be found in

- GRI CC: Climate Change 202X
- GRI EMPL: Employment 202X
- GRI TRED: Training and Education 202X
- GRI REWO: Remuneration and Working Time 202X
- Control of Work Standard Interpretation to *GRI 2*

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

- Disclosure 3-3 in *GRI 3: Material Topics 2021*.
- Any disclosures from this Topic Standard that are relevant to the organization's significant changes for workers-related impacts (Disclosure SICH-2 through Disclosure SICH-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* 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.

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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 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.

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

Disclosure SICH 1 Management of significant changes for workers

REQUIREMENTS
The organization shall:

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

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

- **i. redeployment;**
- **ii. training for up- and reskilling;**
- **iii. workforce planning;**

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

- **i. the termination procedure, including how workers' representatives are consulted**
- **ii. the appeal procedure;**
- **iii. notice periods provided;**
- **iv. termination payments and separation benefits.**

GUIDANCE

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.

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.

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.

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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Guidance to SICH 1-a

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

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

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

Guidance to SICH 1-b

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

The organization should report the social contributions made in cases of early retirement. See Disclosure REWO 5 in GRI Remuneration and Working Time 202X.

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

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

See reference [2] in the Bibliography.

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

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

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

See reference [4] in the Bibliography.

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Guidance to SICH 1-b-i

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

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

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

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

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

Guidance to SICH 1-b-ii

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

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

See reference [4] in the Bibliography.

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

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Guidance to SICH 1-b-iii

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

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

See reference [1] in the Bibliography.

Guidance to SICH 1-c

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

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

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

Guidance to SICH-1-c-i

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

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

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

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

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

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

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

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

Guidance to SICH 1-c-ii

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

Guidance to SICH 1-c-iii

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

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

Guidance to SICH-1-c-iv

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

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2. Topic disclosures

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

Disclosure SICH 2 Minimum consultation and notice periods

REQUIREMENTS

The organization shall:

a. **report how many weeks of notice is provided to workers' representatives before the implementation of mass termination affecting employees and workers who are not employees;**

b. **report how many weeks were taken in consultation with workers' representatives before the implementation of mass termination affecting employees and workers who are not employees;**

c. **report whether a notice period and provisions for consultation and negotiation are specified within any collective bargaining agreements.**

GUIDANCE

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

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 2-a

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

Guidance to SICH 2-b

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

Guidance to SICH 2-c

The organization can use the collective bargaining agreements reported under Disclosure 2-30 of *GRI 2: General Disclosures 2021* to determine whether these documents contain a notice period and provisions for consultation and negotiation.

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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:

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

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

Guidance to SICH 3-b

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

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

Organizations can report the number of employees affected by significant changes whose employment was terminated but are awaiting redeployment. For example, they are waiting to finish a training program prior to their new employment.

The organization should report the number and percentage of employees affected by significant changes whose redeployment has been in collaboration with a national authority or another initiative.

See Table 1 for an example of how to present the information on SICH 3-a and SICH 3-b.

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

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

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** Gender is specified by the employees themselves.

** Gender is not disclosed by the employees themselves.

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

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

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

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

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

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

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

Guidance to SICH 3-c

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

Guidance to SICH 3-d

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

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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.

collective bargaining

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

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

employee category

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

employee

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

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'

mitigation

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

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

non-guaranteed hours employee

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

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

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

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severity (of an impact)

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

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

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

significant change

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

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

temporary employee

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

vulnerable group

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

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

Note: Vulnerabilities and impacts can differ by gender.

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.

worker representative

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

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

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

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Bibliography

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

Authoritative references:

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

Additional references:

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

Resources:

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

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