Labor Practices & Decent Work

Performance Indicators

Aspect: Employment

CORE **LA1** Total workforce by employment type, employment contract, and region.

CORE **LA2** Total number and rate of employee turnover by age group, gender, and region.

ADD **LA3** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

Aspect: Labor/ Management Relations

CORE **LA4** Percentage of employees covered by collective bargaining agreements.

CORE **LA5** Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

Aspect: Occupational Health and Safety

ADD **LA6** Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

CORE **LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.

CORE **LA8** Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

ADD **LA9** Health and safety topics covered in formal agreements with trade unions.Health and safety topics covered in formal agreements with trade unions.

Aspect: Training and Education

CORE **LA10** Average hours of training per year per employee by employee category.

ADD **LA11** Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

ADD **LA12** Percentage of employees receiving regular performance and career development reviews.

Aspect: Diversity and Equal Opportunity

CORE **LA13** Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

CORE **LA14** Ratio of basic salary of men to women by employee category.

Relevance

The ILO Decent Work Agenda is framed within the context of fair globalization, which aims to achieve both economic growth and equity through a combination of social and economic goals. The Agenda has four elements:

- Employment;
- Dialogue;
- Rights; and
- Protection.

The structure of the Labor Indicators is broadly based on the concept of decent work. The set begins with disclosures on the scope and diversity of the reporting organization's workforce, emphasizing aspects of gender and age distribution.

The approach to dialogue between the organization and its employees, and the degree to which employees are organized in representative bodies are covered by Indicators LA4 (which complements Indicator HR5 on Freedom of Association and Collective Bargaining) and LA5.

The physical protection and well-being of people at work is covered by Occupational Health and Safety Indicators (LA6, LA7, LA8, LA9), which address both the scope of programs as well as statistical performance on health and safety.

The scope of employee benefits and contributions toward a broad social goal of diversity and equal treatment is addressed by LA14 (Pay Equity), LA13 (Diversity) and LA3 (Benefits). Indicators in the Economics category also provide relevant information. The support organizations provide to employees to enhance personal skills and potential (which also improves the organization's human capital) is represented in Indicators LA10, LA11, and LA12.

Definitions

Total workforce

The total number of persons working for the reporting organization at the end of the reporting period (i.e., the sum of all employees and supervised workers as defined above).

Worker

Generic term for any person performing work, regardless of the contractual relationship.

Employee

An individual who is, according to national law or practices, recognized as an employee of the reporting organization.

Supervised worker

An individual who performs regular work on-site for, or on behalf of, the reporting organization but is not recognized as an employee under national law or practice.

Independent contractor

An individual legally recognized as being self-employed.

Collective bargaining agreements

There are two types of collective bargaining agreements, aimed either at employers or workers. Those aimed at employers are agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers, or one or more employers' organizations. Those aimed at workers are agreements between one or more representative workers' organizations, or, in the absence of such organizations, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations.

Employee categories

General breakdown of employees based on the function or department within the organization (e.g., senior management, middle management, professional, technical, administrative, production, maintenance, etc.) derived from an organization's own human resources system.

General References

- ILO Convention 135, 'Workers' Representatives Convention', 1971.
- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Decent Work Agenda, 1999.
- ILO Tripartite Declaration Concerning Multi-nationals and Social Policy, 1977, amended 2000.

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- OECD Principles of Corporate Governance, 2004.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- United Nations Millennium Declaration, 2000.

LA1 Total workforce by employment type, employment contract, and region.

1. Relevance

The size of a workforce provides insight into the scale of impacts created by labor issues. Breaking down the workforce by employment type, employment contract, and region (region refers to 'country' or 'geographical area') demonstrates how the organization structures its human resources to implement its overall strategy. It also provides insight into the organization's business model, and offers an indication of job stability and the level of benefits the organization offers. As a basis for calculations in several other Indicators, the size of the workforce is a standard normalizing factor for many integrated Indicators. A rise or fall in net employment, evidenced by data reported over the course of three or more years, is an important element of the organization's contribution to the overall economic development and sustainability of the workforce.[1]

2. Compilation

2.1 Identify the total workforce (employees and supervised workers) working for the reporting organization at the end of the reporting period. Supply chain workers are not included in this Indicator.

