

**GRI 402: LABOR/MANAGEMENT  
RELATIONS  
2016**

**GRI  
402**

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### About this Standard

<b>Responsibility</b>	This Standard is issued by the <a href="#">Global Sustainability Standards Board (GSSB)</a> . Any feedback on the GRI Standards can be submitted to <a href="mailto:standards@globalreporting.org">standards@globalreporting.org</a> for the consideration of the GSSB.
<b>Scope</b>	<i>GRI 402: Labor/Management Relations</i> sets out reporting requirements on the topic of labor/management relations. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
<b>Normative references</b>	This Standard is to be used together with the most recent versions of the following documents. <a href="#">GRI 101: Foundation</a> <a href="#">GRI 103: Management Approach</a> <a href="#">GRI Standards Glossary</a>  In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
<b>Effective date</b>	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

**Note:** This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

# Introduction

## A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). These Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at [www.globalreporting.org/standards/](http://www.globalreporting.org/standards/).

There are three universal Standards that apply to every organization preparing a sustainability report:

*GRI 101: Foundation*

*GRI 102: General Disclosures*

*GRI 103: Management Approach*

***GRI 101: Foundation* is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.**

An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics. These Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics) and 400 (Social topics).

Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

***GRI 402: Labor/Management Relations* is a topic-specific GRI Standard in the 400 series (Social topics).**

## B. Using the GRI Standards and making claims

There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

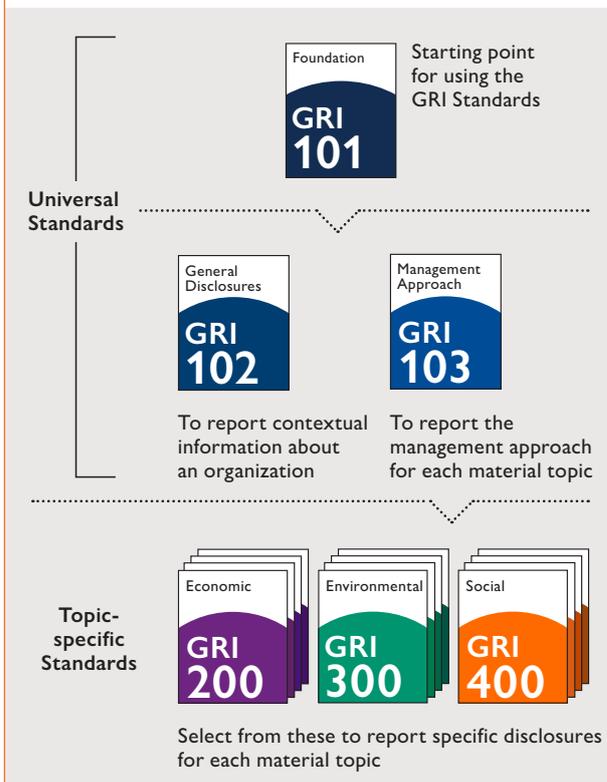
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 402: Labor/Management Relations*, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

**See [Section 3 of GRI 101: Foundation](#) for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.**

**Figure 1**  
Overview of the set of GRI Standards



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## C. Requirements, recommendations and guidance

The GRI Standards include:

**Requirements.** These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, an organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

**Recommendations.** These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

**Guidance.** These sections include background information, explanations and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

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## D. Background context

In the context of the GRI Standards, the social dimension of sustainability concerns an organization's impacts on the social systems within which it operates.

*GRI 402* addresses the topic of labor/management relations. This covers an organization's consultative practices with employees and their representatives, including its approach to communicating significant operational changes.

An organization's consultation practices are expected to be aligned with relevant international norms and standards.

Collective bargaining can play an important role in an organization's consultation practices. Collective bargaining refers to all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.<sup>1</sup>

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

The disclosures in this Standard can provide information about an organization's impacts related to labor/management relations, and how it manages these impacts.

Reporting on collective bargaining is covered in more detail in [GRI 407: Freedom of Association and Collective Bargaining](#). In addition, [Disclosure 102-41](#) in *GRI 102: General Disclosures* requires reporting on the percentage of total employees covered by collective bargaining agreements.

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<sup>1</sup> This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

# GRI 402: Labor/Management Relations

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 402-1 Minimum notice periods regarding operational changes

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## 1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic, as well as reporting topic-specific disclosures for those topics.

Therefore, this topic-specific Standard is designed to be used together with *GRI 103: Management Approach* in order to provide full disclosure of the organization's impacts. *GRI 103* specifies how to report on the management approach and what information to provide.

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### Reporting requirements

- 1.1** The reporting organization shall report its management approach for labor/management relations using [GRI 103: Management Approach](#).

## 2. Topic-specific disclosures

### Disclosure 402-1

#### Minimum notice periods regarding operational changes

##### Reporting requirements

Disclosure  
402-1

The reporting organization shall report the following information:

- a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.
- b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.

##### Guidance

###### *Guidance for Disclosure 402-1*

Minimum notice periods can be found in corporate policies and standard employment contracts. Different policy statements can exist at a regional level.

An organization can identify the collective bargaining agreements referred to in [Disclosure 102-41](#) of *GRI 102: General Disclosures*, and review the notice period clauses within these documents.

###### *Background*

Organizations are expected to provide reasonable notice of significant operational changes to employees and their representatives, as well as to appropriate government authorities. Minimum notice periods are a measure of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations.

This disclosure provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes, which can have positive or negative implications for workers.

This disclosure also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms.

The essence of consultation is that management takes the views of workers into account when making specific decisions. Therefore, it is important that consultation takes place before a decision is made. Meaningful consultation includes the timely provision of all information needed to make an informed decision to workers or their representatives. Genuine consultation involves dialogue; opinion surveys and questionnaires are not considered consultation.

Timely and meaningful consultation allows the affected parties to understand the impacts of the changes, such as possible loss of employment. It also gives an opportunity for them to work collectively to avoid or mitigate negative impacts as much as possible (see references 11 and 12 in the [References section](#)). Consultative practices that result in good industrial relations help to provide positive working environments, reduce turnover, and minimize operational disruptions.

# References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

## **Authoritative intergovernmental instruments:**

1. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
2. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
3. International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
4. International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
5. International Labour Organization (ILO) Convention 158, 'Termination of Employment Convention', 1982.
6. International Labour Organization (ILO), *Key Indicators of the Labour Market (KILM)*, <http://www.ilo.org/global/statistics-and-databases/research-and-databases/kilm/lang--en/index.htm>, accessed on 1 September 2016.
7. International Labour Organization (ILO), LABORSTA Internet, <http://laborsta.ilo.org/>, accessed on 1 September 2016.
8. International Labour Organization (ILO) Recommendation 91, 'Collective Agreements Recommendation', 1951.
9. International Labour Organization (ILO) Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
10. International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
11. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
12. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

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