

Indicator Protocols Set: Labor Practices & Decent Work

Note to reviewers of the G3:

One of the objectives identified through the structured feedback process was to increase the comparability of the performance indicators and the degree to which they focus on outcomes and results. This has resulted in two significant changes:

- The creation of the “disclosures on management approach” as the vehicle to capture disclosures regarding processes and narrative information that provides context for performance; and*
- Changing a number of indicators that were formerly descriptions of policies and procedures into measures of comparable qualitative or quantitative information on results or outcomes that indicate performance.*

These changes have particularly affected the nature of the social indicators, notably those for human rights and labour, which are more difficult to put into a meaningful quantitative format than environmental and economic indicators.

The TAC has noted that the range of views on how best to balance the need for process-related information and comparable measures in these human rights and labour indicators is greater than for other sets. Further work on them is expected to achieve an appropriate balance in the Final G3 Guidelines. This will pertain in particular to the sufficiency of process-related information and its division between the disclosures on management approach and the indicators and the meaningfulness of the revised set of indicators for all stakeholders.

Feedback is therefore specifically invited on the:

- 1. Revisions to these formerly qualitative indicators; and*
- 2. Sufficiency of process-related information and its division between the disclosures on management approach and the indicators.*

Please use the public comment form on the GRI website to provide this feedback.

Disclosure on Management Approach	
Provide a concise disclosure on the following items. Respond with reference to: • Employment • Labor/Management Relations • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity	
Policy	State any brief, organization-wide policy (or policies) that define the organization's overall commitment on the areas

	listed above or state where this can be found in the public domain (e.g. web link) and reference their linkage to the international standards and conventions as indicated above.
Responsibility	Identify the most senior position with operational responsibility for Labor areas or explain how operational responsibility is divided at the senior level for Labor areas.
Management	Identify key elements of management approach that supports the division of management responsibilities. This should include procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations and description of monitoring systems set up along the supply chain. Also indicate certifications for labor-related systems obtained from outside parties. Indicate percentage of operations covered by certifications.
Goals & Performance	List organization-wide goals set regarding performance relevant to the labor category and reference their linkage to the international standards and conventions as indicated above.¹ Report performance against goals. Use company-specific indicators as needed in addition to the GRI performance indicators.
Awards	Identify relevant awards related to performance on Labor issues that the organization has received from external parties.
Fines	Indicate the total amount and number of Labor related civil and criminal fines and other penalties (including imprisonment) assessed against the organization or its directors and officers when in their organizational capacity. Explain what response has been taken to resolve any issue for which significant fines were paid or for which organization's directors or officers were imprisoned.
Context	Disclose other relevant information required for user to understand organizational performance, including: • Key successes and shortcomings; • Major organizational risks and opportunities related Labor issues; and • Major changes in the reporting period to systems or

¹ A 'goal' refers to an organization-wide result which the organization intends to achieve and against which progress can be measured.

	structures to improve performance.
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Performance Indicators

Aspect	Core Indicators	Additional Indicators
Employment	LA1. Breakdown of total workforce by employment type and by region.	LA3. Minimum benefits provided to full-time employees, which are not provided to temporary or part-time employees.
	LA2. Total number and rate of employee turnover broken down by age group and gender.	
Labor/ Management Relations	LA4. Percentage of employees represented by independent trade union organizations or covered by collective bargaining agreements.	
	LA5. Minimum notice period(s) and consultation and negotiation practices with employees and/or their representatives regarding operational changes.	
Occupational Health and Safety	LA6. Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	LA9. Elements of occupational health and safety management approach. LA10. Health and safety topics covered in formal agreements with trade unions.
	LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	
	LA8. Education, training, counseling, prevention and risk-control programs in place for assisting workforce members, their families or community members affected by HIV/AIDS or other serious communicable diseases.	
Training and Education	LA11. Average hours of training per year per employee broken down by employee category.	LA12. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
		LA13. Percentage of employees receiving regular performance and career development review.

