Methodological Sheets for
SUBCATEGORIES IN SOCIAL LIFE CYCLE ASSESSMENT (S-LCA) 2021
Disclaimer

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the United Nations Environment Programme concerning the legal status of any country, territory, city or area or of its authorities, or concerning delimitation of its frontiers or boundaries. Moreover, the views expressed do not necessarily represent the decision or the stated policy of the United Nations Environment Programme, nor does citing of trade names or commercial processes constitute endorsement.

Cite this document as:
Methodological Sheets for Subcategories in Social Life Cycle Assessment (S-LCA) 2021
Acknowledgments

Producer

These Guidelines have been produced by the Life Cycle Initiative (hosted by UNEP) and the Social LC Alliance

Co-Chairs of the project

Catherine Benoît Norris
Marzia Traverso
Matthias Finkbeiner

Supervision and support

Feng Wang
Llorenç Milà i Canals and Laura Williamson – UN Environment Programme (UNEP)

Acknowledgments

The completed set of methodological sheets is an achievement that would not have been possible without the support of Breno Barros, Marie Vuillat, Solène Sureau, Ghada Bouillass, Petchprakai Sirilertsuwan, and Stanley Zira and the work on the previous version done by Catherine Benoît-Norris, Marzia Traverso, Bernard Mazijn, Lina Azuero, Gina Vickery-Niederman, Juliane Franze, Deana Aulisio, Julie Hébert, and Sophie Spillemaeckers, Jean-Pierre Revéret, Andrée-Lise Méthot, Véronique Jampierre, Sonia Valdivia; Andreas Manhart, Siddhart Prakash, Asa Moberg, Cassia Ugaya, Julie Parent, and Carmela Cucuzella; Bo Weidema, Greg Norris, and Andreas Ciroth; Ulrike Bos, Tabea Beck, Leif Barthel, and Pierre Mazeau.

Authors and reviewers

Marzia Traverso – INaB RWTH Aachen University, Germany
Sonia Valdivia – WRFA, Switzerland
Anna Luthin – INaB RWTH Aachen University, Germany
Lindsey Roche – Institute of Environmental Technology, TU Berlin, Germany
Gabriella Arcese – Niccolò Cusano University of Rome, Italy
Sabrina Neugebauer – ifu member of iPoint group, Hamburg, Germany
Luigia Petti – G. d’Annunzio University, Pescara, Italy
Manuela D’Eusiano – G. d’Annunzio University, Pescara, Italy
Bianca Maria Tragnone – G. d’Annunzio University, Pescara, Italy
Rose Mankaa, INaB RWTH Aachen University, Germany
Jessica Hanafi – PT Life Cycle Indonesia, Indonesia
Catherine Benoît Norris – New Earth, USA
Alessandra Zamagni – Ecoinnovazione, Italy

Steering committee

Catherine Benoît Norris – NewEarth B
Marzia Traverso – RTWH Aachen University
Matthias Finkbeiner – TU Berlin
Elisabeth Ekener – KTH Royal institute of Technology
Sonia Valdivia – World Resources Forum Association
Sara Russo Garrido – CIRAI
Sabrina Neugebauer – ifu member of iPoint
Markus Berger – TU Berlin
Gabriella Arcese – Università degli Studi Niccolò Cusano
Thomas Schaubroeck – Luxembourg Institute of Science and Technology
Acknowledgments (continued)

Advisory Committee
Sara Blackwell – SHIFT
Lina Azuero – Dell
Mark Goedkoop – Pré Social Roundtable
Peter Saling – BASF
Claudia Topalli – IDEXX Laboratories
Bettina Heller – UN 10YFP
Mathieu Lamolle – UN ITC
Lucia Mancini – EU JRC ISPRA
Bernard Mazjin – Ghent university
Sancia Dalley – Robert F Kennedy Human Rights Foundation
Paul Vanegas – Universidad de Cuenca, Ecuador
Pierre Mazeau – Électricité de France
Sanjeevan Bajaj, Director – Sukhbir Agro Energy Ltd. India
Jessica Hanafi, Director – PT Life Cycle Indonesia
Matthew Watkins – WBCSD

Design
Élisabeth Benoît

Layout and Production
Beate Behrendt, Ralf Zillekens – Druckservice Zillekens

Proofreading
Lindsey Roche

Photo credits (in order)
Front cover
Top: lagosfoodbank (Pixabay)
Left: joydo (Pixabay)
Right: CLM-bv (Pixabay)

Back cover
ChirpinCockatiel (Pixabay)

Report
Endri Yana Yana (Pixabay)
Bintang Suyardi (Pixabay)
Quang Nguyen Vinh (Pixabay)
Sasin Tipchai (Pixabay)
Pexels (Pixabay)
Quang Nguyen Vinh (Pixabay)
Johm Kan (Pixabay)
# Table of contents

**Introduction**  

1. Worker  

1.1 Freedom of association and collective bargaining  
1.2 Child labor  
1.3 Fair salary  
1.4 Working hours  
1.5 Forced labor  
1.6 Equal opportunities/ discrimination  
1.7 Health and safety  
1.8 Social benefits/ social security  
1.9 Employment relationship  
1.10 Sexual harassment  
1.11 Smallholders including farmers  

2. Local community  

2.1 Access to material resources  
2.2 Access to immaterial resources  
2.3 Delocalization and migration  
2.4 Cultural heritage  
2.5 Safe and healthy living conditions  
2.6 Respect of indigenous rights  
2.7 Community engagement  
2.8 Local employment  
2.9 Secure living conditions
## Table of contents

### 3. Value chain actors

- 3.1 Fair competition 86
- 3.2 Promoting social responsibility 89
- 3.3 Supplier relationships 92
- 3.4 Respect of intellectual property rights 94
- 3.5 Wealth distribution 97

### 4. Consumer

- 4.1 Health and safety 101
- 4.2 Feedback mechanism 104
- 4.3 Consumer privacy 107
- 4.4 Transparency 109
- 4.5 End-of-life responsibility 112

### 5. Society

- 5.1 Public commitment to sustainability issues 114
- 5.2 Contribution to economic development 117
- 5.3 Prevention and mitigation of armed conflicts 120
- 5.4 Technology development 123
- 5.5 Corruption 126
- 5.6 Ethical treatment of animals 129
- 5.7 Poverty alleviation 134

### 6. Children

- 6.1 Education provided in the local community 138
- 6.2 Health issues for children as consumers 142
- 6.3 Children concerns regarding marketing practices 145
Introduction

The Social LCA Project for the revision of the Guidelines 2009 started in September 2017 led by Social LC Alliance. The project has planned from the beginning the revision of the Methodological Sheets and it has been split in two phases: 1st phase on the revision of the Guidelines and the 2nd phase on Methodological Sheets review and pilot phase implementation. The results of the pilot phase have been published as well as a compendium document of the Guidelines and Methodological Sheets.

The first public version of the Methodological Sheets was published in 2010 on the UNEP Life Cycle Initiative’s website.

The official version of the Methodological Sheets was published in 2013. The 2013 document consisted of 31 Methodological Sheets, covering 5 stakeholder groups. This document consists of 40 Methodological Sheets, grouped to 6 stakeholder categories: workers, local communities, value chain actors, consumers, society, and children. The last one is the new stakeholder category introduced by the UNEP 2020. The stakeholder group children was added to represent the future generation, as we want to measure the social dimension of sustainability and that entails guaranteeing the same welfare and wellbeing to the future generation as to the present generation.

The list of Methodological Sheets is reported in the Table 1 where in bold are highlighted the new 9 subcategories introduced in the UNEP 2020 Guidelines.

Table 1: Stakeholder categories and subcategories in the UNEP 2020 Guidelines

<table>
<thead>
<tr>
<th>Stakeholder categories</th>
<th>Worker</th>
<th>Local community (not including consumers)</th>
<th>Consumer</th>
<th>Society</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcategories</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Methodological Sheets have been developed and revised by the steering committee of Social LC Alliance and other S-LCA experts, called here S-LCA Project working group. The sheets are meant and are considered to be a work in progress, meaning that they will continue to evolve as more practical experience is gained, and impact methodologies are further developed.

OBJECTIVES OF THE SHEETS

The Methodological Sheets for subcategories in S-LCA supplement the Guidelines for Social Life Cycle Assessment of Products and Organizations published by UNEP Life Cycle Initiative and were developed as a public resource to guide the application of S-LCA. The goal pursued by these sheets is to be an operative tool for experts and non-experts wishing to design and conduct S-LCA studies and to provide detailed information on each of the subcategories introduced in the Guidelines organized by stakeholder category.

The Methodological Sheets present each impact subcategory in a practical way, providing their definition, introducing the political context, giving the link with the Sustainable Development Goals by indicating which goal they can measure a contribution, defining generic and specific indicators, and giving examples of sources for collecting both types of indicators.

The sheets have been developed recognizing that data collection is the most labor-intensive activity when carrying out a Social LCA. Therefore, different indicators may be used depending on data availability and the goal and scope of the study. The sheets are meant to inspire S-LCA case studies based on the Guidelines rather than to represent a complete set of indicators that must be included and criteria that must be met.

Some more specific goals pursued with the development of the Methodological Sheets included:

- Avoid misunderstandings about subcategories and clarify their relation to stakeholder groups;
- Provide a “measurement recipe” for each of the subcategories in the S-LCA framework, including examples of inventory indicators, units of measurement, and potential data sources for hotspot assessment, as outlined in the Guidelines;
- Provide measurement sources and background information sources for baseline data that could be used in S-LCA;
- Enhance the ease and the consistency of application across different case studies;
- Provide a comprehensive open source resource for S-LCA.

It is foreseen and wanted, that the Methodological Sheets act as a living resource in the sense that that they evolve over time and that their content continues to be expanded as the field of S-LCA advances.

SOCIAL LCA AND IMPACT ASSESSMENT

The S-LCA Project working group on the development of the Guidelines faced some complexities when discussing the best approach to stakeholder and impact categories and to impact assessment modeling.

Social life cycle impact assessment is the process by which inventory data is aggregated within subcategories and categories to help understand the magnitude and the significance of the data collected in the inventory phase using the accepted level of minimum performance. According to the Guidelines, this would be achieved in three steps:
10 Methodological Sheets for Subcategories in Social Life Cycle Assessment (S-LCA) 2021

- Selecting impact categories and characterization methods and models;
- Linking inventory data to particular [social life cycle impact assessment] subcategories and impact categories (classification);
- Determining (calculating) results for the subcategory indicators (characterization).

So, why is life cycle impact assessment so complex in S-LCA if the process is, as described above clearly outlined? Because in S-LCA there is very little information regarding cause-effect chain models that would enable practitioners to aggregate results (characterization) in an accurate manner. What is described above would be the shell; the detail to actually achieve that is still not widely agreed upon by S-LCA practitioners.

During the life cycle inventory, we need to collect the information about the activity variable (e.g., worker-hours) when applicable. We also need to collect data for the social flows and indicators, which link with the socio-economic system through the activity variable, just like pollutants and resources from nature are elementary flows for an environmental LCA.

The new Guidelines suggest 3 different approaches for data collection prioritization:

- First approach to prioritize data collection: Does the literature review of the studied system identify key social issues not to miss in the S-LCA?
- Second approach to prioritize data collection: Which are the most active or intensive activities/unit processes in the studied system, e.g., based on an activity variable?
- Third approach to prioritize data: Identify the hotspots in the product’s life cycle

Social hotspots can be singled out as unit processes where data collection must be prioritized. In particular, if the goal of the S-LCA is to identify actual impacts, on-site visits must be organized to collect site-specific data. Very important are the activity variables. An activity variable is a measure of process activity or scale which can be related to process output. Activity variables, scaled by the output of each relevant process, are used to reflect the share of a given activity associated with each unit process.

For each of the impacts and subcategories selected and to be covered in a study in accordance with the goal and scope section, it is necessary to identify corresponding inventory indicators. These indicators should be compatible with the selected approach of impact assessment. According to Vanclay (2002) 1, social inventory indicators (or social flows) are usually defined as simple variables (e.g., salary, number of accidents at workplace) providing the status of a certain topic/life cycle stage/process. They provide the most direct evidence of a social condition. The choice of social inventory indicators will determine the data that ought to be collected. In S-LCA, indicators can be of qualitative, semi-quantitative, or quantitative nature. They can also be company specific, site-specific, generic, primary, or secondary.

There are two main families of impact assessment approaches, the Reference Scale Assessment (formerly Type I or RS S-LCIA) and the Impact Pathway Assessment (formerly Type II or IP S-LCIA), each responding to different practitioner needs.

- If the aim is to assess social performance or social risk, use the RS S-LCIA approach;
- If the aim is to assess consequential social impacts through characterizing the cause-effect chain, use the IP S-LCIA approach.

In S-LCA, the impact categories are logical groupings of S-LCA results, related to social issues of interest to stakeholders and decision makers. Midpoints and Endpoints exist at different points along a “social impact pathway” that

begins with a social intervention and leads to different levels of impacts. However, in social assessment there are very few demonstrated cause-effect chain models.

S-LCA impact assessment will depend on a company’s behavior when conducting a site-specific assessment or companies’ average behaviors in a country specific sector or related to a country specific production activity when conducting generic assessments. In which case the assessment is by principle rather than by consequence. This is why it is argued that the subcategories represent “what we want to protect.” The subcategories can be aggregated in impact categories which represent themes of interest stakeholders and may include: health and safety, human rights, working conditions, socio-economic repercussions, cultural heritage, and governance. Type 1 impact categories, do not use cause-effect chain modeling and rely on other information such as, internationally accepted levels of minimum performance, to help understand the magnitude and the significance of the data collected in the inventory phase. This is what the Guidelines identify as “thresholds.” It is noted that the use of performance reference points allows the evaluation of the position of the unit process assessed relative to the performance expected from an international convention, a social responsibility best practice guideline, or even when compared to other countries.

The Type 1 impact assessment methods developed generally use an ordinal scale that either describes the risk (from very high to low), the performance (from non-compliant to best practice), or the degree of management from uncontrolled to under control. Some methods also compare the results to the context.

In turn, Type 2 impact categories, correspond to a model of the social impact pathways to the endpoints human capital, cultural heritage, and human well-being. Type 2 impact categories use characterization models that seek to represent the impact pathways, as in E-LCA which require the use of quantitative data and cause-effect chain modeling to aggregate indicators to a midpoint or endpoint-level.

In relation to the Methodological Sheets, these all are critical aspects for the sheets in their current state and as they evolve. It is foreseen that future versions of the sheets will provide further guidance on life cycle impact assessment

**OVERVIEW OF THE SHEETS**

The UNEP/SETAC S-LCA Project working group reached consensus on using the stakeholder category framework as the “backbone” of the Guidelines, hence the Methodological Sheets. The main reasoning behind it being that stakeholder categories “provide a comprehensive basis for articulation of the subcategories.”

Under this precept, the Methodological Sheets have been organized by stakeholder categories. The stakeholder categories that are considered in the S-LCA Guidelines, based on discussions among involved experts, are: Workers, Local communities, Value chain actors (e.g., suppliers), Consumers, Children, and Society. These stakeholder categories were chosen, as they were “deemed to be the main groups potentially impacted by the life cycle of a product.” However, this doesn’t imply that additional stakeholder categories could not be added.

The selection of the subcategories was achieved by looking at international agreements, standards, and guidelines that have been developed by multi-stakeholder groups – as they capture the consensus of wide audiences. In this way, the S-LCA Project working group sought to minimize bias and subjectivity when selecting indicators. These agreements and guidelines include the Universal Declaration of Human Rights, the Global Reporting Initiative, the ISO 26000, and the OECD Guidelines for Multinational Corporations among others. Along these lines, the S-LCA methodology aligns with principles, guidelines, and standards that have been or are being incorporated into business practices, therefore facilitating the adoption of the S-LCA framework.

Applying participatory approaches (i.e. approach in which actors participate and contribute to the study or scientific process) in stakeholder selection allows the perspective of different actors involved in the system under investigation to be taken into account and, in turn, make S-LCA studies more locally relevant. Stakeholder participation can help in the
selection of a final set of indicators that reflect stakeholders’ values, improves democratic representation, and promotes empowerment and learning opportunities for communities while encouraging partnerships. Moreover, it increases the legitimacy of the assessment.