2.2 Identify the contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based.

2.3 Combine country statistics to calculate global statistics and disregard differences in legal definitions. Although the definitions of what constitutes types of contract and a full-time or part-time employment relationship may vary between countries, the global figure will still reflect the relationships under law.

2.4 Report the total workforce broken down by employees and supervised workers.

2.5 If a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, this should be reported.

2.6 Report the total number of employees broken down by type of employment contract.

2.7 Report the total number of permanent employees broken down by employment type.

2.8 Report the total workforce broken down by region, using a geographic breakdown based on the scale of the organization's operations.

2.9 If applicable, explain any significant seasonal variations in employment numbers (e.g., in the tourism or agricultural industries).

3. Definitions

Employment types

Full time: A 'full-time employee' is defined according to national legislation and practice regarding working time (e.g., national legislation defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full time' as defined above.

Employment Contract

An employment contract as recognized under national law or practice that may be written, verbal, or implicit (i.e., when all the characteristics of employment are present but without a written or witnessed verbal contract).

Indefinite or Permanent Contract:
A permanent contract of employment is a contract with an employee for full-time or part-time work for an indeterminate period.

Fixed Term or Temporary Contract:
A fixed term contract is a contract of employment as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed.

A temporary contract of employment is of limited duration and terminated by a specific event, including the end of a project or work phase, return of replaced personnel, etc.

[1] See GRI Guidelines on expectations regarding reporting of multiple years' data.

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4. Documentation

Payroll information available at the national or site level should provide data for this Indicator.

5. References

- ILO: International Classification of Status in Employment.
- ILO: Key Indicators of the Labour Market.
- ILO: LABORSTA Internet Indicators.
- United Nations: World Macro Regions and Components.

LA2 Total number and rate of employee turnover by age group, gender, and region.

1. Relevance

A high turnover rate can indicate levels of uncertainty and dissatisfaction among employees, or may signal a fundamental change in the structure of the organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for recruitment of workers. Employment net creation can be estimated using the data reported under Indicator LA1.

2. Compilation

2.1 Identify the total number of employees leaving employment during the reporting period.

2.2 Report the total number and rate of employees leaving employment during the reporting period, broken down by gender, age group (e.g., <30; 30-50; >50), and region.

Rates should be calculated using the total employee numbers at the end of the reporting period.

3. Definitions

Turnover

Number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

4. Documentation

Potential sources of information include payroll information available at the national or site level. Operational plans and restatements of the organization's key strategic targets may provide explanations for large variations in this figure.

5. References

None.

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LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

1. Relevance

Data reported under this Indicator provides a measure of the organization's investment in human resources and the minimum benefits it offers its full time employees. The quality of benefits for full-time staff is a key factor in retaining employees. The Indicator also offers an indication of the relative investment in different parts of the workforce.

2. Compilation

2.1 Identify benefits offered to all employees.

2.2 Report which of the following benefits are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by major operations:

- Life insurance;
- Health care;
- Disability/invalidity coverage;
- Maternity/paternity leave;
- Retirement provision;
- Stock ownership; and
- Others.

2.3 Standard benefits refer to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to every single full-time employee of the organization. The intention of the Indicator is to disclose what full-time employees can reasonably expect.

3. Definitions

Benefits

This refers to either direct benefit provided in the form of financial contributions, care paid for by the reporting organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements could also be included under this Indicator. In-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs are excluded from this Indicator.

4. Documentation

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other reference tools may include benefits summaries, employee orientation/commencement materials, and employee contracts.

5. References

- ILO Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
- ILO Convention 121, 'Employment Injury Benefits Convention', 1964.
- ILO Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
- ILO Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
- ILO Convention 132, 'Holidays with Pay Convention (Revised)' 1970.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 157, 'Maintenance of Social Security Rights', 1982.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
- ILO Convention 183, 'Maternity Protection Convention', 2000.
- OECD Guidelines for Multinational Enterprises, Revision 2000.

LA4 Percentage of employees covered by collective bargaining agreements.

