GRI STANDARDS

GRI GSSB

GRI 404: TRAINING AND EDUCATION
2016

GRI
404

Contents

About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	*GRI 404: Training and Education* sets out reporting requirements on the topic of training and education. 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.
Normative references	This Standard is to be used together with the most recent versions of the following documents. *GRI 101: Foundation* *GRI 103: Management Approach* *GRI Standards Glossary* In the text of this Standard, terms defined in the Glossary are underlined.
Effective date	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/.

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 404: Training and Education* **is a topic-specific GRI Standard in the 400 series (Social topics).**

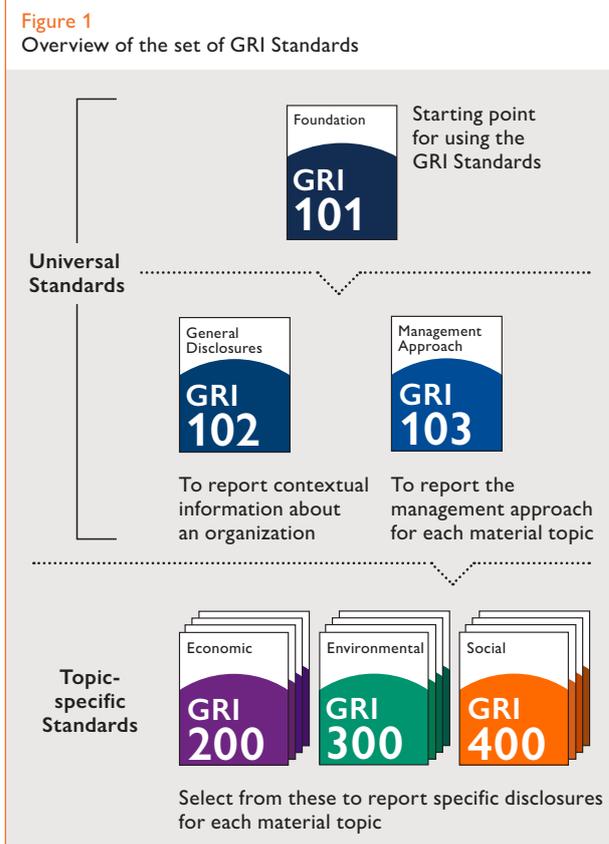## B. Using the GRI Standards and making claims

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 404: Training and Education*, 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

Universal Standards

Foundation **GRI 101**	Starting point for using the GRI Standards
General Disclosures **GRI 102**	Management Approach **GRI 103**
To report contextual information about an organization	To report the management approach for each material topic

Topic-specific Standards

Economic **GRI 200**	Environmental **GRI 300**	Social **GRI 400**

Select from these to report specific disclosures for each material topic

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.

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

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

The disclosures in this Standard can provide information about an organization's impacts related to training and education, and how it manages these impacts.

GRI 404: Training and Education

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 404-1 Average hours of training per year per employee
- Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs
- Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

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.

Reporting requirements

1.1 The reporting organization shall report its management approach for training and education using *GRI 103: Management Approach*.

2. Topic-specific disclosures

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

Reporting requirements

> **The reporting organization shall report the following information:**
>
> a. **Average hours of training that the organization's <u>employees</u> have undertaken during the reporting period, by:**
>
>   i. **gender;**
>
>   ii. **<u>employee category</u>.**

Reporting recommendations

2.1   When compiling the information specified in Disclosure 404-1, the reporting organization should:

    2.1.1   express employee numbers as either head count or Full Time Equivalent (FTE), and disclose and apply the approach consistently in the period, and between periods;

    2.1.2   use data from Disclosure 102-7 in *GRI 102: General Disclosures* to identify the total number of employees;

    2.1.3   draw from the information used for Disclosure 405-1 in *GRI 405: Diversity and Equal Opportunity* to identify the total number of employees by employee category.

Guidance

Guidance for Disclosure 404-1

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

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

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

Training does not include on-site coaching by supervisors.

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

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

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

Average training hours per male

=

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

Average training hours per employee category

=

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

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

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

Reporting requirements

The reporting organization shall report the following information:

a. Type and scope of programs implemented and assistance provided to upgrade <u>employee</u> skills.

b. Transition assistance programs provided to facilitate <u>continued employability</u> and the management of career endings resulting from retirement or termination of employment.

Guidance

Guidance for Disclosure 404-2

Employee training programs that aim to upgrade skills can include:

*   internal training courses;

*   funding support for external training or education;

*   the provision of sabbatical periods with guaranteed return to employment.

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

*   pre-retirement planning for intended retirees;

*   retraining for those intending to continue working;

*   severance pay, which can take into account employee age and years of service;

*   job placement services;

*   assistance (such as training, counselling) on transitioning to a non-working life.

Background

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

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

Reporting requirements

The reporting organization shall report the following information:

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

Reporting recommendations

2.2 When compiling the information specified in Disclosure 404-3, the reporting organization should:

2.2.1 use data from Disclosure 102-7 in *GRI 102: General Disclosures* to identify the total number of employees;

2.2.2 draw from the information used for Disclosure 405-1 in *GRI 405: Diversity and Equal Opportunity* to identify the total number of employees by employee category.

Guidance

Background

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

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

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 140, 'Paid Educational Leave Convention', 1974.

2. International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.

3. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.

4. International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.

5. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.

6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprise*s, 2011.

standards@globalreporting.org
www.globalreporting.org

GRI
PO Box 10039
1001 EA
Amsterdam
The Netherlands