The Methodological Sheets present a definition for each subcategory identified in the S-LCA Guidelines. It relates the subcategories subjects to the relevant international instruments, it provides examples of initiatives which are promoting or integrating the themes of interest in their resource/certification or requirement, and finally gives examples of metrics that can be used to monitor the themes via hotspots assessment using generic data and via site specific assessment.

The site-specific and generic indicators and data examples do not constitute a complete list of the best indicators to use in a study. Other indicators might be more appropriate to use depending on the context. The resource aims at guiding towards relevant sources and proposing a few metrics that can be valuable to consider. By doing so, the S-LCA Project working group is documenting every one of the subcategories presented in the Guidelines and for which it is advised that a statement be made when presenting results of an S-LCA study.

The Methodological Sheets do not present examples of characterization models in the current version.

Help guide to the Methodological Sheets

To facilitate the analysis and promote consistency, an agreed-upon structure was identified for the Methodological Sheets. Every subcategory is described using the following sections: Definition, Policy relevance, Assessment of data, Generic analysis, Specific analysis, Limitations of the subcategory, and References.

Each section of the sheets is explained below, presenting the key elements.

STAKEHOLDERS AND SUBCATEGORIES

As mentioned in the introduction, the Methodological Sheets have been grouped according to 6 stakeholders: Workers, Local communities, Value chain actors (e.g., suppliers), Consumers, Society, and Children. Within each stakeholder group, sheets have been prepared for several assessment subcategories (e.g., Freedom of Association is a subcategory of the Worker stakeholder group).

DEFINITION

This box provides the subcategory’s basic definition in a first section and the aim and approach of indicator assessment in a second section. This second section describes the specific objective pursued by the assessment of this subcategory, along with a brief explanation of how to assess it. This brings practical clarity to the existing definition.

It is expected that this section will also help practitioners with setting the “scope of the assessment.”

The definitions often incorporate elements from several different sources, rather than relying on one specific standard. The sheets highlight aspects of subcategory definitions that are most relevant to S-LCA. In some cases, Methodological Sheets describe ways in which organizations can specifically address the subcategory (e.g., through organizational policies).
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

This section explains the importance of assessing this subcategory, specifically ways in which the subcategory might enhance or deter sustainable development. In this context, the concept of sustainable development stems from the work of the UN World Commission on Environment and Development (WCED), which described sustainable development in the Bruntland Report as “... a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development and the institutional change are made consistent with future as well as present needs.” In its definition, the related SDGs are identified and described, in order to explain the contribution of the stakeholder categories and sub-categories to the SDGs realization.

INTERNATIONAL INSTRUMENTS

This list contains international instruments like conventions and agreements that relate to the subcategory. These sources range from the general (e.g., the Universal Declaration of Human Rights) to targeted references (e.g., the ILO Prevention of Major Industrial Accidents Convention is a targeted reference for the Safe and Healthy Living Conditions subcategory). These sources provide a general understanding of internationally agreed upon norms that may be used as Social LCA benchmarks. Moreover, this section lists international principles, guidelines, goals, and performance standards that relate to the subcategory. Many of these sources contain information that relates to Social LCA subcategory metrics. For example, sustainability reporting frameworks often request specific information from organizations that is relevant to Social LCA. For certain organizations, these data are available in publicly available reports.

ASSESSMENT OF DATA

Social LCA data may take several forms, depending on the goals of the assessment. Data may be quantitative, semi-quantitative (yes/no or rating scale responses), or qualitative (descriptive text). This section provides examples of data sources for these different categories. Suggestions for where to find these data are provided below as generic or site-specific data sources.

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Data sources are broken down into two categories: Generic (hotspot) data and site-specific data. In Social LCA, generic data are typically country-level data used as a screening device to identify high-risk regions. Organizations with extensive global supply chains may need assistance determining where to focus site-specific assessment efforts. Generic data provides the organization with a sense of where negative social outcomes are most likely. According to the scope of the particular assessment, site-specific investigation can then proceed in areas highlighted as hotspots. (Note: If an organization already has site-specific data for all units along its supply chain, there would be no need for a generic screening.)

Generic data source examples

This section provides generic data sources that relate to the subcategory, with links to actual country level data in some cases. These data may be direct measures of the subcategory or proxies, depending on data availability. Most commonly, generic data is available in government, intergovernmental, and multilateral websites.
Site-specific data source examples

This section suggests site-specific data sources for organization-level Social LCA. These range from site visits and site-specific audits to interviews with community, government and organizational representatives to organization-specific reports, such as audits and public filings.

Understanding the implications of site-specific data collection and prioritizing, is a crucial part of the process as it is very costly, time consuming, and often not relevant to collect data on site at every organization involved in the production, use, and disposal of a good or a service.

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

The Methodological Sheets contain tables with suggested inventory indicators (metrics) for both generic and specific analysis. These tables contain examples of assessment methods and should not be viewed as extensive lists. The tables also provide data sources for each indicator.

Note: These tables contain example indicators meant to inspire S-LCA case studies. Tables should not be viewed as extensive lists; appropriate indicators depend on study goal and scope.

LIMITATIONS OF THE SUBCATEGORY

This section indicates which limitations may occur during data collection and what therefore must be taken care of during the assessment.

REFERENCES

Relevant documents and internet sites are listed as references and as suggestions for further information.
1. WORKER

1.1 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

**DEFINITION**

All workers and employers have the right to establish and to join organizations of their choice, without prior authorization, to promote and defend their respective interests, and to negotiate collectively with other parties. They should be able to do this freely, without interference by other parties or the state, and should not be discriminated against because of union membership.

**The right to organize includes:** the right of workers to strike, the rights of organizations to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their activity freely, and to formulate their programs.

Freedom of association, the right to organize, and collective bargaining are assessed and monitored via this subcategory.

**Aim and approach of indicator assessment**

The assessment aims to verify the compliance of the organization with freedom of association and collective bargaining standards. In particular 1) whether the workers are free to form and join association(s) of their choosing even when it could damage the economic interest of the organization, 2) whether the workers have the right to organize unions, to engage in collective bargaining, and to strike.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

The right to freedom of association is referenced in several human rights instruments such as the Universal Declaration of Human Rights.

According to the ILO Decent Work Agenda, it consists of four strategic objectives that should be achieved to foster a sustainable society: the protection of standards and fundamental principles and rights at work, employment promotion, social protection, and social dialogue.

The protection of fundamental principles and rights at work is strictly associated with the promotion of compliance with ‘core labor standards’ identified in the ILO 1998 Declaration on Fundamental Principles and Rights at Work, including freedom of association and the effective recognition of the right to collective bargaining. The ILO’s approach aims to develop and to insure decent working conditions: all men and women must have the ability to obtain decent and productive work in conditions of freedom, equity, security, and human dignity. These are meaningful conditions to reach sustainable economy and society, and consequently to reach sustainable development.

This subcategory contributes, among others, to the development of SDG 8 “Decent work and economic growth” and in detail to target 8.5 “Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value” and target 8.8 “Protect labour rights and promote safe and secure working environments for all workers.” Moreover, the subcategory contributes to SDG 10 “Reducing inequalities.” Especially it addresses 10.3 “Ensure equal opportunity and reduce inequalities of outcome” and 10.6 “Ensure enhanced representation and voice for developing countries in decision-making.” It contributes to SDG 16 “Peace and justice” and particularly concerns target 16.3 “Promote the rule of law at the national and international levels, and ensure equal access to justice for all,” target 16.6 “Develop effective, accountable and transparent institutions at all levels,” and target 16.10 “Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.”

INTERNATIONAL INSTRUMENTS

- Global Social Compliance Programme
- ILO Convention (No. 135) Workers’ Representatives Convention
- ILO Convention (No. 154) and Recommendation (No. 91 and No. 163) Collective Bargaining Convention
- IFC Performance Standard 2 – Labor and Working Conditions
- OECD Guidelines for Multinational Enterprises (Employment and industrial relations)
- Social Accountability International, SA 8000
- The UN Global Compact’s ten principles (the 3rd principle)
• **UN Declaration of Human Rights** Article 20: “1. Everyone has the right to freedom of peaceful assembly and association. 2. No one may be compelled to belong to an association.”

**ASSESSMENT OF DATA**

**NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES**

**Generic data source examples**

- [International Trade Union Confederation Annual survey report](#)
- [UN Human Rights index on freedom of association](#)
- [US Department of States country reports on human rights](#), including the Freedom of association and Collective bargaining

**EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES**

**Generic analysis**

- PSILCA (Workers’ rights: Trade union density; Right of Association; Right of Collective bargaining; Right to strike)
- Social Hotspot Database (SHDB)

**Specific analysis**

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment is not conditioned by any restrictions on the right to collective bargaining</td>
<td>• Interview with directors or human resources officer&lt;br&gt;• Interview with workers and trade union representatives&lt;br&gt;• NGO reports&lt;br&gt;• Regulations</td>
</tr>
<tr>
<td>Presence of unions within the organization is adequately supported (availability of facilities to union, posting of union notices, time to exercise the representation functions on paid work hours)</td>
<td>• Interview with directors or human resources officer&lt;br&gt;• Interview with workers and trade union representatives&lt;br&gt;• NGO reports</td>
</tr>
<tr>
<td>Check the availability of collective bargaining agreement and meeting minutes (e.g. copies of collective bargaining negotiations and agreements are kept on file)</td>
<td>• Interview and/or questionnaire filled out by directors or human resources officer</td>
</tr>
<tr>
<td>Employee/union representatives are invited to contribute to planning of larger changes in the company, which will affect the working conditions</td>
<td>• Interview with workers and trade union representatives&lt;br&gt;• Verification of organizations’ documents including sustainability reports</td>
</tr>
<tr>
<td>Workers have access to a neutral, binding, and independent dispute resolution procedure</td>
<td>• Verification of organizations’ documents&lt;br&gt;• Interview with NGOs and Trade Union association</td>
</tr>
</tbody>
</table>
LIMITATIONS OF THE SUBCATEGORY

The Committee on monitoring International Labour Standard identified several difficulties in using the following indicators: union density, frequency and length of strikes, and the percentage of workers covered by collective agreements (GRI). Interpretation, including information on context is necessary to use these indicators appropriately.

The complexity of the aspects that qualitative indicators on labor standards and workers’ rights aim at assessing inevitably make them imperfect. More difficulties could be encountered for qualitative indicators that do not only assess compliance with legal requirements but focus on the actual situation.

REFERENCES


Internet sources

Financial Consumer Agency of Canada
1.2 CHILD LABOR

DEFINITION

The term “child labor” is often defined as work that deprives children of their childhood, their potential, and their dignity, and that is harmful to physical and mental development. It refers to work that is:

1. Mentally, physically, socially, or morally dangerous and harmful to children;
2. Depriving them of the opportunity to attend school;
3. Obliging them to leave school prematurely; or
4. Requiring them to attempt to combine school attendance with excessively long and heavy work.

In its most extreme forms, child labor involves children being enslaved, separated from their families, exposed to serious hazards and illnesses, and/or left to fend for themselves on the streets of large cities – often at a very early age. The COVID pandemic has for the first time in 20 years increased the numbers of children working and cases of abusive child labor.

Child working constitutes child labor if the child is below:

• the age of 15 years; or
• the national set minimum age for employment if it is higher; or
• the age of completion of compulsory education if is higher.

In addition, the minimum age for carrying out work which may be considered hazardous or morally dubious is fixed at 18 years of age. Under strict conditions, the minimum age may however be set to 16 years of age. However, if local minimum age law is set at 14 years of age in accordance with the developing country exception under ILO Convention 138, this lower age may apply.

Moreover, children below the general minimum age (between the ages of 13 to 15 years old) may do light work, which on account of the inherent nature of the tasks involved and the particular conditions under which they are performed is not likely to be harmful to their health, safety, or development and is not impeding school attendance or their capacity to benefit from the instruction received.

Aim and approach of indicator assessment

The assessment aims to verify if the organization might or is employing children (as defined in the ILO conventions) and to identify the nature of any child labor. It will be looked upon, if the conditions are favorable for the occurrence of child labor, and the existence and quality of prevention and mitigating measures taken by the organization.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

The child laborers of today are the generation on which sustainable development depends, but they are at risk of becoming a forgotten generation. Sustainable development requires participation by every nation and every person for it to be successful and successful development cannot leave anybody behind.

The widespread practice of child labor is one of the single greatest threats to any poverty eradication program. Child laborers are forced to work at the cost of their education. Denied the chance to develop their full potential, these children often remain illiterate and powerless. The cycle continues when they reach adulthood and are unable to earn a decent living that can sustain them and their family. They in turn will likely send their own children to exploitative work.

This cycle definitively affects the achievement of sustainability targets and makes the abolition of child labor a prerequisite for sustainable development.

This subcategory contributes to the development of several SDGs. It helps to develop all targets of SDG 1 “No poverty.” Concerning SDG 3 “Ensure healthy lives and promote well-being for all at all ages,” the subcategory addresses 3.2 “end preventable deaths of newborns and children under 5 years of age” and 3.4 “reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.” Moreover, it contributes to all targets of SDG 4 “Quality education,” ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.

INTERNATIONAL INSTRUMENTS

- Global Social Compliance Programme
- GRI G3/ G4 Sustainability Reporting Guidelines
- IFC Performance Standard 2 - Labor and Working Conditions
- ILO Convention (No. 138) and Recommendation (No. 146) Minimum Age Convention
- ILO Convention (No. 182) Worst Forms of Child Labour Convention
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises (General Policies)
- Social Accountability International, SA 8000
- UN Global Compact’s Ten Principles (the 5th principle)
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Childinfo – monitoring the Situation of Children and Women – UNICEF
- The International Labour Organisation (ILO), UNICEF and the World Bank initiated the inter-agency research project. Understanding Children’s Work (UCW).
- U.S. Department of Labor

EXAMPLES OF INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Examples of indicators</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of working children under the legal age or 15 years old (14 years old for developing economies (%))</td>
<td>• Visit to facility</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of organization documents</td>
</tr>
<tr>
<td></td>
<td>• NGOs reports</td>
</tr>
<tr>
<td></td>
<td>• Verification with workers interviews or audits</td>
</tr>
<tr>
<td></td>
<td>• Interview with community members</td>
</tr>
<tr>
<td>Children are not performing work during the night (an example of unauthorized work by the ILO conventions C138 and C182)</td>
<td>• Visit to facility</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of organization documents</td>
</tr>
<tr>
<td></td>
<td>• NGOs reports</td>
</tr>
<tr>
<td></td>
<td>• Verification with workers interviews or audits</td>
</tr>
<tr>
<td>Records on all workers stating names and ages or dates of birth are kept on file</td>
<td>• Visit to facility</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of organization documents</td>
</tr>
<tr>
<td>Working children younger than 15 and under the local compulsory age are attending school</td>
<td>• Interview with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Verification with workers interviews or audits</td>
</tr>
<tr>
<td></td>
<td>• NGOs reports</td>
</tr>
<tr>
<td></td>
<td>• Interview with local schools</td>
</tr>
</tbody>
</table>

Limitations of the subcategory

The borderline between small handicraft work done by children towards extensive work and working hours is not always apparent from an outside perspective. Furthermore, sector or country-specific numbers on child labor and children working may not necessarily represent the company-specific context. In addition, organizations may be hesitant to report cases of child labor occurring within their supply chains.

However, child labor is understood as a global concern and many children are forced into often unhealthy working condition. The role of S-LCA is clear but limited. It can only address that child labor potentially occurs and link to the
potential negative social impacts. Solution approaches then have to consider a multidisciplinary approach including the international community, but also the respective countries, families, and children themselves to develop comprehensive child labor laws and regulations.

REFERENCES


Internet sources

Ethical Trade Initiative
Fair Labour Association
Global Compact
Global Social Compliance Programme
Human Rights Watch – Child Labor
International Labour Office
OECD Guidelines for multinational enterprises
Social Accountability International
Stop Child Labour
Understanding Children’s Work.
U.S. Department of Labor’s list of goods produced by child labor or forced labor
U.S. Department of State Annual Human Rights Reports
World Bank Code Labour Standard Toolkit
1.3 FAIR SALARY

DEFINITION

Fair wage means a wage fairly and reasonably commensurate with the value of a particular service or class of service rendered, and in establishing a minimum fair wage for such service or class of service.