1. Relevance

Freedom of association is a human right as defined by international declarations and conventions, particularly ILO Core Conventions 87 & 98. Collective bargaining is an important form of stakeholder engagement and particularly relevant for reporting guidelines. It is a form of stakeholder engagement that helps build institutional frameworks and is seen by many as contributing to a stable society. Together with corporate governance, collective bargaining is part of an overall framework that contributes to responsible management. It is an instrument used by parties to facilitate collaborative efforts to enhance the positive social impacts of an organization. The percentage of employees covered by collective bargaining agreements is the most direct way to demonstrate an organization's practices in relation to freedom of association.

2. Compilation

2.1 Use data from LA1 as the basis for calculating percentages for this Indicator.

2.2 Binding collective bargaining agreements include those signed by the reporting organization itself or by employer organizations of which it is a member. These agreements can be at the sector, national, regional, organizational, or workplace level.

2.3 Identify the total number of employees covered by collective bargaining agreements.

2.4 Report the percentage of total employees covered by collective bargaining agreements.

3. Definitions

None.

4. Documentation

Records of formal recognition agreements and signed collective agreements with independent trade unions will normally be held by the human resources or personnel department of the reporting organization.

5. References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Convention 135, 'Workers' Representatives Convention', 1971.
- ILO Convention 154, 'Collective Bargaining Convention', 1981 and Recommendations 91, 'Collective Agreements Recommendation' 1951, and 163, 'Collective Bargaining Recommendation', 1981.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998, Article 2 (a).
- OECD Guidelines for Multinational Enterprises, Section IV, Paragraph 2 (a).

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LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

1. Relevance

This Indicator 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 may have positive or negative implications for workers). Timely and effective consultation with workers and other relevant parties, where practicable (such as with governmental authorities), helps to minimize any adverse impacts from operating changes on workers and related communities.

Minimum notice period(s) are an Indicator of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations. This Indicator also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms. Consultative practices that result in good industrial relations can help provide positive working environments, reduce turnover, and minimize operational disruptions.

2. Compilation

2.1 Report the minimum number of weeks notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.

2.2 For organizations with collective bargaining agreements, report whether the notice period and/or provisions for consultation and negotiation are specified in collective agreements.

3. Definitions

Significant operational changes

Alterations to the reporting organization's pattern of operations that will have substantial positive or negative consequences for its employees. Such changes may include, for example, restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.

4. Documentation

Agreements specific to the organization will provide data for this Indicator.

5. References

- Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), 1944 - Annex to the ILO Constitution – Articles I (a) and III (e).
- ILO Convention 158, 'Termination of Employment Convention', 1982.
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 1997.
- ILO Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
- ILO Recommendation 135, 'Workers' Representatives' Convention', 1971.
- OECD Guidelines for Multinational Companies, Revision 2000, Article IV, (2) & (3).
- OECD Principles of Corporate Governance, 2004 (notably Article IV, C, D & E).

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

1. Relevance

A health and safety committee with joint representation can facilitate a positive health and safety culture. The use of committees is one way to involve workers in driving the improvement of occupational health and safety in the workplace. This Indicator provides one measure of the extent to which the workforce is actively involved in health and safety.

2. Compilation

2.1 Identify formal health and safety committees that help monitor and advise on occupational safety programs at the facility level or higher with joint management/labor representation. 'Formal' refers to committees whose existence and function are integrated in the reporting organization's organizational and authority structure, and that operate according to certain agreed, written rules.

2.2 Report the percentage of the total workforce represented in formal joint management-worker health and safety committees:

- None;
- Up to 25%;
- Between 25% and 50%;
- Between 50% and 75%; and
- Over 75%.

2.3 Report the level(s) at which the committee(s) typically operates (e.g., at facility level and/or at multi-facility, region, group, or company levels). This may either be a result of a formal policy, procedure, or informal practice within the organization.

3. Definitions

None.

4. Documentation

Potential sources of information include organizational procedures and minutes of occupational health & safety committee(s).

5. References

- ILO Convention 155, 'Occupational Safety and Health Convention' and Protocol 155, 1981.
- ILO Convention 161, 'Occupational Health Services Convention', 1985.