Diversity and Equal Opportunity	LA14. Composition of governance bodies' and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	LA15. Ratio of average remuneration of men and women broken down by employee category.
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Relevance

The ILO Decent Work Agenda is set in the context of a fair globalization to achieve economic growth with equity through achieving a blend of social and economic goals. It has four elements:

- Employment
- Dialogue
- Rights
- 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 of the employees' organization into representative structures is covered under 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, LA19, LA10), which address both the scope programs as well as statistical performance on health and safety.

The scope of benefits employees and contributions to the social goal of equal treatment is addressed by LA15 on pay equity and LA3 on benefits. Indicators in the economics category also provide further related information. The organization's enabling employees to enhance personal skills and potential, and also improve the organization's human capital, is shown in indicators LA11, LA12, and LA13,

Definitions

Workforce

The following terms will be used consistently throughout these indicators, defined as follows:

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

Employee - Person who has a direct employment relationship with the reporting organization, as evidenced by a contract of employment that may be explicit or implicit (written or oral).

Supervised contracted worker - Person who directly supplies work and services to the reporting organization but whose formal contract of employment is with another organization.

Independent contractor – Person performing work only indirectly associated with the reporting organization and whose contract of employment is with another organization.

Total Workforce - The total number of persons working for the reporting organization at the end of the reporting period – the sum of all employees and supervised contract workers as defined above.

Independent trade union organizations

'An organization of workers, freely established by them to further and defend their interests and that is neither under the influence or domination of employers or organizations of employers, nor under the influence or domination of government or any other authority than that of its own members and that is recognized as a trade union under local law'.

Difficulties of interpretation may arise in countries where the existence of independent trade unions as defined by the ILO is banned or severely restricted by local law. Under these circumstances, some employers have sought to encourage the formation by their employees of internal committees or associations. For the purposes of this indicator, such worker organizations are included as independent trade unions to the extent that they are autonomous, governed and supported only by their members and are able to bargain collectively for formal agreements.

Collective bargaining agreements

Agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers' organizations, on the one hand, and 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, on the other.

Worker representation

Representation by persons who are recognized as worker representatives under national law or practice, whether they are:

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

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 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'.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.
- ILO Decent Work Agenda
- ILO Tripartite Declaration Concerning Multinationals and Social Policy.
- OECD Principles of Corporate Governance, 2004.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- United Nations Millenium Declaration, 2000.

LA1. *Breakdown of total workforce by employment type and by region.*

1. Relevance

The size of the workforce allows insight into the scale of labor-related impacts. The breakdown of the workforce how the organization structures its human resources to implement its strategy and provides insight into the organization's business model. The type of employment also offers indication of stability and level of benefits of the jobs created. The size of the workforce is a basis for calculations used in several other indicators and is a standard normalizing factor for many integrated indicators. The rise or fall in net employment, as demonstrated by data reported over the course of three or more years, illustrates one important aspect of the organization's contribution to the economic development and sustainability of the work community².

2. Compilation

- 1.1 When collecting data on the workforce, assess the full-time/part-time status of workforce members based on the definitions under the national laws of the country where they are based. Independent contractors and workers in the supply chain are not included in this indicator.
- 1.2 In consolidating data, add country statistics to calculate global statistics and disregard differences in legal definitions. Although the definition of what constitutes a full-time or part-time employment relationship may vary between countries, the global figure will still reflect the relationship under law.
- 1.3 State the number of individuals for each type of employee is in the organization's employ at the end of the reporting period.
- 1.4 Use a regional breakdown that is based on the scale of the organization's operations.
- 1.5 If applicable, describe any significant seasonal variations in employment numbers (e.g., in the tourism or agricultural industries).

3. Definitions

Employment types

- *Full time employment*
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.
- *Supervised contract worker*

² See GRI Guidelines on expectations regarding reporting of multiple years' data.

Person who directly supplies work and services to the reporting organization but whose formal contract of employment is with another organization.

5. *Documentation*

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

6. *References*

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

LA2. *Total number and rate of employee turnover broken down by age group and gender.*

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 potentially inequity in the workplace. Turnover results in changes in 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 from using the data reported under indicator LA1.