Codes of conduct which deal with wages and benefits have focused on three standards when assessing level of wages:

- the minimum wage required by law;
- the local „prevailing industry wage“;
- the „living wage“ (also sometimes designated as a “floor wage” or “non-poverty wage”).

The first is obviously the easiest to accurately measure but has been deemed inadequate in many instances because the legal minimum wage has been kept artificially low in many countries to attract investment. Market-basket studies have found that, without working excessive overtime hours, the minimum wage in many countries is not sufficient to meet a worker’s basic needs.

The „prevailing industry wage“ is an ambiguous premise. It may be higher than the required minimum or may simply meet legal requirements, but in either case this language provides no measurable guarantee that the prevailing wage is sufficient to meet a worker’s basic needs.

For this reason, „living wage“ is promoted and implemented by precursor organizations. It is a wage that enables workers and their families to meet their needs for nutritious food, water, shelter, clothing, education, healthcare, and transport as well as providing for a discretionary income. It is generally higher than the minimum wage in many locations.

Aim and approach of indicator assessment

This subcategory aims to assess whether practices concerning wages are in compliance with established standards and if the wage provided is meeting legal requirements, whether it is above, meeting, or below industry average and whether it can be considered as a living wage.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Fair wages are undoubtedly one of the most important criteria for corporate social responsibility because without fair wages, the workers are not capable of providing for their own needs and the ones of their families. For people to live an adequate life, a “fair salary” is necessary.

To meet the Universal Declaration of Human Rights, a “fair salary” is necessary. Universal Declaration of Human Rights, Article 25 (1): “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”
Focus on a living rather than a minimum wage can contribute to stability and prosperity in communities and attract more skilled, productive, and loyal employees.

This subcategory contributes to the development of several SDGs. It addresses SDG 1 “No poverty” as it helps to develop target 1.4 concerning equal rights to economic resources. Concerning SDG 2 “Zero hunger,” it helps to develop the target in order to satisfy hunger needs. The subcategory addresses SDG 3 “Ensure healthy lives and promote well-being for all at all ages” because fair salary contributes to social well-being and regarding SDG 4 “Quality education,” it helps to develop all the targets ensuring inclusive and equitable quality education and promote lifelong learning opportunities and in particular refers to target 4.7.

INTERNATIONAL INSTRUMENTS

- Fair Labour Association
- ILO Convention (No. 26) Minimum Wage-Fixing Machinery Convention
- ILO Conventions (No. 102) Social Security (Minimum Standards) Convention
- ILO Convention (No. 131) Minimum Wage Fixing Convention
- Social Accountability International, SA 8000

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- ILO Global Wage Report
- Minimum Wage Fixing Convention 1970 (No. 131)
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

**Specific analysis**

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest paid worker, compared to the minimum wage and/or living wage</td>
<td>• Country minimum wage</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of organization documents: e.g., wage records</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
<tr>
<td>Number of employees earning wages below poverty line</td>
<td>• Interviews with workers</td>
</tr>
<tr>
<td></td>
<td>• Interview with local NGOs</td>
</tr>
<tr>
<td>Presence of suspicious deductions on wages</td>
<td>• Interviews with employees, management, and human resources</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
<tr>
<td></td>
<td>• Review of wage records</td>
</tr>
<tr>
<td>Regular and documented payment of workers (weekly, bi-weekly)</td>
<td>• Interviews with employees, governmental agencies, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
<tr>
<td></td>
<td>• Review of wage records</td>
</tr>
</tbody>
</table>

**LIMITATIONS OF THE SUBCATEGORY**

While the assessment of a fair salary or a fair wage / remuneration represents one of the few qualitative indicators in S-LCA, it is a subcategory that needs a high regional resolution. In a nutshell the assessment can only be so good as the available data allow. Data are often available at the country and/or sector level, which especially in the context of developing countries often lacks accuracy as well as granularity. For instance, the country-specific values for all China may not be representative for specific regions or industries.

Thus, interpretation, including information on context is necessary to use these indicators appropriately. More difficulties could be encountered for indicators that focus on the actual situation or niche markets rather than representing average values.

**REFERENCES**


**Internet sources**

- [Asian floor wage](#)
- [CREA: Center for Reflection, Education and Action](#)
- [Fair Labour Association](#)
- [Fair Wages and Hours of Labour Act, Government of Canada](#)
- [Fair Wage Guide](#)
- [Human Rights Education Associates, Learning Center](#)
1.4 WORKING HOURS

DEFINITION

The hours of work comply with applicable laws and industry standards. Workers are not on a regular basis required to work in excess of 48 hours per week and have at least one day off for every 7-day period. Overtime is voluntary, does not exceed 12 hours per week, is not demanded on a regular basis, and is compensated at a premium rate. The needs and expectations of the workers are considered in the organization of working hours. Higher restrictions apply if the hours of work are made during the night.

Working hours are considered in function of different time arrangements (from part time to full time) and work places (e.g. from home workers to field workers and manufacture).

Aim and approach of indicator assessment

The assessment aims to verify if the number of hours effectively worked is in accordance with the ILO standards and when overtime occurs, compensation in terms of money or free time is planned and provided to the workers.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Over the last decades, several broad socio-economic trends have emerged that affect working time enormously. The process of globalization and the resulting intensification of competition, the associated development in information and communications technologies, and new patterns of consumer demand for goods and services in the ‘24-hour economy’ have had a large impact on production methods and work organization. This has strongly affected the lifestyle of communities. If it is true that work ennobles man, it is also true that a balance between working time and free time to dedicate to private life, family, hobbies, and so on is needed to proceed towards a sustainable life and economy.

Moreover, fewer working hours could help to adapt the economy to the needs of society and the environment, rather than subjugating society and the environment to the needs of the economy. Business would benefit from more women entering the workforce, from men leading more rounded, balanced lives, and from reductions in work-place stress associated with juggling paid employment and home-based responsibilities. It could also help to end credit-fueled growth, to develop a more resilient and adaptable economy, and to safeguard public resources for investment in a low-carbon industrial strategy and other measures to support a sustainable economy.

This subcategory contributes to the development of SDG 3 and 8. It addresses SDG 3 “Ensure healthy lives and promote well-being for all at all ages” because fair salaries contribute to social well-being. The subcategory promotes SDG 8 “Decent work and economic growth” as it helps to develop all the targets ensuring the promotion of sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work – in particular it addresses target 8.1 “Sustain per capita economic growth in accordance with national circumstances.”
INTERNATIONAL INSTRUMENTS

- Ethical Trade Initiative
- Global Social Compliance Programme
- ILO Hours of Work (Industry) Convention 1919 (No. 1)
- ILO Part-Time Work Convention (No. 175) and Recommendation 1994
- ILO Weekly Rest (Industry) Convention 1921 (No. 14)
- ILO Weekly Rest (Commerce and Offices) Convention 1957 (No. 106)
- Social Accountability International, SA 8000

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- International Trade Union Confederation, WTO country report
- U.S. Department of State Human Rights Country Reports

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Number of hours effectively worked by employees (at each level of employment) | • Interviews with workers, governmental agencies, management and NGOs  
• Review of audits  
• Review of time records |
| Number of holidays effectively used by employees (at each level of employment) | • Interviews with workers, governmental agencies, management and NGOs  
• Review of audits  
• Review of time records |
| Respect of contractual agreements concerning overtime | • Interviews with workers, governmental agencies, management and NGOs  
• Review of audits  
• Review of time records |
| The organization provides flexibility | • Interviews with employees, governmental agencies, management and NGOs  
• Review of organization-specific reports, such as GRI reports or audits agreements or contracts between organizations and employees |
LIMITATIONS OF THE SUBCATEGORY

The accessibility of data of organizations is quite difficult, usually average data are published that do not represent the real situation. The more data we can access to, the more precise and accurate the assessment will be.

REFERENCES


Internet sources

Ethical Trade Initiative
Fair Labour Association
Global Reporting Initiative
Global Social Compliance Programme
International Trade Union Confederation, WTO country reports
Social Accountability International
U.S. Dept. of State Human Rights Country Reports
1.5 FORCED LABOR

**DEFINITION**

Forced or compulsory labor is any work or service that is exacted from any person under the menace of any penalty, and for which that person has not offered himself or herself voluntarily. Providing wages or other compensation to a worker does not necessarily indicate that the labor is not forced or compulsory. By right, labor should be offered voluntarily and workers should be free to leave the employment at any time in accordance with established rules.

Identifying forced labor in practice:

**Involuntary nature of work (the "route into" forced labor)**

- Birth/descent into “slave” or bonded status
- Physical abduction or kidnapping
- Sale of person into the ownership of another
- Physical confinement in the work location — in prison or in private detention
- Psychological compulsion, i.e. an order to work, backed up by a credible threat of a penalty for non-compliance
- Induced indebtedness (by falsification of accounts, inflated prices, reduced value of goods or services produced, excessive interest charges, etc.)
- Deception or false promises about types and terms of work
- Withholding and non-payment of wages
- Retention of identity documents or other valuable personal possessions

**Menace of a penalty (the means of keeping someone in forced labor), actual presence or credible threat of:**

- Physical violence against worker or family or close associates
- Sexual violence
- (Threat of) supernatural retaliation
- Imprisonment or other physical confinement
- Financial penalties
- Denunciation to authorities (police, immigration, etc.) and deportation
- Dismissal from current employment
- Exclusion from future employment
- Exclusion from community and social life
- Removal of rights or privileges
- Deprivation of food, shelter, or other necessities
- Shift to even worse working conditions
- Loss of social status (Source: A global alliance against forced labor, ILO 2005)

**Aim and approach of indicator assessment**

The assessment aims to verify that forced or compulsory labor is not used in the organization.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Abolition of forced labor is an official target for the international community as it is the subject of one of the fundamental ILO conventions. It has to be included in the legislation of all of the ILO member countries. Compliance to human rights convention is the floor level for social sustainability.

This subcategory particularly contributes to the development of SDGs 3, 8, and 10. It addresses SDG 3 “Ensure healthy lives and promote well-being for all at all ages” and especially target 3.c “Substantially increase health financing and the recruitment, development, training and retention of the health workforce” which contributes to social well-being. The subcategory promotes SDG 8 “Decent work and economic growth” as it helps to develop all the targets ensuring the promotion of sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work. In general, it contributes to diminish inequalities (SDG 10 “Reduce inequalities”).

INTERNATIONAL INSTRUMENTS

- Amnesty International Human Rights Principles for Companies
- Forced Labour (Indirect Compulsion) Recommendation 1930 (No. 35)
- Global Social Compliance Programme
- IFC Performance Standard 2 – Labor and Working Conditions
- ILO Conventions No. 29 and No. 105 (Forced and mandatory labour)
- ISO 26000 Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises
- Social Accountability International, SA 8000

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

**Generic data source examples**

- ILO reports on the advancement of the conventions 29 and 105
- U.S. Department of Labor’s list of goods produced by child labor or forced labor
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers voluntarily agree upon employment terms. Employment contracts stipulate</td>
<td>• Interview with directors or human resources officer&lt;br&gt;• Verification of</td>
</tr>
<tr>
<td>wage, working time, holidays, and terms of resignation. Employment contracts are</td>
<td>organization documents&lt;br&gt;• Verification with workers interviews or audits&lt;br&gt;</td>
</tr>
<tr>
<td>comprehensible to the workers and are kept on file</td>
<td>• NGO reports</td>
</tr>
<tr>
<td>Birth certificate, passport, identity card, work permit, or other original</td>
<td>• Interview with directors or human resources officer&lt;br&gt;• Verification of</td>
</tr>
<tr>
<td>documents belonging to the worker are not retained or kept for safety reasons</td>
<td>organization documents&lt;br&gt;• Verification with workers interviews or audits&lt;br&gt;</td>
</tr>
<tr>
<td>by the organization neither upon hiring nor during employment</td>
<td>• NGO reports</td>
</tr>
<tr>
<td>Workers are free to terminate their employment within the prevailing limits</td>
<td>• Interview with directors or human resources officer&lt;br&gt;• Verification of</td>
</tr>
<tr>
<td></td>
<td>organization documents&lt;br&gt;• Verification with workers interviews or audits&lt;br&gt;</td>
</tr>
<tr>
<td>Workers are not bonded by debts exceeding legal limits to the employer</td>
<td>• NGO reports</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Organizations possibly do not provide any information about forced labor as it generally is not in line with legislation. Affected employees may not provide accurate information in interviews for fear of consequences.

REFERENCES


**Internet sources**

Amnesty International

Anti-slavery

Free the Slaves

Global Reporting Initiative Guidelines

Human Rights Learning Center

International Trade Union Confederation Reports for the World Trade Organization

U.S. Department of Labor’s list of goods produced by child labor or forced labor

U.S. Department of State Annual Human Rights Reports

World Bank Core Labour Standard Tool Kit
1.6 EQUAL OPPORTUNITIES/ DISCRIMINATION

**DEFINITION**

Everybody deserves a “fair chance.” It does not matter what sex, race, or age you are, if you have a disability, your marital status, whether you are pregnant, your family status or your family responsibilities, the religious or political beliefs you might hold, or your sexual orientation. Everyone has the right to be treated fairly and access to equal opportunities.

Equal opportunity or the principle of non-discrimination emphasizes that opportunities in education, employment, advancement, benefits and resource distribution, and other areas should be freely available to all people irrespective of their age, race, sex, religion, political association, ethnic origin, or any other individual or group characteristic unrelated to ability, performance, and qualification.

**Cases of discrimination can be clustered into three groups:**

- Direct discrimination takes place when a person is treated less favorably than another person, in the same or similar circumstances, on one or more grounds, and in one of the areas of public life.

- Indirect discrimination happens when an apparently neutral rule has a negative effect on people with a particular attribute or characteristic, e.g., race, compared to people without that attribute or characteristic, and the rule is unreasonable in the circumstances.

- Reverse discrimination is discrimination that affects a dominant or majority group as a result of a provision intended to remedy discrimination suffered by a minority or disadvantaged group.

**Aim and approach of indicator assessment**

The subcategory aims to assess equal opportunity management practices and the presence of discrimination in the opportunities offered to the workers by the organizations and in the working conditions.

If we focus on what worker discrimination includes, according to the Convention C111-1958, the following cases should be considered:

Any distinction, exclusion, or preference made on the basis of race, color, sex, religion, political opinion, national extraction, or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;

Such other distinction, exclusion, or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the member concerned after consultation with representative workers’ organizations, where such exist, and with other appropriate bodies.

For this purpose, the terms employment and occupation include access to vocational training, access to employment and to particular occupations, and terms and conditions of employment.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Discrimination is intertwined with human rights instruments such as the Universal Declaration of Human Rights. It is one or the fundamental ILO conventions that are to be introduced into the legislation of every member of the ILO, and that are recognized by the WTO as internally applicable standards.

Human Rights are universal, and civil, political, economic, social, and cultural rights belong to all human beings, including indigenous people. Every indigenous woman, man, youth, and child is entitled to the realization of all human rights and fundamental freedoms on equal terms with others in society, without discrimination of any kind.

A lack of equal opportunity for everyone is a huge obstacle to sustainable development. As example gender equality is, first and foremost, a human right. Women are entitled to live in dignity and in freedom from want and from fear. Empowering women is also an indispensable tool for advancing development and reducing poverty. Empowered women contribute to the health and productivity of whole families and communities and to improved prospects for the next generation. The importance of gender equality is underscored by its inclusion as one of the eight Millennium Development Goals that serve as a framework for halving poverty and improving lives. As clarified in the 2005 State of World Population, gender equality is also key to achieving the other seven goals.

Discrimination against minorities and indigenous peoples is also an obstacle to the realization of sustainable development.

This subcategory contributes to the development of SDG 5 and 10. Concerning SDG 5, it contributes to develop “Gender Equality” and regarding SDG 10, it contributes to avoid discrimination and “reduce inequalities.” The subcategory involves all the targets on both SDGs. Moreover, it addresses target 1.4 “Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance,” target 4.5 “Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable,” and target 8.5 “Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.”