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LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.

1. Relevance

Health and safety performance is a key measure of an organization's duty of care. Low injury and absentee rates are generally linked to positive trends in staff morale and productivity. This Indicator will show whether health and safety management practices are resulting in fewer occupational health and safety incidents.

2. Compilation

2.1 This Indicator should provide a regional breakdown for the following:

- The total workforce (i.e., total employees plus supervised workers); and
- Independent contractors working on-site to whom the reporting organization is liable for the general safety of the working environment.

2.2 Since some reporting organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

2.3 In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'; and
- At what point the 'lost days' count begins (e.g., the day after the accident or 3 days after the accident).

2.4 Report injury, occupational diseases, lost days, and absentee rates in the reporting period using the following formulas by region:

- Injury rate (IR)
  Note: The injury rate should capture fatalities.
- Occupational diseases rate (ODR)
- Lost day rate (LDR)
- Absentee rate (AR)

  Note: The factor 200,000 is derived from 50 working weeks @ 40 hours per 100 employees. By using this factor, the resulting rate is related to the number of employees, not the number of hours.

2.5 Report fatalities in the reporting period using an absolute number, not a rate.

2.6 Report the system of rules applied in recording and reporting accident statistics. The 'ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases' was developed for the reporting, recording, and notification of workplace accidents. Where national law follows the ILO recommendations, it is sufficient to state that fact and that practice follows the law. In situations where national law does not comply, indicate which system of rules it applies and their relationship to the ILO code.

3. Definitions

Injury

A non-fatal or fatal injury arising out of or in the course of work.

Injury rate

The frequency of injuries relative to the total time worked by the total workforce in the reporting period.

Occupational disease

A disease arising from the work situation or activity (e.g., stress or regular exposure to harmful chemicals), or from a work-related injury.

Occupational disease rate

The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.

Lost day

Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organization does not count as lost days.

Lost day rate

The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

Absentee

An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity/paternity, and compassionate leave are excluded.

Absentee rate

Refers to a measure of actual absentee days lost as defined above, expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Fatality

The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the reporting organization's employ.

4. Documentation

Employee records, employee contracts, attendance records, and accident records will provide relevant data for this Indicator.

5. References

- ILO Convention 155, 'Occupational Health & Safety Convention' and Protocol 155, 1981.
- ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases, 1995.
- ILO Guidelines on Occupational Safety and Health Management Systems, 2001.

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LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

1. Relevance

As part of a preventative strategy for managing the health and safety of its workforce, this Indicator is relevant for any organization. It also has specific relevance for organizations working in countries with a high risk or incidence of communicable diseases, and those in professions that have a high incidence of specific diseases. The Indicator helps demonstrate the extent to which such issues have been addressed in organizational programs and the degree to which best practices are applied. Preventing serious diseases contributes to the health, satisfaction, and stability of the workforce, and helps maintain the organization's social license to operate in a community or region.

2. Compilation

2.1 Report the programs related to assisting workforce members, their families, or community members regarding serious diseases using the table below:

Assistance Programs								
	Education/ Training		Counseling		Prevention/ Risk Control		Treatment	
Program recipients	Yes	No	Yes	No	Yes	No	Yes	No
Workers								
Workers' families								
Com-munity members								

2.2 Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

3. Definitions

Risk control

Practices that seek to limit exposure and transmission of diseases.

Serious diseases

Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities, such as HIV/AIDS, diabetes, RSI, and stress.

4. Documentation

Potential sources of information include organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health center records.

5. References

- GRI Cross-Reference: Reporting Guidance on HIV/AIDS: A GRI Resource Document. LA8 is a standard Indicator relevant for HIV/AIDS. Reporting organizations operating in areas with high prevalence should consider expanding their reporting on this issue and can view the GRI Resource Document for examples.

LA9 Health and safety topics covered in formal agreements with trade unions.

1. Relevance

This Indicator demonstrates one of the ways in which the health and safety of the workforce is ensured. Formal agreements can promote the acceptance of responsibilities by both parties and the development of a positive health and safety culture. This Indicator will reveal the extent to which the workforce is actively involved in formal, labor-management agreements that determine health and safety management arrangements.