2. Compilation

- 2.1 Identify total number of employees leaving employment during the reporting period.
- 2.2 State the absolute number and rate of employees leaving employment during the reporting period, broken down by gender and by age groups (e.g. <30; 30-50; >50).

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 national or site level should provide data for this purpose, as well as operational plans and restatements of the organization's key strategic targets may provide reasons for large variations in this figure.

5. References

None

LA 3. *Minimum benefits provided to full-time employees, which are not provided to temporary or part-time employees.*

1. Relevance

Data reported under this indicator provides a measure of investment in human resource and the minimum benefits that it offers for 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 State which of the following minimum benefits are standard for full-time employees of the organization, but are not furnished to temporary or part-time employees:
- Life insurance
 - Health care
 - Disability/invalidity coverage
 - Maternity/paternity leave
 - Retirement fund
 - Stock ownership
 - Others
- 2.2 Standard benefits refers to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to literally 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 contribution, care paid for by the reporting organization, or the reimbursement of expenses borne by the employee concerned. Redundancy payments over and above legal minima, 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 given 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 may provide examples of benefits paid beyond legal minima. 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, Article IV, 4, (a).

LA4. Percentage of employees represented by independent trade union organizations or 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. The existence of independent trade unions (as demonstrated by the presence of employees who are union members) is the most direct way to prove that policies and commitments to allow freedom of association are operating.

2. Compilation

- 2.1 Use data from LA1 as the basis for calculating percentages for this indicator.
- 2.2 This indicator refers to collective bargaining agreements signed by the reporting organization itself or by employer organizations of which it is a member. These agreements can be at the sector, national, or regional level.
- 2.3 Identify the number of employees represented by an independent trade union.
- 2.4 Identify the number of employees covered by collective bargaining agreements for areas where the number of employees represented by a union is unknown.
- 2.5 State the combined number of employees represented or covered as a percentage of the total number of employees.

4. Definitions

None

5. Documentation

Records of formal recognition agreements and signed collective agreements with independent trade unions will normally be held by the Human Resources/ Personnel department of the reporting organization.

In cases of doubt about the independent nature of an individual trade union body, and in an absence of data to determine its independence according to the ILO criteria given above, the International Confederation of Free Trade Unions (ICFTU) is normally able to provide guidance (see www.icftu.org).

6. 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).

LA5. *Minimum notice period(s) and consultation and negotiation practices with employees and/or their representatives regarding operational changes.*

1. Relevance

This indicator provides insight into the practices of an organization in engaging with its employees and their representatives to negotiate and implement changes to operations (which may hold positive or negative implications for workers). This is relevant for assessing the ability of an organization to make the changes maintain employee satisfaction and motivation while implementing changes to operations. It also enables assessment of the consultation practices against expectations expressed in international norms on the topic. Consultative practices which result in good industrial relations can help reduce turnover and minimize operational disruptions.

2. Compilation

- 2.1 State the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of major operational changes that could substantially affect them.
- 2.2 State whether employees and/or their elected representatives have the opportunity for consultation and negotiation on these changes during the notice period.
- 2.3 For organizations with collective bargaining agreements, state whether the notice period and/or provisions for consultation and negotiation are specified in collective agreements.

3. Definitions

Consultation

Implies timely discussion regarding measures to be taken to avert or minimize terminations, mitigate adverse effects on the workers (through means such as finding alternative employment), and/or to give advance notice of possible expansions in operations. Where employees are members of a trade union, or where formal worker representation systems exist, such consultation will normally take place via those mechanisms.

Negotiation

Implies the existence of representative structures (trade unions or other worker representation) through which negotiations can take place as part of the process.

Operational Changes

Alterations to the reporting organization's pattern of operations that will hold 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.