INTERNATIONAL INSTRUMENTS

- Global Social Compliance Programme
- GRI 405: Diversity and Equal Opportunity 2016
- GRI 406: Non-discrimination 2016
- IFC Performance Standard 2 – Labor and Working Conditions
- ILO Equal Remuneration Convention 1951 (No. 100)
• ILO Equal Remuneration Recommendation 1951 (No. 90)
• International Covenant on Civil and Political Rights (ICCPR)
• International Covenant on Economic, Social and Cultural Rights (ICESCR)
• International Convention on the Elimination of All Forms of Racial Discrimination opted and opened for signature and ratification by General Assembly resolution 2106 (XX) of 21 December 1965, entry into force 4 January 1969, in accordance with Article 19
• OECD Guidelines for Multinational Enterprises (General Policies)
• Social Accountability International, SA 8000
• The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
• UN Global Compact's ten principles
• Universal Declaration of Human Rights

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

• Division for the Advancement of Women – Department of Economic and Social affair
• PSILCA (Discrimination)
• SHDB (Gender Equity)
• World Bank gender equality resources
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

### Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Presence of formal policies on equal opportunities | • Review of enterprise-specific reports  
• Interviews with human resources and management |
| Announcements of open positions happen through national/regional newspapers, public job databases on the internet, employment services, or other publicly available media ensuring a broad announcement. | • Review of enterprise-specific reports  
• Interview with NGOs  
• Interviews with human resources and management |
| Total numbers of incidents of discrimination and actions taken | • GRI Sustainability reports  
• Review of enterprise-specific reports  
• Review of violation records (can be national)  
• Interview with NGOs  
• Interviews with human resources and management |
| Composition of governance bodies and breakdown of employees per category according to gender, age group, minority, group membership, and other indicators of diversity | • GRI Sustainability reports  
• Interviews with human resources and management  
• Review of enterprise-specific reports  
• Publicly available information |
| Ratio of basic salary of men to women by employee category | • GRI Sustainability reports  
• Interviews with human resources and management  
• Review of enterprise-specific reports |

### LIMITATIONS OF THE SUBCATEGORY

Discrimination is in general difficult to substantiate. For example, it can be difficult to substantiate discrimination in access to employment on the basis of the composition of the work force. Societal discrimination and job segregation will always reflect in the internal composition of the workforce. However, its evaluation should require a thorough analysis of the context and the specific work situation, especially in order to understand the actual reasons of the workforce composition. The limitations of assessment of this subcategory is the difficulty to provide hard evidence that discrimination is taking place.

### REFERENCES


International Labour Office, 2003. Time for equality at work. Global report under the follow-up to the ILO Declaration on


Internet sources

Amnesty International

Australian Human Rights and Equal Opportunity Commission

Equator Principles

Ethical Trade Initiative

European Union

European Union Anti-discrimination Contact Database

Fair Labour Association

Global Reporting Initiative

Government of Western Australia, Equal Opportunity Commission

ILO: Relevant SDG Targets related to Gender Equality and Non-Discrimination

International Finance Corporation Guidance Notes

Wayne State University, Office of Equal Opportunity, Federal State Laws
1.7 HEALTH AND SAFETY

DEFINITION

Since 1950, the International Labour Organization (ILO) and the World Health Organization (WHO) have shared a common definition of occupational health. The definition reads: „Occupational health should aim at: the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his physiological and psychological capabilities; and, to summarize, the adaptation of work to man and of each man to his job.”

All workers have the right to a safe and healthy workplace. Another possible definition of safe workplace, provided by OSHA, is a workplace that is free of serious recognized hazards and in compliance with OSHA standards. Workplace covers all the places where workers need to be or to go by reason of their work and which are under the direct or indirect control of the employer.

The term health, in relation to work, indicates not merely the absence of disease or infirmity; it also includes the physical and mental elements affecting health, which are directly related to safety and hygiene at work.

Aim and approach of indicator assessment

This subcategory aims to assess both the rate of incidents and the status of prevention measures and management practices. An incident is defined as a work-related event in which an injury or ill health (regardless of severity) or fatality occurred or could have occurred.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Sustainable development cannot be achieved without guarantee to healthy and safe working conditions. Today, health and safety at work represent one of the most important advanced fields of social policy at an international and European level. Safety at work varies enormously between countries, economic sectors, and social groups. Deaths and injuries take a particularly heavy toll in developing nations, but not only, where large numbers of people are engaged in hazardous activities such as agriculture, construction, logging, fishing, and mining. Create more and better-quality jobs: this is one of the main objectives of the EU social policy. A safe and healthy working environment is an essential element of the quality of work. The improvement of health and safety of the workers already started from 1952 under the European Coal and Steel Community. Since then, a solid corpus of legislation has been adopted covering the maximum number of risks with the minimum number of regulations.

This subcategory contributes to the development of several SDGs. In detail, it contributes to the development of SDG 2...
“Zero hunger” – especially for target 2.3 which advocates doubling the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists, and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employee. Regarding SDG 3 “Good health and well-being,” the subcategory contributes to all targets to ensure healthy lives and promote well-being for all at all ages as well as for SDG 6 “Clean water and sanitation.” The direct contribution to SDG 8 of the stakeholder category “Workers” is evident in the contribution of this subcategory to the achievement of targets 8.4 “Improve progressively global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation” and 8.5 “Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.”

INTERNATIONAL INSTRUMENTS

- Global Social Compliance Programme
- ILO Guidelines on occupational safety and health management systems (ILO-OSH 2001)
- ILO Occupational Safety and Health Convention 1981 (No. 155)
- ILO Occupational Safety and Health Recommendation 1981 (No. 164)
- ISO 26000 Guidance on Social Responsibility
- OHSAS (Occupational Health & Safety Advisory Services) 18001
- Protocol of 2002 to the Occupational Safety and Health Convention 1981 (No. 155)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- European Agency for Safety and Health at Work
- United States Department of Labour – Occupational Safety
- World Health Organization
- World Health Organization, Harvard School of Public Health, World Bank, Global burden of disease
## EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

### Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number/percentage of injuries or fatal accidents in the organization by job qualification inside the company</td>
<td>• Interviews or questionnaire filled out by management and human resources&lt;br&gt;• Review of enterprise-specific reports&lt;br&gt;• Interviews with workers and union</td>
</tr>
<tr>
<td>Hours of injuries per level of employees</td>
<td>• Interviews or questionnaire filled out by management and human resources&lt;br&gt;• Review of enterprise-specific reports&lt;br&gt;• Interviews with workers and union</td>
</tr>
<tr>
<td>Presence of a formal policy concerning health and safety</td>
<td>• Interviews and or questionnaire filled out by management and human resources&lt;br&gt;• Review of organization-specific web site and reports</td>
</tr>
<tr>
<td>Adequate general occupational safety measures</td>
<td>• Interviews and or questionnaire filled out by management, workers, government agencies, and NGOs&lt;br&gt;• Review of organization-specific reports, such as audits</td>
</tr>
<tr>
<td>Preventive measures and emergency protocols exist regarding accidents and injuries</td>
<td>• Interviews and or questionnaire filled out by management, workers, government agencies, and NGOs&lt;br&gt;• Review of organization-specific reports, such as audits</td>
</tr>
<tr>
<td>Preventive measures and emergency protocols exist regarding pesticide and chemical exposure</td>
<td>• Interviews and or questionnaire filled out by management, workers, government agencies, and NGOs&lt;br&gt;• Review of organization-specific reports, such as audits</td>
</tr>
<tr>
<td>Appropriate protective gear required in all applicable situations</td>
<td>• Interviews and or questionnaire filled out by management, workers, government agencies, and NGOs&lt;br&gt;• Review of organization-specific reports, such as audits</td>
</tr>
<tr>
<td>Number of (serious/non-serious) Occupational Safety and Health Administration (OSHA) violations reported within the past 3 years and status of violations</td>
<td>• Questionnaire filled out by management, government violation records, news articles</td>
</tr>
<tr>
<td>GRI LA8 Education, training, counselling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases</td>
<td>• GRI Sustainability reports&lt;br&gt;• Interviews and or questionnaire filled out by management, workers, government agencies, local communities, and NGOs&lt;br&gt;• Review of organization-specific reports</td>
</tr>
</tbody>
</table>

### LIMITATIONS OF THE SUBCATEGORY

The defined indicators could be difficult to assess if the corresponding raw data is not available. There are challenges in collecting or assessing primary data. This might lead to assumptions or use of proxy information that might not be representative of the specific product.
REFERENCES


**Internet sources**

*Agence Européenne Pour La Santé Sécurité au Travail*

*Asian Pacific Regional Network on OHS*

*Canadian Center for Occupational Health and Safety*

*Commission La Santé et de la Sécurité au Travail*

*Ilolex*

*International Journal of Occupational and Environmental Health*

*International Labor Organisation Safework*

*New Zealand Accident Compensation Corporation*

*US-Environmental Protection Agency*

*World Health Organization, Harvard School of Public Health, World Bank, Global burden of disease*
Social benefits refer to non-monetary employment compensation which are typically offered to full-time workers but may not be provided to other classes of workers (e.g., part-time, home workers, contractual).

“Social security, as an important component of social protection, encompasses a narrower set of benefits and compensatory government schemes, such as social insurance and social assistance” (UN 2007)

Four basic categories of social security benefits are often included and are paid based upon the record of worker’s earnings: retirement, disability, dependents, and survivors’ benefits.

Other social benefits that may be provided include:

- Medical insurance,
- Dental insurance,
- Paramedical insurance including preventive medicine,
- Medicine insurance,
- Wage insurance,
- Paid maternity and paternity leave (parental leave),
- Paid sick leave,
- Education and training,
- Meal voucher,
- Agreements with gyms, kindergartens, etc.

The social benefits provided to the workers could depend on the considered social context. As countries have different laws and policies regarding social security and social benefits, some benefits may already be covered by the national government. For example, some countries have a public medical system accessible to all citizen while other countries have a private medical system calling for citizen/workers to be covered by a medical insurance.

**Aim and approach of indicator assessment**

This subcategory assesses whether and to what extent an organization provides social benefits and social security of workers.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

The recognition of social security as a basic human right is enshrined in the Universal Declaration of Human Rights (1948). The development of social security programs is one of the most significant social achievements of the international community, but its enhancement and extension remain one of the main challenges of the 21st century.

A number of states have some system of social security. Social security benefits guarantee that if something unexpected, such as illness, injury, or sudden death, should occur, income will not simply cease. Social security allows people who qualify to collect unemployment and provides for people after they have retired. If the primary income earner of the family should become disabled or deceased, families can benefit from social security. All these aspects improve the quality of life in the direction of sustainable development.

This subcategory contributes to the development of several SDGs both directly and indirectly. In detail, it contributes to support the SDG 3 “Good Health and Well-being,” SDG 8 “Decent Work and Economic Growth,” SDG 9 “Industry, Innovation and Infrastructure,” and SDG 11 “Sustainable Cities and Communities.”

INTERNATIONAL INSTRUMENTS

• ILO Invalidity, Old Age and Survivors’ Benefits Convention (No. 128) and Recommendation 1967 (No. 131)
• ILO Medical Care and Sickness Benefits Convention (No. 130) and Recommendation 1969 (No. 134)
• ISO 26000 Guidance on Social Responsibility
• Medical Care and Sickness Benefits Recommendation 1969 (No. 134)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

• Directorate for Employment, Labour and Social Affairs
• The International Social Security Association
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>List and provide short description of social benefits provided to the workers (e.g., health insurance, pension fund, child care, education, accommodation, etc.)</td>
<td>• Interviews or questionnaire filled out by management and human resources</td>
</tr>
<tr>
<td></td>
<td>• Review of enterprise-specific reports</td>
</tr>
<tr>
<td></td>
<td>• Review of audits</td>
</tr>
<tr>
<td></td>
<td>• Interviews with workers/union(s)</td>
</tr>
<tr>
<td>Evidence of violations of obligations to workers under labor or social security laws and employment regulations</td>
<td>• Interviews or questionnaire filled out by management and human resources</td>
</tr>
<tr>
<td></td>
<td>• Review of enterprise-specific reports</td>
</tr>
<tr>
<td></td>
<td>• Review of government reports/violation documentation</td>
</tr>
<tr>
<td></td>
<td>• Review of audits</td>
</tr>
<tr>
<td></td>
<td>• Interviews with workers/unions</td>
</tr>
<tr>
<td>Percentage of permanent workers receiving paid time-off</td>
<td>• Interviews or questionnaire filled out by management and human resources</td>
</tr>
<tr>
<td></td>
<td>• Interviews with workers/union(s)</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. This does not imply that indicators listed are ideal measures of impact. As with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.

REFERENCES


Internet sources

Amnesty International Business and Human Rights Checklist

Directorate for Employment, Labour and Social Affairs
1.9 EMPLOYMENT RELATIONSHIP

DEFINITION

The International Labour Organisation (ILO) defines employment relationship as “the legal link between employers and employees. It exists when a person performs work or services under certain conditions in return for remuneration. It is through the employment relationship, however defined that reciprocal rights and obligations are created between the employee and the employer. It has been, and continues to be, the main vehicle through which workers gain access to the rights and benefits associated with employment in the areas of labor law and social security. The existence of an employment relationship is the condition that determines the application of the labor and social security law provisions addressed to employees. It is the key point of reference for determining the nature and extent of employers’ rights and obligations towards their workers” (ILO, Employment Relationship).

Aim and approach of indicator assessment

The aim of the assessment is both to verify whether there is a formal contract protecting the workers and legally defining their relationship with the employers and defining the level of protection afforded by the contract.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

The ILO considers that the issue of employment relationship has become more and more important because of the increasingly widespread phenomenon of dependent workers who lack protection because of one or a combination of the following factors:

- The scope of the law is too narrow, or it is too narrowly interpreted;
- The law is poorly or ambiguously formulated so that its scope is unclear;
- The employment relationship is disguised;
- The relationship is objectively ambiguous, giving rise to doubt as to whether or not an employment relationship really exists;
- The employment relationship clearly exists but it is not clear who the employer is, what rights the worker has and who is responsible for them; and
- Lack of compliance and enforcement.

A recognized employment relationship with labor and social protection is fundamental for the other rights to be protected (forced labor, freedom of association, discrimination, etc.).
The subcategory contributes to the development of SDG 8 “Decent work and economic growth” and especially to target 8.5 “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value,” target 8.6 for reducing “the proportion of youth not in employment, education or training” and target 8.8 “protect labor rights and promote safe and secure working environments for all workers.”

INTERNATIONAL INSTRUMENTS

- Global Social Compliance Programme
- ILO Forced Labour Convention 1930 (No. 29)
- ILO Freedom of Association and Protection of the Right to Organise Convention 1948 (No. 87)
- ILO Migration for Employment Convention (Revised) 1949 (No. 97)
- ILO Recommendation (No. 198) concerning the Employment Relationship
- OECD Guidelines for Multinational Enterprises (Employment and industrial relations).
- Social Accountability International, SA 8000
- The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- The UN Declaration of Human Rights Article 23: “1. Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment. 2. Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Social Hotspot Database (SHDB)
- Eurofound (Data and Resources)
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of a written contract which defines the relationship between the employers and workers (rights and responsibilities of each)</td>
<td>• Employment contract</td>
</tr>
<tr>
<td></td>
<td>• Interviews with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Interviews with workers and trade union representatives</td>
</tr>
<tr>
<td></td>
<td>• Regulations</td>
</tr>
<tr>
<td>Presence of contracts’ essential elements</td>
<td>• Employment contract</td>
</tr>
<tr>
<td></td>
<td>• Interviews with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Interviews with workers and trade union representatives</td>
</tr>
<tr>
<td></td>
<td>• Regulations</td>
</tr>
<tr>
<td>Workers have a copy of the signed contract</td>
<td>• Employment contract</td>
</tr>
<tr>
<td></td>
<td>• Interviews with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Interviews with workers and trade union representatives</td>
</tr>
<tr>
<td></td>
<td>• Regulations</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

The reconstruction of the regulatory context is particularly significant with respect to the assessment of the subcategory.

REFERENCES


1.10 SEXUAL HARASSMENT

DEFINITION

The International Labor Organization (ILO) proposes a definition of sexual harassment similar to many other organizations:

“Sex-based behavior that is unwelcome and offensive to its recipient. For sexual harassment to exist these two conditions must be present. Sexual harassment may take two forms:

1. Quid Pro Quo, when a job benefit - such as a pay rise, a promotion, or even continued employment - is made conditional on the victim acceding to demands to engage in some form of sexual behavior; or;

2. hostile working environment in which the conduct creates conditions that are intimidating or humiliating for the victim.”