2. Compilation

2.1 Report whether formal agreements (either local or global) with trade unions cover health and safety. (Yes/No)

2.2 If yes, report the extent to which various health and safety topics are covered by local and global agreements signed by the organization.

Agreements at the local level typically address topics such as:

- Personal protective equipment;
- Joint management-employee health and safety committees;
- Participation of worker representatives in health and safety inspections, audits, and accident investigations;
- Training and education;
- Complaints mechanism;
- Right to refuse unsafe work; and
- Periodic inspections.

Agreements at the global level typically address topics such as:

- Compliance with the ILO;
- Arrangements or structures for resolving problems; and
- Commitments regarding target performance standards or level of practice to apply.

3. Definitions

Formal agreements

Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.

4. Documentation

Potential sources of information include collective agreements with trade unions.

5. References

- ILO Convention 155, 'Occupational Safety and Health Convention' and its Protocol 155, 1981.

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LA10 Average hours of training per year per employee by employee category.

1. Relevance

Maintaining and improving human capital, particularly through training that expands the knowledge base of employees, is a key element in organizational development. This Indicator provides insight into the scale of the organization's investment in this area and the degree to which the investment is made across the entire employee base. Access to training opportunities can also support progress in other areas of social performance, such as ensuring equal opportunity in the workplace. It also contributes to motivating improvement at the personal and organizational level.

2. Compilation

2.1 Identify the total number of employees in each employment category across the organization's operations at the end of the reporting year (e.g., senior management, middle management, professional, technical, administrative, production, maintenance, etc.). The organization should define employment categories based on its human resources system.

2.2 Identify total hours devoted to training personnel within each employee category.

2.3 Report the average number of hours of training per year per employee by employee category using the following formula:

$$LA10 = \frac{\text{Total hours per employee category}}{\text{Total employees per employee}}$$

3. Definitions

Training

Refers to:

- All types of vocational training and instruction;
- Paid educational leave provided by the reporting organization for its employees;
- Training or education pursued externally and paid for in whole or in part by the reporting organization; and
- Training on specific topics such as health and safety.

Training does not include on-site coaching by supervisors.

4. Documentation

Potential sources of information include employee records and training schedules.

5. References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 155, 'Occupational Safety and Health Convention', 1981.
- OECD Guidelines for Multinational Enterprises, Revision 2000, Articles II, 4 & IV, 2 (c), 3 & 5.

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

1. Relevance

Programs for skills management allow organizations to plan skills acquisitions that will equip employees to meet strategic targets in a changing work environment. A more skilled and aware workforce enhances the organization's human capital and contributes 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 will be supported in their transition from work to retirement. The goal of lifelong learning is to promote the development of knowledge and competencies that will enable each citizen to adapt to a rapidly-changing labor market and to participate actively in all spheres of economic life.

2. Compilation

2.1 Do employee training or assistance programs to upgrade skills provide any of the following?

- Internal training courses;
- Funding support for external training or education; and
- The provision of sabbatical periods with guaranteed return to employment.

2.2 Do transition assistance programs to support employees who are retiring or who have been terminated provide any of the following:

- Pre-retirement planning for intended retirees;
- Retraining for those intending to continue working;
- Severance pay;
- If severance pay is provided, does it take into account employee age and years of service;
- Job placement services; and
- Assistance (e.g., training, counseling) on transitioning to a non-working life.

3. Definitions

Continued employability

Adaptation to the changing demands of the workplace through the acquisition of new skills.

Career endings

Retirement by reaching statutory national retiring age or termination in the face of restructuring.

Skills management

Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization and/or the industry.

Lifelong learning

Acquiring and updating abilities, knowledge, qualifications, and interests throughout life, from pre-school years to post-retirement.

4. Documentation

Potential sources of information include organizational procedures for termination and employee records.

5. References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.

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LA12 Percentage of employees receiving regular performance and career development reviews.

