

# GRI 404: TRAINING AND EDUCATION 2016

# GRI 404

---

# Contents

---

<b>Introduction</b>	<b>3</b>
<b>GRI 404: Training and Education</b>	<b>5</b>
1. Management approach disclosures	5
2. Topic-specific disclosures	6
Disclosure 404-1 Average hours of training per year per employee	6
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	8
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	9
<b>Glossary</b>	<b>10</b>
<b>References</b>	<b>12</b>

---

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

## B. Using the GRI Standards and making claims

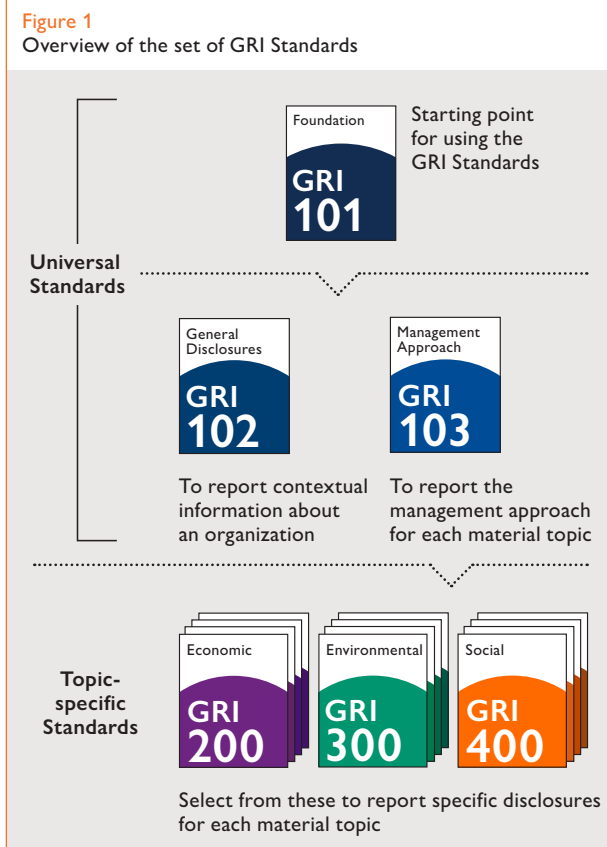
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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.**



---

## 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

Disclosure  
404-1

The reporting organization shall report the following information:

- a. Average hours of training that the organization's employees have undertaken during the reporting period, by:
  - i. gender;
  - ii. employee category.

##### 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:

$$\begin{array}{l} \text{Average training hours per employee} \\ = \\ \frac{\text{Total number of training hours provided to employees}}{\text{Total number of employees}} \\ \\ \text{Average training hours per female} \\ = \\ \frac{\text{Total number of training hours provided to female employees}}{\text{Total number of female employees}} \end{array}$$

---

**Disclosure 404-1**

Continued

$$\begin{array}{l} \text{Average training hours per male} \\ = \\ \frac{\text{Total number of training hours provided} \\ \text{to male employees}}{\text{Total number of male employees}} \\ \\ \text{Average training hours per employee category} \\ = \\ \frac{\text{Total number of training hours provided} \\ \text{to each category of employees}}{\text{Total number of employees in category}} \end{array}$$

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

Disclosure  
404-2

The reporting organization shall report the following information:

- a. Type and scope of programs implemented and assistance provided to upgrade employee skills.
- b. Transition assistance programs provided to facilitate continued employability 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

Disclosure  
404-3

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.

# Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions 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.

## continued employability

adaptation to the changing demands of the workplace through the acquisition of new skills

## employee

individual who is in an employment relationship with the organization, according to national law or its application

## employee category

breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

**Note:** This information is derived from the organization's own human resources system.

## impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

**Note 1:** In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

**Note 2:** Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

## material topic

topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

**Note 1:** For more information on identifying a material topic, see the [Reporting Principles for defining report content](#) in *GRI 101: Foundation*.

**Note 2:** To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

**Note 3:** Material topics can include, but are not limited to, the topics covered by the GRI Standards in the 200, 300, and 400 series.

## regular performance and career development review

review based on criteria known to the employee and his or her superior

**Note 1:** The review is undertaken with the knowledge of the employee at least once per year.

**Note 2:** The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.

# 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 Enterprises*, 2011.

standards@globalreporting.org  
www.globalreporting.org

GRI  
PO Box 10039  
1001 EA  
Amsterdam  
The Netherlands

---

### Legal liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

---

### Copyright and trademark notice

This document is copyright-protected by Stichting Global Reporting Initiative (GRI). The reproduction and distribution of this document for information and/or use in preparing a sustainability report is permitted without prior permission from GRI. However, neither this document nor any extract from it may be reproduced, stored, translated, or transferred in any form or by any means (electronic, mechanical, photocopied, recorded, or otherwise) for any other purpose without prior written permission from GRI.

Global Reporting Initiative, GRI and logo, GSSB and logo, and GRI Sustainability Reporting Standards (GRI Standards) are trademarks of Stichting Global Reporting Initiative.

© 2018 GRI  
All rights reserved.

ISBN: 978-90-8866-115-0