Conduct and behavior that falls under the definition can be physical (e.g., unwelcome physical contact including hugging, patting, or physical violence including physical assault, unnecessary close proximity); verbal (e.g., comments on appearance, sexual comments and jokes, sexual advances, condescending remarks, sharing of sexually explicit messages); or non-verbal (e.g., sexually-suggestive gestures, whistling, display of sexually explicit or suggestive material). Verbal and non-verbal conduct of sexual harassment occurs in digital spaces as well, for example in messaging apps, email exchanges, online forums.

Everyone and anyone can experience sexual harassment and these guidelines define it independent of gender, sexual orientation, race, age, etc. However, women, people identifying as LGBT+ and racial minorities are more likely to experience sexual harassment.

Many organizations, including universities and companies, have released their specific definitions of sexual harassment.

Aim and approach of indicator assessment

This impact category assesses whether an organization might create or tolerate working conditions in which sexual harassment occurs, and to what extent company actions are successful in preventing sexual harassment. While circumstantial indicators may be measured through audits with yes/no results (e.g., the existence of a grievance helpline), direct occurrences of sexual harassment might only be measured through interviews or surveys.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

A world of work, free of sexual harassment has become an explicit goal for the member states of the ILO in the ILO’s Violence and Harassment Convention, adopted in June 2019. Some national laws and codes of conduct have addressed sexual harassment for much longer, often defining sexual harassment as a form of discrimination based on gender and referring to the Human Right against discrimination as the relevant international convention.
The fear of and the presence of sexual harassment have adverse effects on the workers/employees impacted by sexual harassment, but also on the witnesses of sexual harassment, employers, and the society at large.

For workers/employees/witnesses impacted by sexual harassment, feelings of shame and humiliation are common and can lead to loss of self-esteem, increased anxiety levels, stress, and physical illnesses. Resulting behavior changes from these experiences can include social withdrawal, substance abuse, self-harm, etc. The burden of sexual harassment is generally severe enough to affect a person beyond the workplace, negatively influencing their private social life as well.

The negative effects the employer might face (whether or not they are aware of the existence of sexual harassment) are reductions in motivation and focus, impaired judgement, loss of team spirit, and negative effects on the overall productivity as well as an increase in absenteeism and turnover rate.

At the level of society, there are social costs of a decrease in mental and physical well-being and an increase in unemployed workers related to sexual harassment. Sexual harassment can undermine access to high-status jobs for women and minorities, limiting the overall potential of the society.

This subcategory contributes to the development of decent work in the economic growth and promotes the “inclusive and sustainable economic growth, full and productive employment and decent work for all” as expected by SDG 8. In particular, the subcategory addresses target 8.5. “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value" and target 8.8 “Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.”

INTERNATIONAL INSTRUMENTS

- ILO Violence and Harassment Convention 2019 (No. 190)
- Samples of Global Framework Agreements (GFAs) between multinational enterprises and Global Union Federations (GUF) that include sexual harassment clauses (International Labour Office (2017), Section 7).

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- National surveys in various countries, for example, Germany (Antidiskriminierungsstelle des Bundes), United Kingdom (Trades Union Congress), United States (Equal Employment Opportunity Commission), Australia (Australian Bureau of Statistics)
- UN Women Asia Pacific: Facts and Figures: Ending Violence against Women and Girls
- UN Women Global: Facts and Figures: Ending Violence against Women
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sexual harassment incidents reported on a grievance helpline</td>
<td>• Interviews with directors or human resources officer&lt;br&gt;• Interviews with workers and trade union representatives&lt;br&gt;• Interviews with community members&lt;br&gt;• Interviews with governmental agencies and NGOs&lt;br&gt;• Organization-specific reports and audits</td>
</tr>
<tr>
<td>Existence of clear responsibilities for matters of sexual harassment within the organization</td>
<td>• Interviews with directors or human resources officer&lt;br&gt;• Interviews with workers and trade union representatives&lt;br&gt;• Interviews with community members&lt;br&gt;• Interviews with governmental agencies and NGOs&lt;br&gt;• Organization-specific reports and audits&lt;br&gt;• Regulations</td>
</tr>
<tr>
<td>Efforts by the organization to reduce the risk of sexual harassment</td>
<td>• Interviews or questionnaire filled by management and human resources&lt;br&gt;• Review of enterprise-specific reports</td>
</tr>
</tbody>
</table>

Limitations of the subcategory

Data accessibility from organizations is difficult and instances of sexual harassment are often underreported leading to a data gap on this subject. Inventory indicators on the number of sexual harassment incidents are likely to be lower than the actual number of sexual harassment incidents that occur in a workplace.

REFERENCES


1.11 SMALLHOLDERS INCLUDING FARMERS

DEFINITION

There is a lack of a shared and internationally accepted notion of ‘smallholder’ and the term is often intended to mean “small-scale agriculture,” “family farm,” “subsistence farm,” “resource-poor farm,” “low-income farm,” “low-input farm,” or “low-technology farm” and is used interchangeable.

However, in this document the definition is broader and includes small companies or enterprises. Small enterprise are privately owned corporations, partnerships, or sole proprietorships which have fewer employees and/or less annual revenue than a regular-sized business or corporation.

Definitions of Stallholder have been developed in agriculture sector mainly and depending on the characteristics of the farm in question, ranging from socio-economic ones to resource endowments and size. Indeed, in general terms, smallholder farmers operate with structural limits to their access to resources, technology, and markets. On the other hand, in the political debate, the notion is related to that of deprivation, risk of poverty, absence of possibilities and necessity of support. The World Bank (2003) defines smallholders as those with a low asset base and operating in less than 2 hectares of cropland. A different definition focuses on the role of the family in the management of the business and related activities, carried out mainly by its members (CFS HLPE 2013 in Khalil et al. 2017). Smallholders have family-focused motives such as favoring the stability of the farm household system, use mainly family labor for production, use part of the produce for family consumption, are usually considered as part of the informal economy (may not be registered, tend to be excluded from aspects of labor legislation, have limited records, have limited resources in terms of financial, labor, ...) and are often vulnerable in the supply chains. This vulnerability is also linked to illiteracy (see SDG 4), which affects people “who cannot with understanding both read and write a short simple statement on his everyday life” (UN 1984, para. 15.61).

Broadly speaking, the various existing definitions can be categorized into the following groups according to the criterion used: the endowment of aspects such as land, labor, technology; the type of management of the farm with particular reference to the role played by the family; the relationship with the market; and the economic size of the farm.

Aim and approach of indicator assessment

The assessment aims at capturing the peculiarities of smallholders including farmers, especially regarding the endowment of factors of production, the role played by the family, the relationships with the market, and the economic size of the smallholders, focusing in particular on aspects related to work.

On the other hand, other themes covered by other subcategories are not considered in order to avoid duplication.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Smallholders play a key role in the fulfillment of the sustainable development goals but even before the adoption of the 2030 Agenda, they have been the center of numerous debates on sustainability.

Smallholders recognize their centrality in the route to sustainability, especially in relation to sustainable food production, protection of biodiversity, and cultural participation. In this perspective, the functions carried out by smallholders on the social, economic, environmental, and cultural level, which concern all dimensions of sustainability, are strategic.

This subcategory is related to different SDGs. Improving smallholders’ conditions can support the achievement of SDG 2 “End hunger, achieve food security and improved nutrition and promote sustainable agriculture” and in particular target 2.3., DG 4 “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, SDG 5 “Achieve gender equality and empower all women and girls” (gender equality, especially dealing with special issues related to women farmers), SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all,” SDG 10 “Reduce inequality within and among countries,” SDG 13 “Take urgent action to combat climate change and its impacts,” SDG 15 “Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss,” and SDG 17 “Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development”.

INTERNATIONAL INSTRUMENTS

- Treaty on Plant Genetic Resources for Food and Agriculture

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- European Environment Agency
- FAO
- UN Population data
- World Bank
- World Health Organization (WHO)
**EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES**

Note: These indicators, with some adjustments, are from Seville et al. (2016).

**Specific analysis**

<table>
<thead>
<tr>
<th>Area of interest (subject)</th>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Livelihood and well-being  | • Days and months without sufficient food in past year  
                              • Access to domestic services (e.g., water for domestic use; electricity) | • Interviews with management, procurement department, smallholders, and workers  
                                                                                     • Visit to facility  
                                                                                     • Verification of organization documents and with workers interviews or audits |
| Inclusiveness              | • Participation in farmers organization  
                              • Ownership of the farm/company | • Interviews with management, procurement department, smallholders, and workers  
                                                                                     • Visit to facility  
                                                                                     • Verification of organization documents and with workers interviews or audits |
| Productivity               | • Evidence of crop yield (e.g., crop yield calculated by estimated production/estimated cultivation area; crop revenue calculated from farmer estimated sales; net crop income)  
                              • Evidence of production per year | • Interviews with management, procurement department, smallholders, and workers  
                                                                                     • Visit to facility  
                                                                                     • Verification of organization documents and with workers interviews or audits |
| Access to services         | • Evidence of access to services (e.g., inputs such as fertilizer and seeds (planting material); affordable credit and capital; use of credit (in a given year); to agronomic assistance) | • Interviews with management, procurement department, smallholders, and workers  
                                                                                     • Visit to facility  
                                                                                     • Verification of organization documents and with workers interviews or audits |
| Trading relationships      | • Membership in or access to a farmer organization  
                              • Evidence of quality of relationship with primary buyer (e.g., length of relationship; number of options for buyers; presence of benefits from trade; percent of harvest sold; knowledge of certifications held)  
                              • Traceability and understanding of quality standards & price premiums (if they exist) | • Interviews with management, procurement department, smallholders, and workers  
                                                                                     • Visit to facility  
                                                                                     • Verification of organization documents and with workers interviews or audits |
| Next generation farmers/holders | • Level of education completed by household/family members  
                                             • Age of farm/company manager or the person who generally makes the decisions  
                                             • Age of household/family members concerning for example age of member doing primary work in target commodity or agribusiness chain; attending training around the target; receiving the money from the sale; receiving credit around the target, joining the farmer group/cooperative | • Interviews with management, procurement department, smallholders, and workers  
                                                                                     • Visit to facility  
                                                                                     • Verification of organization documents and with workers interviews or audits |
LIMITATIONS OF THE SUBCATEGORY

The lack of a shared and internationally accepted definition for “smallholders” presents a challenge with this subcategory making it more difficult to assess in a consistent manner. Data collection and accessibility can be difficult since site specific survey or interview data are particularly relevant for this subcategory.

REFERENCES


2. Local community

2.1 ACCESS TO MATERIAL RESOURCES

DEFINITION

Communities and organizations may share the use of material resources (natural and man-made) and have a mutual interest in protecting and enhancing the quantity and quality of local resources and infrastructure.

Expanding operations carry the potential for depletion of and conflict over natural material resources (e.g. water, forest land, home lands), especially in emerging or unstable countries. Organizations should conduct risk assessments with attention to potential conflict over material resources and engage with the local community over sustainable methods for sharing resources.

Organizations should institute risk management plans for preventing, mitigating, and controlling environmental damage. This includes management attention to the sustainable use of natural resources, pollution prevention, and waste recycling. Environment management systems are certifiable systems that help organizations improve material resource conservation. Similarly, social and environmental impact assessments are encouraged for business operations that are likely to have significant adverse impacts on material resources.

Organizations and communities may also benefit from improving the quality of local infrastructure. Assessment should consider the extent to which project-related infrastructure, such as roadways and waste disposal systems, have positive long-term effects on local economic development.

Aim and approach of indicator assessment

This subcategory assesses the extent to which organizations respect, work to protect, to provide or to improve community access to local material resources (i.e. water, land, mineral, and biological resources) and infrastructure (i.e. roads, sanitation facilities, schools, etc.).
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Expanding economic activities have placed pressure on material resources in developing regions of the world. These resources are integral to community development. Access to material resources may be restricted when organizations and communities are in conflict over resource ownership or when organizations’ activities pollute and damage material resources. At the same time, organizations may contribute to sustainable development by providing or improving long-term project-related infrastructure and by protecting existing natural resources and their related ecosystem services.

With this subcategory strengthening sustainable management and efficient use of natural resources, it contributes to SDG 12.2 and to SDG 9.4 for upgrading infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities.

INTERNATIONAL INSTRUMENTS

- Convention on Access to Information, Public Participation in Decision-Making and Access to Environmental Justice Matters (The Aarhus Convention)
- Convention on Biological Diversity
- International Covenant on Civil and Political Rights

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- FAO Global Forest Resources Assessment for industrial impacts on forest land:
- OECD Environmental Data Compendium for industrial impacts on material resources, including land, water, air and wildlife:
- United States Department of Agriculture, Natural Resources Conservation Services, World Soil Resources Map Index
- World Bank data on biodiversity, extractive industries and water resources:
- World Economic Forum annual country rankings for infrastructure quality
**Site-specific data source examples**

Site visit or site-specific audit

- Interviews with community members
- Interviews with employees
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific audits, such as ISO 14000
- Organization-specific reports, such as GRI or UN COP reports
- Site-specific Social Impact Assessment report

**EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES**

**Specific analysis**

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Has the organization developed project-related infrastructure with mutual community access and benefit | • Site visit or site-specific audit  
• Interviews with community members, employees, governmental agencies, management, and NGOs  
• Review of organization-specific reports, including GRI and COP reports and audits |
| Strength of organizational risk assessment with regard to potential for material resource conflict | • Site visit or site-specific audit  
• Interviews with community members, governmental agencies, management, and NGOs  
• Review of organization-specific reports, including GRI and COP reports, audits, and social impact assessments |
| Does the organization have a certified environmental management system | • Site visit or site-specific audit  
• Interviews with management  
• Review of organization specific reports, including GRI and COP reports and audits |

**LIMITATIONS OF THE SUBCATEGORY**

There are a variety of resources that are considered under this subcategory, including water, land, forests, fisheries, and home lands. For each product or organization, it is likely to be different resources where the impacts are occurring. This wide range of resources makes using generic datasets difficult as they may not be representative of the real situation.
REFERENCES

Diversity, Decision VIII/17: Private-sector Engagement. UNEP/CBD/COP/8/31


Internet sources

FAO Global Forest Resources Assessment

Millennium Development Goals

OECD Environmental Data Compendium

UNEP Convention on Biological Resources: Business and Biodiversity

United Nations Global Compact

United Nations Global Compact, Access to Water

World Bank, Data & Statistics

World Bank, Topics in Development (including data)
2.2 ACCESS TO IMMATERIAL RESOURCES

DEFINITION
Immaterial resources include community services, intellectual property rights, freedom of expression, and access to information.

Organizations may build community relations and improve access to immaterial resources by promoting community services, such as health care, education, and lending programs. Organizations also build access to immaterial resources by sharing information and knowledge and transferring technology and skills to the community. With regard to intellectual property, organizations should respect and safeguard the moral and economic rights of the creators of intellectual property.

Organizations limit access to immaterial resources by restricting freedom of expression among employees or community members (this does not include actions that prevent employees from sharing confidential commercial information). Organizations may be complicit in suppressing local opinion if community members are arrested for protesting corruption within the organization. Similarly, organizations may be complicit in limiting freedom of expression if journalists are arrested for reporting on organization corruption.

Aim and approach of indicator assessment
This subcategory assesses the extent to which organizations respect, work to protect, to provide, or to improve community access to immaterial resources.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT
As organizations expand into emerging markets, improving local services, access to information and freedom of opinion are essential components of sustainable development. Organizations should learn from and respect local knowledge and traditions. Organizations should also transfer knowledge to the community through formal training programs and general community education initiatives. Licensing of intellectual property rights should respect and contribute to the long-term development of the community.