1. Relevance

Appraising employee performance against common targets aids the personal development of individual employees and contributes to both skills management and the development of human capital within the organization. Employee satisfaction can also be enhanced, which correlates with improved organizational performance. This Indicator indirectly demonstrates how the reporting organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with LA12, the Indicator helps illustrate how the organization approaches skills enhancement. The percentage of employees receiving regular performance and career development reviews demonstrates the extent to which this system is applied throughout the organization.

2. Compilation

2.1 Identify the total number of employees. The total number of employees should match that reported under LA1.

2.2 Report the percentage of total employees who received a formal performance appraisal and review during the reporting period.

3. Definitions

Regular performance and career development review

Performance targets and reviews are based on criteria known to the employee and his/her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review may also involve personnel from the human resources department.

4. Documentation

Potential sources of information include personnel records.

5. References

- ILO Convention 142, 'Human Resources Development', 1975.

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

1. Relevance

This Indicator provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. The level of diversity within an organization provides insights into the human capital of the organization. Comparisons between broad workforce diversity and management team diversity also offer information on equal opportunity. Detailed information on the composition of the workforce can also help in assessing which issues may be of particular relevance to certain segments of the workforce.

2. Compilation

2.1 Identify the diversity Indicators used by the reporting organization in its own monitoring and recording that may be relevant for reporting.

2.2 Identify the total number of employees in each employee category (e.g., board, senior management, middle management, administrative, production, etc.). Categories of employment should be defined based on the reporting organization's own human resources system. The total number of employees should match that reported in LA1.

2.3 Report the percentage of employees in each of the following categories: (% of employees)

- **Gender:** Female / Male
- **Minority groups**
- **Age groups:** Under 30 years old, 30-50 years old, over 50 years old

2.4 Report the percentage of individuals within the organization's governance bodies (e.g., the board of directors, management committee, or similar body for non-corporate reporting organizations) in each of the following categories:
(% of Individuals within Governance Bodies)

- **Gender:** Female / Male
- **Minority groups**
- **Age groups:** Under 30 years old, 30-50 years old, over 50 years old

3. Definitions

Governance bodies

The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

Indicators of diversity

Indicators for which the reporting organization gathers data may include, for example, citizenship, ancestry and ethnic origin, creed, and disability.

4. Documentation

Potential sources of information include employee records and minutes of equal opportunity committees.

5. References

- Convention on the Elimination of All Forms of Discrimination Against Women: UN GA: Resolution 34/180 of 18 December 1979.
- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief: UN GA: Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy: Art. 21, 22, 23, 1977.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Convention concerning Discrimination in Respect of Employment and Occupation, 1958 (No.111).

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- International Convention on the Elimination of All Forms of Racial Discrimination of 4 January 1969.
- OECD Guidelines for Multinational Enterprises, Revision 2000 (Employment and Industrial Relations Section).
- United Nations Global Compact: Principle 6, 26 July 2000.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: UN GA Resolution 1904 (XVIII) of 20 November 1963.

LA14 Ratio of basic salary of men to women by employee category.

1. Relevance

Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on 'Equal Remuneration for Men and Women Workers for Work of Equal Value'. Equality of remuneration is a factor in retaining qualified candidates in the workforce. Where imbalances exist, an organization runs a risk to its reputation and legal challenges on the basis of discrimination.

2. Compilation

2.1 Identify the total number of employees in each employee category across the reporting organization's operations, broken down by gender using the information from LA13. Employee categories should be defined based on the reporting organization's own human resources system. The total number of employees should match that reported in LA1.

2.2 Identify the basic salary for women and for men in each employee category.

2.3 Any convenient pay period (e.g., hourly, weekly, monthly, or annually) may be used for this data.

2.4 Report the ratio of the basic salary of women to the basic salary of men for each employee category.

3. Definitions

Basic Salary

A fixed, minimum amount paid to an employee for performing his/her duties. This does not include any additional remuneration such as that based on years of service, overtime work, bonuses, benefit payments, or any additional allowances (e.g., transportation allowances).

4. Documentation

Sources of information for this Indicator include employee and payment records.

5. References

- ILO Convention 100, 'Equal Remuneration for Men and Women Workers for Work of Equal Value', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation', 1958.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.

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