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 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 structure that has joint representation can facilitate a positive health and safety culture. The use of committees is one approach for involving workers in helping to drive the improvement of occupational health and safety in the workplace. Reporting against this indicator will demonstrate 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 that have joint management/labor representation. 'Formal' refers to committees whose existence and function are integrated into the reporting organization's organizational and authority structure and that operate according to certain agreed, written rules.
- 2.2 State the percentage of the workforce represented in formal joint management-worker health and safety committees:
 - None;
 - up to 25%;
 - between 25 and 50%;
 - between 50 and 75%;
 - over 75%.
- 2.3 State the level(s) at which the committee(s) typically operate (e.g., at facility level and/or at multi-facility, region, group, or company level). This may either be a result of a formal policy or procedure or informal practice within the organization.

3. Definitions

None

4. Documentation

Organizational procedures; minutes of occupational health & safety committees(s).

5. References

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

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

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. Reporting against 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 breakdown according to:
- The total workforce (i.e., total employees, plus supervised contract workers); and
 - Independent contractors working on site towards whom the reporting organization owes liability for the general safety of the working environment.
- 2.2 Since some reporting organizations' systems include minor (first-aid level) injuries, the inclusion or exclusion of such injuries should be identified.
- 2.3 In calculation of 'lost days' it should be identified:
- Whether 'days' means 'calendar days' or 'scheduled work days';
 - At what point the 'lost days' count begins (e.g., the day after the accident or 3 days after the accident).
- 2.4 State injury, occupational diseases ,lost day and absentee rates by calculating each as follows:
- *Injury rate*

$$IR = \frac{\text{No. of injuries}}{\text{Hours Worked}} \times 200,000$$

Note:

The injuries rate should capture fatalities.

- *Occupational diseases rate*

$$ODR = \frac{\text{No. of occupational disease cases}}{\text{Hours Worked}} \times 200,000$$

- *Lost day rate*

$$LDR = \frac{\text{No. of lost days}}{\text{Hours Worked}} \times 200,000$$

- *Absentee rate*

$$AR = \frac{\text{Total of missed (absentee) days over the period}}{\text{Total of workforce s days worked for same period}} \times 200,000$$

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 and not the number of hours.

- 2.5 State fatalities as an absolute number, not a rate.
- 2.6 State 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 would be sufficient to state that fact and that practice follows the law. In situations where national law does not comply, the reporting organization should 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

Expresses 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

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

Lost day

Time ('days'), which 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

Refers to 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 against the total number of hours scheduled to be worked by the workforce in the reporting period.

Absentee

Refers to 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 entire workforce for the same period.

Fatality

The death of an employee 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.

LA8. *Education, training, counseling, prevention and risk-control programs in place for assisting workforce members, their families or community members affected by HIV/AIDS or other serious communicable diseases.*

1. Relevance

Addressing the global HIV/AIDS pandemic and the incidence of other major communicable diseases is linked to efforts to reduce poverty. This indicator also has a general relevance for any organization as a component of a preventative strategy to health and safety management. It also has a specific relevance for organizations working in countries with a high risk of 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 it applies best practices. Preventing the spread of communicable diseases contributes to the health, satisfaction, and stability of the workforce and helps maintain an organization's license to operate in a community or region.

2. Compilation

- 2.1 Check the appropriate boxes below, indicating whether or not the organization has any of the following programs for assisting workforce members, their families or community members in connection with HIV/AIDS:

AIDS/HIV Assistance Programs								
Program recipients	Education/ Training		Counseling		Prevention/ Risk Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Workers								
Workers' families								
Community members								

If other communicable diseases are relevant in the workplace, use the above table to detail your related programs.

- 2.2 State whether there are workers who are involved in occupational circumstances under which there is either a high incidence of or high risk of HIV-Aids or other specific communicable diseases.

3. Definitions

Risk Control

Practices that seek to limit exposure and transmission of diseases.

4. Documentation

Organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health centre records.

5. References

- **GRI Cross Reference:** *Reporting Guidance on HIV/AIDS: A GRI Resource Document* is available at www.globalreporting.org/guidelines/HIV/hiv aids.asp. 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. *Elements of occupational health and safety management approach.*

1. Relevance

A healthy workforce is generally linked to positive trends in staff morale and productivity. Reporting against this indicator will demonstrate the extent to which systematic approaches to OHS have been adopted within the reporting organization and promote the spread of best practice approaches to management. The quality of the management approach to health and safety is a leading indicator.