With this subcategory strengthening efforts towards a responsible consumption and production, it contributes to SDG 12 “Responsible consumption and production.” Moreover, it addresses SDG 4 “Quality education” promoting lifelong learning opportunities for all.
INTERNATIONAL INSTRUMENTS

- AA1000 Accountability Principles Standard 2008
- AA1000 Stakeholder Engagement Standard
- Agenda 21, Sections I, II III and IV
- Convention on Access to Information, Public Participation in Decision-Making and Access to Environmental Justice Matters (The Aarhus Convention)
- G3 Sustainability Reporting Guidelines, Labor Practices and Decent Work Performance Indicators
- International Covenant on Civil and Political Rights, Articles 19 and 21
- ISO 26000 Guidance on Social Responsibility
- Millennium Development Goals (Goal 8)
- Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights
- OECD Guidelines for Multinational Enterprises (Preface, General Policies, Disclosure, Employment and Industrial Relations, Science and Technology)
- Rio Declaration on Environment and Development (Principles 9 and 10)
- Social Accountability International, SA 8000
- The Universal Declaration of Human Rights (Article 19)
- United Nations Global Compact

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Amnesty International country reports on human rights, including freedom of expression
- U.S. Department of State Country Reports on Human Rights Practices, including freedom of speech and press
- World Economic Forum annual country rankings on specialized research and training programs and technology transfer
- World Intellectual Property Organization’s World Intellectual Property Indicators
### EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

#### Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual arrests connected to protests of organization actions</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with governmental agencies, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, including GRI and COP reports and audits</td>
</tr>
<tr>
<td>Do policies related to intellectual property respect moral and economic rights of</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td>the community</td>
<td>• Interviews with community members, employees, governmental agencies, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific audits, such as ISO 26000, and social impact assessments</td>
</tr>
<tr>
<td>Presence/strength of community education initiatives</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with community members, employees, governmental agencies, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, including GRI and COP reports, audits, and social</td>
</tr>
<tr>
<td></td>
<td>impact assessments</td>
</tr>
</tbody>
</table>

#### LIMITATIONS OF THE SUBCATEGORY

Accessing data from organizations is often difficult and average data sets do not fully represent the real situation regarding restricted freedom of expression for employees at a specific company or organization. The more data we can gain access to, the more precise and accurate the assessment will be.

**REFERENCES**


**Internet sources**

- [Millennium Development Goals](https://www.un.org/millenniumgoals/)
- [United Nations Global Compact](https://www.unglobalcompact.org/)
- [United Nations Global Compact](https://www.unglobalcompact.org/) (Freedom of Opinion, Speech and Expression)
- [U.S. Department of State, Country Reports on Human Rights Practices](https://www.state.gov/reports)
- [WIPO, World Intellectual Property Indicators](https://www.wipo.int/ipstats/en)
2.3 DELOCALIZATION AND MIGRATION

DEFINITION

Economic development sometimes leads to the large-scale migration of individuals seeking employment. Involuntary resettlement may occur if organizations directly or indirectly dispossess individuals or groups of individuals of their land or resources.

In the case of migrant workers entering a community, the organization should consider how well workers will integrate with more permanent residents. Organizations should provide opportunities for communication and education between migrant workers and permanent residents to minimize risks, such as violence and prostitution.

If operations require human relocation, organizations should engage in due diligence and procedural safeguards. These safeguards include comprehensive impact assessments, prior consultation and notification, provision of legal remedies, fair and just compensation and adequate relocation (see UN Global Compact, Access to Adequate Housing). Resettlement is considered involuntary when groups are not offered the right to refuse acquisition that leads to displacement. Involuntary resettlement may occur even when the dispossessed do not have legal claim to the land or resources.

Aim and approach of indicator assessment

The assessment aims to explore whether organizations contribute to delocalization, migration, or “involuntary resettlement” within communities and whether populations are treated adequately.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

As organizations enter emerging markets, potential for delocalization and migration occurs. Involuntary resettlement can lead to long-term social and economic hardships for affected populations. Organizations should be aware of these effects and understand that states may place economic development goals above the human rights of certain populations. Organizations should engage with populations at risk and address their concerns.

With regard to the migration of labor, while the migration of relatively skilled workers can encourage economic development in host countries, home countries experience a loss of human capital. At the same time, remittances to family members in home countries play an important role in the economic development of less developed countries. In addition, migrant workers may return home with new skills that contribute to economic development in their home country.

Inequality within and among nations continues to be a significant concern despite progress in and efforts at narrowing disparities of opportunity, income, and power. Moreover, substantial progress has been made in reducing the proportion of the global urban population living in slums.
This subcategory is in line with SDG 8.8 advocating for the protection of labor rights and promotion of safe and secure working environments for migrant workers, in particular women migrants, and those in precarious employment. It also addresses SDG 10.7 “Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies” and SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable.”

INTERNATIONAL INSTRUMENTS

- AA1000 Accountability Principles Standard 2008
- IFC Performance Standard 5 - Land Acquisition and Involuntary Resettlement
- International Covenant on Civil and Political Rights (Article 12)
- United Nations Declaration on the Rights of Indigenous Peoples
- United Nations Global Compact (Principle 1)
- The Universal Declaration of Human Rights (Article 17)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- COHRE’s Global Survey on Forced Eviction, Legal Resources on Housing and Property Restitution and country reports on housing and related rights
- UN International Migrant Stock: The 2017 Revision, including international migrants as a percentage of population
- U.S. Department of State Country Reports on Human Rights Practices, including discussion of Internally Displaced Persons
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Number of individuals who resettle (voluntarily and involuntarily) that can be attributed to the organization | • Site visit or site-specific audit  
• Interviews with community members, governmental agencies, management, and NGOs  
• Review of organization-specific reports, such as COP reports or audits |
| Strength of organizational policies related to resettlement (e.g. due diligence and procedural safeguards) | • Site visit or site-specific audit interviews with community members, governmental agencies, management, and NGOs  
• Review of organization-specific reports, such as COP reports, audits, and Social Impact Assessments |
| Strength of organizational procedures for integrating migrant workers into the community | • Site visit or site-specific audit interviews with community members, employees, governmental agencies, management, and NGOs  
• Review of organization-specific reports, such as COP reports or audits |

LIMITATIONS OF THE SUBCATEGORY

The defined indicators could be difficult to assess if the corresponding raw data is not available. There are challenges in collecting or assessing primary data. This might lead to assumptions or use of proxy information that might not be representative of the specific product.

REFERENCES


Internet sources

United Nations Global Compact
United Nations Global Compact, Access to Adequate Housing
United Nations Global Compact, Internal Displacement
United Nations International Migrant Stock: The 2017 Revision
United Nations Sustainable Development Goals, Knowledge Platform
U.S. Department of State Country Reports on Human Rights Practices
2.4 CULTURAL HERITAGE

DEFINITION

Cultural heritage includes language, social and religious practices, knowledge and traditional craftsmanship, as well as cultural spaces and objects (e.g. burial grounds; natural, built and archaeological sites; historic cities, etc.). International human rights conventions secure the rights of individuals to preserve their cultural heritage. This includes practicing and revitalizing cultural traditions and religious beliefs that are respectful of human rights.

Organizations can more actively promote the preservation of cultural heritage by encouraging the sustainable use of traditional products and craftsmanship in their product design and production methods. This is especially relevant to agricultural production methods and clothing/craft design as well as the promotion of cultural tourism.

Cultural heritage enriches the social capital as a driving force for the cultural and creative sector and as a resource for economic growth, employment, and social cohesion by supporting the revitalization of urban and rural areas as well as promoting sustainable tourism.

Aim and approach of indicator assessment

This subcategory assesses whether an organization respects local cultural heritage and recognizes that all community members have a right to pursue their cultural development.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Globalization can lead to the deterioration of cultural heritage as organizations enter new markets. Organizations should consider historical and evolving cultural traditions to be assets of communities. Organizations that recognize and engage with diverse groups of individuals will take important strides towards protecting the cultural integrity of local communities.

With this subcategory a contribution to SDG 11.4 “Strengthen efforts to protect and safeguard the world’s cultural and natural heritage” can be measured. Additionally, this subcategory contributes directly and indirectly to the development of several other SDGs.

INTERNATIONAL INSTRUMENTS

- Convention for the Safeguarding of the Intangible Cultural Heritage
- Convention on Biological Diversity, Article 8(j)
- Convention on the Protection and Promotion of the Diversity of Cultural Expressions
- Global Reporting Initiative Standards
- ISO 26000 Guidance on Social Responsibility
- Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Business & Human Rights Resource Centre country reports on discrimination, including racial/ethnic/caste/origin discrimination
- UNESCO Country Reports on Cultural Heritage
- UNESCO Institute for Statistics database
- UNESCO List of Intangible Heritage in Urgent Need of Safeguarding
- U.S. Department of State Country Reports on Human Rights Practices

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Evidence of policies/management plan(s) in place to protect and/or support cultural heritage | • Site visit or site-specific audit  
  • Interviews with community members, management, and NGOs  
  • Review of organization-specific reports, such as GRI reports and Social Impact Assessments |
| Presence of organizational program to include cultural heritage expression in product design/production | • Site visit or site-specific audit  
  • Interviews with community members, employees, management, and NGOs  
  • Consultation of documents/reports |
| Presence of relevant organizational information to community members in their spoken language(s) | • Site visit or site-specific audit  
  • Interviews with community members, management, and NGOs  
  • Consultation of documents/reports |
| Presence of documented initiatives and activities oriented to support and promote cultural heritage (e.g., funding of cultural activities and events) | • Site visit or site-specific audit  
  • Interviews with community members, management, and NGOs  
  • Consultation of documents/reports |
LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. This does not imply that indicators listed are ideal measures of impact. As with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.

REFERENCES


Internet sources

Business & Human Rights Resource Centre, Discrimination

European Commission

United Nations Global Compact, Freedom of Thought, Conscience and Religion

UNESCO: Cultural Diversity

UNESCO: Culture at the heart of SDGs

UNESCO: Safeguarding Intangible Cultural Heritage

United Nations Sustainable Development Goals. Knowledge Platform

U.S. Department of State, Country Reports on Human Rights Practices
2.5 SAFE AND HEALTHY LIVING CONDITIONS

DEFINITION

With regard to general safety, operations can impact community safety through equipment accidents or structural failures. Project-related land use changes can also lead to natural disasters, such as landslides. Disease may spread as a result of business-related land use changes, for example when poor water drainage contributes to the spread of malaria. Influx of workers can also encourage the spread of communicable disease. The generation and/or use of hazardous material and pollution emissions may lead to adverse health impacts. Organizations should institute environmental risk management systems for preventing, mitigating, and controlling health damage from their operations.

Organizations may contribute to the health of local communities, for example by shared access to employee health services. Organizations should communicate potential health and safety impacts of their operations to surrounding communities. Organizations culpable for negative health effects should engage in remediation or compensation efforts.

Aim and approach of indicator assessment

This subcategory assesses how organizations impact community safety and health. This includes the general safety conditions of operations and their public health impacts.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

In emerging economies, the protection of public health and safety often does not keep pace with economic development. Organizations should therefore contribute to local discourse on public health and safety regulations. Similarly, organizations should share scientific resources related to risk and impact assessment and environmental management techniques.

This subcategory contributes to realize SDG 3 “Ensure healthy lives and promote well-being for all at the ages” and SDG 6 “Ensure availability and sustainable management of water and sanitation for all.”

INTERNATIONAL INSTRUMENTS

- [Agenda 21](#), Sections I, II III and IV
- [Amnesty International Human Rights Principles](#)
- [Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal](#)
• Convention on Access to Information, Public Participation in Decision-Making and Access to Environmental Justice Matters (The Aarhus Convention)

• G3 Sustainability Reporting Guidelines, Environmental Performance Indicators

• IFC Performance Standard 4 – Community Health, Safety and Security

• ILO Prevention of Major Industrial Accidents Convention 1993 (No. 174)

• ISO 26000 Guidance on Social Responsibility

• Millennium Development Goals (Goal 7)

• OECD Guidelines for Multinational Enterprises (Environment)

• Rio Declaration on Environment and Development (Principles 10, 13 and 15)

• The UN Global Compact’s ten principles (Principles 7-9)

• The Universal Declaration of Human Rights (Article 3)

• UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

• Ecollex environmental law search on global legislation related to wastes and hazardous substances

• The World Bank Group’s environmental data on emissions and pollution

• The World Bank Group and International Finance Corporation’s reports on local and country-level construction safety regulations

• World Health Organization’s global burden of disease and health risks reports
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Management oversight of structural integrity | • Site visit or site-specific audit  
• Interviews with management, community members, employees, governmental agencies, and NGOs  
• Review of organization-specific reports, such as GRI or COP reports |
| Organization efforts to strengthen community health (e.g. through shared community access to organization health resources) | • Site visit or site-specific audit  
• Interviews with management, community members, employees, governmental agencies, and NGOs  
• Review of organization-specific reports, such as GRI or COP reports and Social Impact Assessments |
| Management effort to minimize use of hazardous substances | • Site visit or site-specific audit  
• Interviews with management, community members, employees, governmental agencies, and NGOs  
• Review of organization-specific reports, such as GRI or COP reports |

LIMITATIONS OF THE SUBCATEGORY

Health risks in the local community can sometimes be difficult to trace back directly to a product or organization. Average generic datasets may not fully capture the real health risks present in a local community.

REFERENCES

Internet sources

- ECOLEX
- Millennium Development Goals
- United Nations Global Compact
- United Nations Global Compact (Health and Safety in the Workplace)
- WHO, Global Burden of Disease
- World Bank, Environment, Data
- World Bank and IFC, Doing Business, Dealing with Construction Permits
2.6 RESPECT OF INDIGENOUS RIGHTS

DEFINITION

Indigenous peoples have “a historical continuity with pre-invasion and pre-colonial societies that developed on their territories and consider themselves distinct from other sectors of the societies now prevailing in those territories, or parts of them” (UN Global Compact, Indigenous Peoples). Respect of indigenous rights includes the right to lands, resources, cultural integrity, self-determination, and self-government. Historically, states have denied many indigenous populations these rights.

These rights relate to all human rights and fundamental freedoms as recognized in the Charter of the United Nations, the Universal Declaration of Human Rights and other national and international human rights laws.

Organizations should engage with indigenous peoples to obtain consent for actions that may affect their rights. Through these interactions, organizations have important opportunities to learn from the traditional knowledge of indigenous peoples.

Organizations should take care not to restrict the movement of indigenous peoples when operating on or around their land. Organizations should also safeguard indigenous lands by minimizing pollution and environmental degradation. Finally, organizations must ensure that employment policies do not discriminate against indigenous individuals seeking employment or working for the organization.

Aim and approach of indicator assessment

This subcategory assesses organizational respect for the rights of indigenous peoples, as a group or as individuals.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Respect for indigenous rights and knowledge encourages sustainable development. It is not uncommon, however, for states to place economic development over indigenous rights. Organizations should be aware of this tendency when entering new markets. Organizations should recognize that indigenous peoples have a vital role in sustainable development because of their closeness to the land and traditional knowledge.

With this subcategory, a contribution to the SDG 10.3 and SDG 11.4 ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard and efforts to protect and safeguard the world’s cultural and natural heritage can be measured.
INTERNATIONAL INSTRUMENTS

- *Agenda 21*, Sections I, III and IV
- *Amnesty International Human Rights Principles for Companies*
- *Convention on Biological Diversity, Article 8(j)*
- *Convention for the Safeguarding of the Intangible Cultural Heritage*
- *G3 Sustainability Reporting Guidelines*
- *ILO Indigenous and Tribal Peoples Convention 1989 (No. 169)*
- *ISO 26000 Guidance on Social Responsibility*
- *Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights*
- *Rio Declaration on Environment and Development* (Principle 22)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- *Amnesty International Human Rights Reports*, by country, including issues faced by indigenous peoples
- *Business and Human Rights Resource Centre Country and Discrimination Reports*, including racial/ethnic/caste/origin discrimination
- *U.S. Department of State Country Reports on Human Rights Practices*, including societal abuses and discrimination with attention to issues faced by national/racial/ethnic minorities
EXAMPLES OF INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Strength of policies in place to protect the rights of indigenous community members | • Site visit or site-specific audit  
• Interviews with community members, governmental agencies, management, and NGOs  
• Review of organization-specific reports, such as GRI reports and Social Impact Assessments |
| Annual meetings held with indigenous community members                              | • Site visit or site-specific audit  
• Interviews with community members, management, and NGOs  
• Review of organization-specific reports, such as GRI reports |
| Number of reported and/or documented illegal activities                             | • Site visit or site-specific audit  
• Interviews with community members, management, and NGOs  
• Review of organization-specific reports, such as GRI reports |
| The organization committed to accepting indigenous land rights                       | • Site visit or site-specific audit  
• Interviews with community members, management, and NGOs  
• Review of organization-specific reports, such as GRI reports |
| Response to charges of discrimination against indigenous community members          | • Site visit or site-specific audit  
• Interviews with community members, governmental agencies, management, and NGOs  
• Review of organization-specific reports, such as GRI reports |

LIMITATIONS OF THE SUBCATEGORY

For the assessment of indigenous rights, two main problems occur. First of all, good data sources are lacking and most often come from NGO reports. Secondly, there is a limited awareness on the organizations’ level. That then often lead to negligence of the matter. Furthermore, violations of indigenous rights in most case occur at the far up- or downstream ends of supply chains and remain unseen from an organization’s perspective.

In addition, research on appropriate indicators properly reflecting the case of indigenous rights is ongoing and adequate indicator sets are still to be defined. It is criticized that S-LCA often takes the capitalist standpoint, which is contradictory with the indigenous standpoint.

REFERENCES


**Internet sources**

- Amnesty International, Human Rights by Country
- Amnesty International, Indigenous Peoples
- Business & Human Rights Resource Centre, Discrimination
- United Nations Global Compact, Indigenous Peoples
- United Nations Permanent Forum on Indigenous Issues
- U.S. Department of State, Country Reports on Human Rights Practices
- United Nations Sustainable Development Goals, Knowledge Platform
2.7 COMMUNITY ENGAGEMENT

DEFINITION

Community stakeholders include individuals or community groups that may be affected by the actions or products of an organization. Organizations should consider these stakeholders in the development and implementation of business policies, particularly those that affect local environment, health, and well-being in compliance with ISO 9001:2015 Clause 4 context of the organization.

An organization should attempt to engage with a broad range of stakeholders that represent balanced community interests. Community engagement should provide community members and leaders with a venue to voice concerns. Organizations should respond to these concerns with a strategic plan of action. Representatives at all levels of the organization should engage in this continuous process.

Organizations also foster community engagement through direct involvement in community initiatives and/or through financial support of community projects (e.g. Earth Day activities, recycling initiatives, and visits to local schools).

Aim and approach of indicator assessment

This subcategory assesses whether an organization includes community stakeholders in relevant decision-making processes. It also considers the extent to which the organization engages with the community, in general.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Community participation in decision-making is a fundamental aspect of sustainable development (see Agenda 21). Organizations should enter communities with a willingness to engage with diverse community members, particularly stakeholders that have been denied access historically. Organizations should also become involved in and provide support for community initiatives that align with principles of sustainable development. A comprehensive, respectful approach to community engagement will lead to knowledge sharing and strengthen opportunities for sustainable development.

With the areas occupied by cities growing faster than their populations, there are profound repercussions for sustainability. This subcategory is in line with SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable” in order to act to reverse the current situation, which sees the vast majority of urban residents breathing poor-quality air and having limited access to transport and open public spaces. It also contributes to SGD 12 “Ensure sustainable consumption and production patterns” to ensure that current material needs do not lead to the overextraction of resources or to the degradation of environmental resources and should include policies that improve resource efficiency, reduce waste, and mainstream sustainability practices across all sectors of the economy.
INTERNATIONAL INSTRUMENTS

- **AA1000 Accountability Principles Standard 2008**
- **AA1000 Stakeholder Engagement Standard**
- **Agenda 21, Section III**
- **Amnesty International Human Rights Principles**
- Convention on Access to Information, Public Participation in Decision-Making and Access to Environmental Justice Matters (**The Aarhus Convention**)
- **Global Reporting Initiative Standards**
- **ISO 9001:2015**
- **ISO 14001:2018**
- **ISO 26000 Guidance on Social Responsibility, Clause 6.8 - Community Involvement and Development**
- **Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights**
- **OECD Guidelines for Multinational Enterprises** (General Policies)
- **Rio Declaration on Environment and Development (Principle 10)**
- **Social Accountability International, SA 8000**

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

**Generic data source examples**

- [U.S. Department of State annual country reports on human rights](https://www.state.gov/reports/), including freedom of peaceful assembly and association and political participation
- [World Economic Forum](https://www.weforum.org) annual country rankings on transparency of government policymaking and public trust of politicians
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength of written policies on community engagement at organization level</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with community members, employees, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
<tr>
<td>Diversity of community stakeholder groups that engage with the organization</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with community members, employees, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
<tr>
<td>Number and quality of meetings with community stakeholders</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with community members, employees, management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
<tr>
<td>Organizational support (volunteer-hours or financial) for community initiatives</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with management and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI reports or audits</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Weak community engagement may arise due to factors beyond organization control. This may occur in communities that lack positive histories of civil engagement or among populations that have been historically denied access to meaningful engagement. Note that evaluation should consider the strength of organizational efforts to address community engagement, even though efforts might not translate completely to effective community interaction.

REFERENCES


Internet sources

Amnesty International Business and Human Rights Checklist
United Nations Sustainable Development Goals. Knowledge Platform
2.8 LOCAL EMPLOYMENT

DEFINITION

Local hiring preferences provide important income and training opportunities to community members. Organizations that develop relationships with locally-based suppliers will further encourage local employment and development.

Organizations also may encourage local community development by training local employees in technical and transferable skills. Organizations can have a particularly strong effect on local community development when they hire local employees for senior management positions. This is likely to encourage open communication and trust with the community.

Aim and approach of indicator assessment

This subcategory assesses the role of an organization in directly or indirectly affecting local employment.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Organizations have great potential to encourage sustainable development through local hiring preferences. Local employees have unique knowledge of important community issues and can help the organization build strong community relations. Organizations that work to build transferable business skills among employees will encourage sustainable development as this knowledge may eventually transfer to locally-owned organizations.

This subcategory contributes to SDG 8 “Decent work and economic growth” in particular for sustainable jobs and local culture promotion.

INTERNATIONAL INSTRUMENTS

- Agenda 21, Section I
- Global Reporting Initiative Standards
- ILO Convention concerning Employment Policy 1964 (No. 122)
- ILO Employment Policy (Supplementary Provisions) Recommendation 1984 (No. 169)
- ILO Concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises 1998 (No. 189)
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

• OECD Guidelines for Multinational Enterprises (Employment and Industrial Relations)

• Millennium Development Goals (Goal 1)

• United Nations Global Compact (Principle 1)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

• ILO Key Indicators of the Labour Market for employment statistics by country and sector

• PSILCA

• World Economic Forum annual country rankings on networks, including local supplier quantity

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of workforce hired locally</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with management</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI or COP reports</td>
</tr>
<tr>
<td>Strength of policies on local hiring preferences</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with community members, employees, governmental agencies,</td>
</tr>
<tr>
<td></td>
<td>management, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI or COP reports</td>
</tr>
<tr>
<td>Percentage of spending on locally-based suppliers</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interviews with management</td>
</tr>
<tr>
<td></td>
<td>• Review of organization-specific reports, such as GRI or COP reports</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. This does not imply that indicators listed are ideal measures of impact. As with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.
REFERENCES


Internet sources

Millennium Development Goals

United Nations Global Compact
2.9 SECURE LIVING CONDITIONS

DEFINITION

Organizations with weak security oversight may contribute to insecure living conditions, community tensions, and regional conflicts. At the same time, organizations that enter relatively insecure regions may improve living conditions through responsible actions of private security personnel.

While states have the primary responsibility to protect human rights, organizations must also respect and protect these rights. Organizations may employ security forces to protect their employees and assets. This security should extend to the protection of human rights in surrounding communities. In some countries, state-led forces, such as police and military personnel, have a history of committing human rights violations. In many cases, organizations have been complicit in these abuses (UN Global Compact, Security Forces & Human Rights). Therefore, it is necessary to investigate whether an organization has benefited in any form from human rights violations. In addition, inaction in the face of human rights abuses is a form of silent complicity.

Organizations should train and monitor security personnel on international law enforcement principles such as the UN Code of Conduct for Law Enforcement Principles and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. Organizations should also engage with host governments and communities with respect to best security practices.

Aim and approach of indicator assessment

This subcategory assesses how organizations impact the security of local communities with respect to the conduct of private security personnel and how the organization interacts with state-led forces.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

As organizations expand into emerging markets, they may enter communities where governments have a history of human rights violations. Economic development should encourage secure living conditions within surrounding communities. Organizations with weak oversight of security personnel and/or disregard for general, local security conditions discourage opportunities for sustainable development.

This subcategory contributes to realize SDG 3 “Ensure healthy lives and promote well-being for all at the ages” and SDG 16 “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”
INTERNATIONAL INSTRUMENTS

- Amnesty International Human Rights Principals
- G3 Sustainability Reporting Guidelines, Human Rights Performance Indicators
- IFC Performance Standard 4 - Community Health, Safety and Security
- International Covenant on Civil and Political Rights (Article 9)
- ISO 26000 Guidance on Social Responsibility
- Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights
- OECD Guidelines for Multinational Enterprises (Environment)
- UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials
- UN Code of Conduct for Law Enforcement Officials
- UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- United Nations Global Compact (Principles 1 and 2)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Amnesty International country reports on human rights, including security and human rights
- The Business & Human Rights Resource Centre country and company reports on security
- U.S. Department of State Country Reports on Human Rights Practices, including incidents of arbitrary arrest and detention
- World Economic Forum annual country rankings for reliability of police services

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Management policies related to private security personnel | • Site visit or site-specific audit  
• Interviews with management, community members, employees, governmental agencies, and NGOs  
• Review of organization-specific reports, such as GRI or COP reports and social and/or human rights impact assessments |
| Number of legal complaints per year against the organization with regard to security concerns | • Site visit or site-specific audit  
• Interviews with management, governmental agencies, and NGOs |
| Number of casualties and injuries per year ascribed to the organization | • Site visit or site-specific audit  
• Interviews with management, governmental agencies, and NGOs |
LIMITATIONS OF THE SUBCATEGORY

Some instances of violence against the local community from security forces may not be reported or could be denied by the company or organization making data collection on this topic more difficult. Therefore, the number of real instances may not be fully captured by generic data sources.

REFERENCES


Internet sources

Amnesty International, Human Rights by Country

Business & Human Rights Resource Centre

Global Reporting Initiative

United Nations Global Compact

United Nations Global Compact (Arbitrary Arrest and Detention)

United Nations Global Compact, Security Forces and Human Rights

U.S. Department of State, Country Reports on Human Rights Practices

Voluntary Principles on Security and Human Rights
3. Value chain actors

3.1 FAIR COMPETITION

DEFINITION

Anti-competitive behavior: Actions of the reporting organization and/or employees that may result in collusion with potential competitors to fix prices, coordinate bids, create market or output restrictions, impose geographic quotas, or allocate customers, suppliers, geographic areas, and product lines with the purpose of limiting the effects of market competition. Some examples are: price fixing, where parties collude to sell the same product or service at the same price; bid rigging, where parties collude to manipulate a competitive bid; and predatory pricing, which is selling a product at very low price with the intent of driving competitors out of the market.

Anti-trust and monopoly practices: Actions of the reporting organization that may result in collusion to erect barriers to entry to the sector, unfair business practices, abuse of market position, cartels, anti-competitive mergers, price-fixing, and other collusive actions which prevent competition.

Aim and approach of indicator assessment

This subcategory assesses if the organization’s competitive activities are conducted in a fair way and in compliance with legislations preventing anti-competitive behavior, anti-trust, or monopoly practices.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Fair competition is the basis of a sound economy. It “stimulates efficiency, reduces the costs of products and services, promotes innovation, ensures all organizations have equal opportunities, encourages the development of new or improved products or processes and, in the long run, enhances economic growth and living standards” (ISO 26000). Thus, this indicator plays a key role regarding the assessment of the economic behavior of the organization.

This subcategory is in line with SDG 12 “Ensure sustainable consumption and production patterns” and in particular with SDG 12.6 “encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.”

INTERNATIONAL INSTRUMENTS

- EU antitrust and anti-cartel legislation
- Global Reporting Initiative Standards
- ISO 26000 Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (General Policies)
- The United Nations Set of principles and rules on competition

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Global Competition Forum
- OECD
- UNCTAD
- World Trade Organization

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Generic analysis

- Consumers International
- Consumer Reports
## Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the reporting organization has been identified as a participant (GRI SO7) | • Interviews with community members, employees, governmental agencies, union branch, management, and NGOs  
• Review of organization-specific reports, such as GRI reports or audits |
| Membership in alliances that behave in an anti-competitive way                       | • Interviews with community members, employees, governmental agencies, union branch, OECD contact points, management, and NGOs  
• Review of organization-specific reports, such as GRI reports or audits |
| Documented statement or procedures (policy, strategy etc.) to prevent engaging in or being complicit in anti-competitive behavior | • Interviews with community members, employees, governmental agencies, union branch, OECD contact points, management, and NGOs  
• Review of organization-specific reports, such as GRI reports or audits |

## LIMITATIONS OF THE SUBCATEGORY

Even if the organization commits to prevent engaging in or being complicit in anti-competitive behavior, information of possible violations is not easy to obtain.

## REFERENCES


Internet sources

- Consumers Union
- European Commission website on competition
- Global Anti-Dumping-Database
- Global Competition Forum
- International competition network website
- OECD Competition Committee
- The United Nations Set of principles and rules on competition
- UNCTAD – United Nations Conference on Trade and Development
- World Bank
- WTO
3.2 PROMOTING SOCIAL RESPONSIBILITY

DEFINITION

Social responsibility (SR) is an organization’s obligation to consider the interests of their stakeholders as customers, employees, shareholders, or communities. By integrating SR into core business processes and stakeholder management, organizations can achieve the ultimate goal of creating both social and corporate value (shared value).

Aim and approach of indicator assessment

This subcategory seeks to assess whether the enterprise promotes social responsibility among its suppliers and through its own actions. This measure considers whether the enterprise manages its suppliers in a socially responsible way, including monitoring, auditing, and training efforts. This subcategory also examines whether enterprises take corrective action towards suppliers when warranted.

As a starting point, an enterprise should consider human rights records when selecting suppliers. With existing suppliers, an enterprise may develop a supplier code of conduct or a contractual agreement that covers social and environmental responsibilities. Other actions towards suppliers, such as tight purchasing deadlines and low pricing policies, may discourage opportunities for social responsibility.

Enterprises also can promote social responsibility by encouraging suppliers to join foundations and initiatives with a related focus. Promoting the use of social responsibility certifications and/or product labels is another positive indicator.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

With global sourcing and manufacturing become more commonplace, efforts by an enterprise to promote and monitor social responsibility in its value chain become more important and more complex. As enterprises expand globally, they should make the effort necessary to monitor human rights conditions along their expanding value chain. Moving from a simple transaction relationship to a deeper engagement has the potential to contribute significantly to the improvement of social conditions in supply chains.

This subcategory is in line with all the targets of SDG 12 “Ensure sustainable consumption and production patterns” and especially refers to target 12.8 “Promote universal understanding of sustainable lifestyles.”
INTERNATIONAL INSTRUMENTS

- Global Reporting Initiative Standards
- IFC Performance Standards on Social & Environmental Sustainability
- ISO 26000 Guidance on Social Responsibility
- Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights
- OECD Guidelines for Multinational Enterprises (General Policies)
- Social Accountability International, SA 8000
- The UN Global Compact’s ten principles (Principles 1 and 2)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- The Business & Human Rights Resource Centre country and company reports by issue

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Generic analysis

- Industry associations

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of explicit code of conduct that protect human rights of workers among suppliers</td>
<td>Interviews with management</td>
</tr>
<tr>
<td></td>
<td>Review of organization-specific reports, such as GRI reports or COP reports</td>
</tr>
<tr>
<td>Percentage of suppliers the enterprise has audited with regard to social responsibility in the last year</td>
<td>Interviews with management</td>
</tr>
<tr>
<td></td>
<td>Review of organization-specific reports, such as GRI reports or COP reports</td>
</tr>
<tr>
<td>Membership in an initiative that promotes social responsibility along the supply chain</td>
<td>Interviews with management</td>
</tr>
<tr>
<td></td>
<td>Review of organization-specific reports, such as GRI reports or COP reports</td>
</tr>
<tr>
<td>Integration of ethical, social, environmental, and regarding gender equality criterions in purchasing policy, distribution policy, and contract signatures</td>
<td>Interviews with management</td>
</tr>
<tr>
<td></td>
<td>Review of organization-specific reports</td>
</tr>
<tr>
<td>Support to suppliers in terms of consciousness-raising and counselling concerning the social responsibility issues</td>
<td>Interviews with management</td>
</tr>
<tr>
<td></td>
<td>Interviews with suppliers</td>
</tr>
</tbody>
</table>
LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. If organizations promote social responsibility, they are likely to report it and information can be obtained more easily than for other subcategories. However, as with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.