2. Compilation

- 2.1 This indicator addresses issues that are applied in a standard manner across the organization. The points in the compilation are derived from ILO Guidelines on Occupational Safety and Health Management Systems. Since conditions and application of H&S programs might not be universal across a reporting organization, reporting at levels other than organization-wide (e.g., specific installations, country) is acceptable and should be specified.
- 2.2 State whether:
 - Any violations noted in the MDF are related to occupational health and safety;
 - Training is offered on process hazards, health & safety, emergency procedures, and safe work practices, with refresher training at least every three years;
 - Hazard control strategies are developed with priority given to control at or near the source through elimination, substitution, isolation, effective local ventilation, and lastly personal protective equipment;
 - Health and safety (including ergonomic considerations) part of the criteria for selecting materials, tools and equipment for purchase.
- 2.3 State the targeted corrective action time period for issues identified in workplace inspections and accident investigations.

3. Definitions

Occupational safety and health management

Systems and procedures to protect health and safety at the workplace and to manage risks from workplace hazard exposures.

4. Documentation

Organizational health & safety procedures, emergency response procedures and training programs and records; inventory of hazardous materials; internal survey reports; health & safety committee minutes; workplace inspection reports; occupational hygiene monitoring results.

5. References

- Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001). The full ILO document is available at:
<http://www.ilo.org/public/english/protection/safework/managmnt/index.htm>

Key ILO elements elaborated in the ILO document:

Policy

- Occupational safety and health policy
- Worker participation

Organizing

- Responsibility and accountability
- Competence and training
- Occupational safety and health management system documentation
- Communication

Planning and implementation

- Initial review
- System planning, development and implementation
- Occupational safety and health objectives
- Hazard prevention

Evaluation

- Performance monitoring and measurement
- Investigation of work-related injuries, ill health, diseases and incidents, and their impact on safety and health performance
- Audit
- Management review

Action for improvement

- Preventive and corrective action
- Continual improvement

LA10. *Health and safety topics covered in formal agreements with trade unions.*

1. Relevance

This indicator demonstrates one of the ways through which health and safety of the workforce are ensured. Formal agreements can promote acceptance of responsibilities by both parties and the development of a positive health and safety culture. Reporting against this indicator will reveal the extent to which the workforce is actively involved through formal, labor-management agreements for determining health and safety management arrangements.

2. Compilation

- 2.1 State whether formal agreements (either local or global) with trade unions cover health and safety? Yes/No
- 2.2 If yes, indicate the extent to which various health and safety topics are covered by the agreements signed by the organization.
- 2.3 Agreements at the local level typically address topics such as:
 - Personal protective equipment;
 - Joint management-employee health and safety committee;
 - 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.
- 2.4 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

Refers to written documents, signed by both parties, declaring the mutual intention to abide by what is contained therein. 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.

LA11. *Average hours of training per year per employee broken down by employee category.*

1. Relevance

The maintenance and improvement of human capital and the extension of its knowledge base is a key element in organizational development. This indicator provides insight into the scale of an 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, and also provides motivation for employee improvement at the personal and organizational level.

2. Compilation

- 2.1 Identify the number of employees for 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 employment category.
- 2.3 State the number of hours of training per year per employee by category of employee using the following formula:

$$\text{Number of hours of training} = \frac{\text{Total hours per category}}{\text{total employees per category}}$$

per year per category

4. 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.

It does not include on-site coaching by supervisors.

5. Documentation

Potential sources of information include employee records, training schedules.

6. *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 and 5.

LA12. *Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.*

1. Relevance

Skills management allows organizations to plan the acquisition of skills by their employees to meet strategic targets in a changing work environment. A more skilled and aware workforce is an enhancement of the organization's human capital and contributes to employee satisfaction, correlating 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 and to participate actively in all spheres of economic life.

2. Compilation

- 2.1 Does the employee training or assistance to upgrade skills provide any of the following?
- Internal training courses: Yes/No
 - Funding support for external training or education: Yes/No
 - The provision of sabbatical periods with guaranteed return to employment: Yes/No
- 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: Yes/No
 - Retraining for those intending to continue working: Yes/No
 - Severance pay: Yes/No
 - If severance pay is provided, does it take into account employee age and years of service: Yes/No
 - Job placement services: Yes/No
 - Assistance (e.g. training, counseling) on transitioning to a non-working life: Yes/No

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 the development of employees skills towards meeting 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.

LA13. *Percentage of employees receiving regular performance and career development review.*

1. Relevance

Performance appraisal against shared targets aids the personal development of individual employees and contributes to skills management and the development of human capital within the organization. Employee satisfaction can also be enhanced, correlating 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 LA9, the indicator helps illustrate how the organization approaches skills enhancement. The measure of the percentage demonstrates the extent to which this system is applied throughout the organization.

2. Compilation

- 2.1 Identify the number of employees for each major employment category (e.g. senior management, middle management, professional, technical, administrative, production, maintenance) across the organization's operations at the end of the reporting year. The organization should define employment categories based upon its own human resources system. The total number of employees should match that reported under LA1.
- 2.2 State the percentage of employees that received a formal performance appraisal and review during the reporting period.

3. Definition

Regular performance and career development review

A performance target is set against criteria that are known to the employee and his/her superiors, and an evaluation is made against these criteria also with the knowledge of the employee concerned at least once per year. Such a review can include an evaluation by the employee's direct superior, an evaluation by peers, and/or wider range of employees. The review may also involve personnel in a human resources function.

4. Documentation

Potential sources of information include personnel records.

5. References

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

LA14. *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 connection with sectoral or regional benchmarks. The level of diversity provides insights into the human capital of the organization. Comparisons between broad workforce diversity and management team diversity offer information on equal opportunity within an organization. Further information on the composition of the workforce can also help assess which issues may be particular risk 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 which may be relevant for reporting.
- 2.2 Identify the number of employees in each employee category (e.g., board, senior management, middle management, administrative, production, etc.). Categories of employment should be defined using the categories contained to the reporting organization's human resources system. The total number of employees should match that reported in LA1.
- 2.3 State the breakdown of employees in percentages for each category of employee in terms of:
 - Gender (i.e., ratio of female to male employees);
 - Minority groups; and
 - Age groups (under 30 years old; 30-50 years old; and over 50 years old).
- 2.4 State the breakdown of the organization's governance bodies (e.g., the board of directors, management committee or similar body for non-corporate reporting organizations) in terms of the same measures of diversity.

4. Definitions

Governance bodies

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

Indicators of diversity

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

5. Documentation

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

6. 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: 1977 art 21, 22, 23.
- ILO Declaration on Fundamental Principles and Rights at Work 1998.
- ILO Convention concerning Discrimination in Respect of Employment and Occupation 1958 (No.111).
- International Convention on the Elimination of All Forms of Racial Discrimination: 4 January 1969.
- OECD Guidelines for Multinational Enterprises, Revision 2000 (Employment and industrial Relations Section).
- UN Global Compact: 26 July 2000: principle 6.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: UN GA Resolution 1904 (XVIII) of 20 November 1963.

LA15. *Ratio of average remuneration of men and women broken down by employee category.*

1. Relevance

Equality of treatment for women is a universal human right under the ILO Declaration of Fundamental Principles and Rights at Work, 1998. Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. Equality of remuneration is a factor in the ability to retain qualified candidates in the workforce. Where imbalances exist, an organization runs a risk to 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 LA14.
Categories of employment should be defined based upon the reporting organization's own human resources system. The total number of employees should match that reported in LA1.
- 2.2 Calculate average remuneration for women and for men in each category.
- 2.3 State the ratio between the average remuneration of women and the average remuneration of men per each category.
- 2.4 Any convenient pay period (e.g., hourly, weekly, monthly, annually) may be used for this data.

3. Definitions

Remuneration

Remuneration includes estimated value of standard benefits and bonuses in addition to salary. An average is calculated based on total remuneration for a category divided by the number of employees.

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.