REFERENCES


Internet sources

UN Global Compact
3.3 SUPPLIER RELATIONSHIPS

DEFINITION

Supplier relationships are defined as affiliations with organizations that supply another organization with goods and services. The supplier relationships also concern all mutual activities, co-operations, agreements that regulate the exchanges, trade, and relation among organizations, bearing in mind that every organization in the value chain is responsible for complying with applicable laws and regulations. Organization’s suppliers can be any business or individual - including subcontractors, agents, manufacturers, distributors, and consultants that provide goods and services.

Aim and approach of indicator assessment

Procurement practices have strong impacts on the supply chains, driving behaviors. An organization should consider the potential impacts or unintended consequences of its procurement and purchasing decisions on other organizations, and act with due diligence to avoid or minimize any negative impact (ISO 26000).

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Supplier relationships may be different from simple purchasing transactions in several ways. A sense of commitment to the supplier may exist. Another characteristic of these supplier relationships is advanced planning. A third important point is that the organization's attitude and view of its suppliers matters a lot for business success. Organizations that build supplier relationships think of these vendors as partners and not just simple commodity providers.

Moving from a simple transaction relationship to a deeper engagement has potential to contribute significantly to improvement of social conditions in supply chains.

This subcategory is in line with SDG 12 “Ensure sustainable consumption and production patterns” and in particular refers to target 12.2 “Sustainable management and use of natural resources that involve all suppliers” and 12.8 “Promote universal understanding of sustainable lifestyles.”

INTERNATIONAL INSTRUMENTS

- ISO 26000 Guidance on Social Responsibility
ASSESSMENT OF DATA

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Absence of coercive communication with suppliers        | • Interviews with management and procurement department  
|                                                         | • Interviews with suppliers                       |
| Sufficient lead time                                    | • Interviews with management and procurement department  
|                                                         | • Interviews with suppliers                       |
| Reasonable volume fluctuations                          | • Interviews with management and procurement department  
|                                                         | • Interviews with suppliers                       |

LIMITATIONS OF THE SUBCATEGORY

Organizations are unlikely to release information on the proposed indicators. Average data might need to be used that do not fully represent the real situation.

REFERENCES


Internet sources

Institute for supply management

ISO 26000 Guidance on social responsibility
3.4 RESPECT OF INTELLECTUAL PROPERTY RIGHTS

DEFINITION

Intellectual property rights refer to the general term for the assignment of property rights through patents, copyrights, and trademarks. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.

Aim and approach of indicator assessment

This subcategory assesses whether organization’s actions safeguard and value the creators and other producers of intellectual goods and services. The legal rights dealing with the intellectual property entail intellectual activities in the industrial, scientific, literary, and artistic fields.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Infringements of intellectual property rights are illegal practices and hamper sustainable development, particularly when minority populations have developed unique production methods without securing legal claim to them.

The subcategory contributes to SDG 9 “Industry, innovation and infrastructure” and especially addresses target 9.5 “Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation” and 9.b “Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.”

INTERNATIONAL INSTRUMENTS

- Berne Convention for the Protection of Literary and Artistic Works
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure
- Declaration of Belem, Brazil, 1988
- International Patent Classification Agreement (IPC)
- Kari-Oca Declaration, Brazil, 1992; reaffirmed in Indonesia, 2002
- Kimberley Declaration, Kimberley, South Africa, 2002
• Lisbon Agreement for the Protection of Appellations of Origin and their International Registration
• Locarno Agreement Establishing an International Classification for Industrial Designs
• Madrid Agreement Concerning the International Registration of Marks
• Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods
• Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous Peoples, New Zealand, 1993
• Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks
• Paris Convention for the Protection of Industrial Property 1971 (Stockholm Act of 1967)
• Santa Cruz de la Sierra Statement on Intellectual Property, Bolivia, 1994
• Suva Statement on Indigenous Peoples Knowledge and Intellectual Property Rights, Suva, Fiji, 1995
• Tambunun Statement on the Protection and Conservation of Indigenous Knowledge, Sabah, East Malaysia, 1995
• The Geneva Treaty on the International Recording of Scientific Discoveries
• The Hague Agreement Concerning the International Deposit of Industrial Designs.
• UN Security Council Resolutions
• UNESCO's 2003 Convention on the Safeguarding of Intangible Cultural Heritage
• United Nations Declaration on the Rights of Indigenous Peoples, 2007
• Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples
• World Intellectual Property Organization (WIPO)
• Worldwide global intellectual property information network (WIPONET)

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Generic analysis
• NGOs
• Premier ethnographic repositories (such as Anthropological Dept)
• WIPO
• WIPONET
Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Organization's policy and practice      | • Interviews with community members, management and NGOs  
• Review of organization-specific reports, such as GRI reports and annual reports                                                     |
| Use of local intellectual property      | • WIPO  
• WIPONET  
• Interviews with community members, employees, governmental agencies, management and NGOs  
• Review of organization-specific reports, such as GRI reports and annual reports                                                     |

LIMITATIONS OF THE SUBCATEGORY

The subcategory may be difficult to assess as organizations are unlikely to provide information on this topic and raw data is not available. The situation cannot be assessed accurately only with the use of assumptions and average data.

REFERENCES


Internet sources

The Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC)

UNESCO’s 2003 Convention on the Safeguarding of Intangible Cultural Heritage

World Intellectual Property Organization (WIPO)
3.5 WEALTH DISTRIBUTION

**DEFINITION**

Wealth distribution focuses on how the value is distributed among all the actors of the value chain. An equal distribution is obtained when a fair selling price for a product or service is established, i.e., when the price is such that it covers all the production costs and everyone returns an acceptable profit margin.

Indeed, while most products and services are considered to be in line with the market value and thus with what the consumer (either in the B2C and in B2B) is willing to pay, however this does not ensure that pricing at all levels are aligned with each other enough that everyone returns an acceptable profit margin.

Unbalanced situations are pointed out in particular regarding the production stage: a U-shaped relationship is commonly referred to in the economic literature to describe the non-linear relationship between the stage of production in a global value chain and its contribution to the total value added. This suggests that upstream (e.g., R&D, design) and downstream (e.g., advertising) activities represent a large share of value added, while the intermediate production stage is only a minor contributor. The existence of contractual agreements at sector/cluster level, which safeguard the negotiation power of the weakest actors, support the establishment of fair-trading conditions and thus of an equitable value distribution.

**Aim and approach of indicator assessment**

The aim of the assessment is to evaluate the extent to which the value is distributed in an equitable way to all the actors of the value chain.

**POLICY RELEVANCE**

**RELEVANCE TO SUSTAINABLE DEVELOPMENT**

An equitable distribution of value among the actors of the value chain is fundamental for a sustainable economic growth. The value increases along the value chain, considering the contribution given by all the actors that participate in the production, transformation, and selling of goods, according to consumers’ needs. However, if the process of value creation is characterized by asymmetries due to the different contractual power of the involved actors and by a low competitiveness, inequalities arise which affect the weakest part of the value chain. In some cases, the weakest parts are also those who bear the greatest responsibility from the environmental point of view, as happens for the agricultural products: in several cases, the greatest environmental impacts of products are generated at the agricultural stage, which is however the one struggling most in maintaining the value added with respect to the value of the final products purchased by consumers.

In the years, public awareness on the unequal distribution of returns within the value chain has been increasing, and media have reported issues on e.g.:

- A purchasing price in the B2B transaction not able to cover the production costs, such as in the milk and tomato sectors;
  - The effect of the buyer power on the reduced competition capacity of the weakest (from the contractual point of view) suppliers;
− Low contractual power of manufacturers in developing countries, which supply their products to corporations that are pervasive either in low technology manufacturing (e.g., textile) and in more advanced industries (e.g., electronics);
− Lack of contractual agreement that can secure a fair price and remuneration within the value chain.

Organizations at all levels in the value chain need to invest in creating more capable suppliers and productive workers that provide a foundation for sustained economic development. Building and managing a good relationship between the actors of the value chain for aligning interests, sharing risks, and improving the performance of the cooperation, is an essential factor for fair trading relationships. An equitable distribution of value is connected also with the respect of labor conditions, as collectively defined within the stakeholder category “Worker”, and with the supplier relationships under the stakeholder category “Value chain actors” in the methodological sheets.

This subcategory directly contributes to all the Targets of SDG 1 “No poverty” which has the goal of ending poverty in all its forms everywhere. In addition, it supports the achievement of SDG 8 “Decent work and economic growth,” in particular target 8.2 “Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors” and 8.3 “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.” Wealth distribution is about reducing inequalities and therefore contributes to SDG 10, in particular, target 10.2 “By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.”

INTERNATIONAL INSTRUMENTS

National legislation and sector/cluster specific agreements, professional/interbranch organizations and value chain management practices shall be considered. In addition, also the following references:

• At EU level, for the agricultural sector:

• EU trade agreements
• Fair Trade International. Standards for contract production in different sectors/product group, and for Small-scale Producer Organization (farming)
• World Trade Organization
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Contractual agreements at sector/product group level
- Fair trade certification

Site-specific data source examples

- Interviews with governmental agencies
- Interviews with interbranch organizations and professional organizations
- Interviews with management
- Interviews with non-governmental organizations
- Interviews with workers

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of contractual instruments within the supply/value chain that ensure the</td>
<td>• Interviews with community members, management and NGOs</td>
</tr>
<tr>
<td>distribution of the value among the actors</td>
<td>• Review of organization-specific reports, such as GRI reports and annual</td>
</tr>
<tr>
<td></td>
<td>reports</td>
</tr>
<tr>
<td>Presence of interbranch / professional organizations that represent the interest</td>
<td>• Interviews with community members, management and NGOs</td>
</tr>
<tr>
<td>of segment of the value chains</td>
<td>• Review of organization-specific reports, such as GRI reports and annual</td>
</tr>
<tr>
<td></td>
<td>reports</td>
</tr>
<tr>
<td>Definition of a fair price, i.e., a price that covers all the production costs and</td>
<td>• Interviews with community members, management and NGOs</td>
</tr>
<tr>
<td>returns an acceptable profit margin; this indicator can be either qualitative and</td>
<td>• Review of organization-specific reports, such as GRI reports and annual</td>
</tr>
<tr>
<td>quantitative, the latter calculated through a detailed cost assessment</td>
<td>reports</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

The defined indicators could be difficult to assess if the corresponding raw data is not available. There are challenges in collecting or assessing primary data. This might lead to assumptions or use of proxy information that might not be representative of the specific product.
REFERENCES


Internet sources

Fairtrade minimum price and Fairtrade premium table. 09/10/2019
4. Consumer

4.1 HEALTH AND SAFETY

DEFINITION

Consumer health and safety refers to the consumers’ rights to be protected against products and services that may be hazardous to health or life (ISO 26000, 2008). Customers (end users) expect products and services to perform their intended functions satisfactorily and not pose a risk to their health and safety. Moreover, consumers have the right to early warnings when unsafe products are on the market or are subject to a ban or recall (OECD, 2020).

Aim and approach of indicator assessment

This subcategory helps to identify the existence and scope of systematic efforts to address consumer health and safety across the organizations involved in the life cycle of a product and/or service.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

This subcategory is essential because (e)fforts made to protect the health and safety of those who use (...) the product/service have direct impacts on an organization’s reputation, the organization’s legal and financial risk due to recall, [and] market differentiation in relation to quality (GRI). Moreover, health is a pillar of sustainability; it is considered a basic condition for a good quality of life.
This subcategory contributes to achieving SDG 2 “Zero hunger” by ensuring food security through the achievement of availability and affordability of nutritious food for all consumers. It contributes to SDG 3 “Ensure healthy lives and promote well-being for all at all ages” referring to public health and global health risks. Addressing consumer health and safety contributes to substantially reducing the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination as well as ensuring the quality and healthiness of food products. A more informed and secure management of the products about the potential risks and opportunities contributes towards achieving SDG 12 for ensuring sustainable consumption and productions.

INTERNATIONAL INSTRUMENTS

- ISO 26000 Guidance on Social Responsibility
- OECD Policy on Consumer Product Safety

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- International Consumer Product Health and Safety Organization
- U.S. Consumer Product Safety Commission
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of consumer complaints</td>
<td>• Interviews or questionnaire filled by management, retailers, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of enterprise-specific reports, such as audits and/or GRI reports</td>
</tr>
<tr>
<td></td>
<td>• Consumer organizations</td>
</tr>
<tr>
<td>Number of defects detected per production batch</td>
<td>• Review of enterprise-specific reports, such as audits and/or GRI reports</td>
</tr>
<tr>
<td>Presence of Management measures to assess consumer health and safety</td>
<td>• Interviews or questionnaire filled by management, retailers, consumers, and NGOs</td>
</tr>
<tr>
<td></td>
<td>• Review of enterprise-specific reports</td>
</tr>
<tr>
<td></td>
<td>• Consumers organizations</td>
</tr>
<tr>
<td>Quality of labels of health and safety requirements</td>
<td>• Labels on the product</td>
</tr>
<tr>
<td>Presence of a Quality and/or Product Safety Management System such as ISO 9001:2015, British Retail Consortium (BRC), Halal, International Food Standard (IFS), ISO 10377:2013, etc.</td>
<td>• Review of enterprise-specific documents</td>
</tr>
<tr>
<td></td>
<td>• Interviews or questionnaire filled by management, retailers, consumers, and NGOs</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Indicators for assessing consumer health and safety depend above all on the type of product/service assessed and its commodity sector, which should be carefully considered.

REFERENCES


Internet sources

OECD Policy on Consumer Product Safety
Codex Alimentarius (for food products)
RAPEX, Keeping European consumers safe
4.2 FEEDBACK MECHANISM

DEFINITION

Feedback mechanisms are paths by which consumers communicate with organizations, such as surveys, return policies, quality assurances, guarantees, warranties, etc. These mechanisms help reveal consumer satisfaction related to the consumption and use of the product or service.

Aim and approach of indicator assessment

This subcategory assesses the effectiveness of management measures to support consumer feedback. In addition, this subcategory may assess other management practices related to customer feedback, such as the level and quality of organizational responsiveness. Consumer satisfaction is indirectly assessed by evaluating the mechanisms provided by the enterprise to achieve this goal.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

“Customer satisfaction is one measure of an organization’s sensitivity to its customers’ needs and, from an organizational perspective, is essential for long-term success. In the context of sustainability, customer satisfaction provides insight into how the organization approaches its relationship with one stakeholder group (customers)” (GRI, 2020).

The right to be heard, regarding product and service complaints through communication mechanisms, should be included in management measures regarding consumer satisfaction. This is to “provide transparent and effective procedures that address consumer complaints and contribute to fair and timely resolution of consumer disputes without undue cost or burden” (OECD, 2000).

This subcategory specifically refers to consumption and consumer behavior. It therefore contributes to the achievement of SDG 12 “Responsible consumption and production” targets.

INTERNATIONAL INSTRUMENTS

- ISO 26000 Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- European Commission, Consumers Affairs

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of a mechanism for customers to provide feedback</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or marketing officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of enterprise documents</td>
</tr>
<tr>
<td></td>
<td>• Consumer protection office</td>
</tr>
<tr>
<td></td>
<td>• Consumers organizations</td>
</tr>
<tr>
<td>Management measures to improve feedback mechanisms</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or human resources officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of enterprise documents</td>
</tr>
<tr>
<td>GRI PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction</td>
<td>• Site visit or site-specific audit</td>
</tr>
<tr>
<td></td>
<td>• GRI Sustainability report</td>
</tr>
<tr>
<td></td>
<td>• Interview with directors or marketing officer</td>
</tr>
<tr>
<td></td>
<td>• Verification of enterprise documents</td>
</tr>
<tr>
<td></td>
<td>• Consumer protection office</td>
</tr>
<tr>
<td></td>
<td>• Consumers organizations</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Accessing data from organizations is often difficult and average data sets do not fully represent the real situation. The more data we can gain access to, the more precise and accurate the assessment will be.

REFERENCES


Internet sources

SOCAP International (The Society of Consumer Affairs Professionals in Business)
Consumers International (CI)
Example of feedback mechanism
4.3 CONSUMER PRIVACY

DEFINITION
Organizations may provide products or services that — through their use — aid invasions of consumer privacy (e.g., computing and communication technologies). Consumer privacy concerns include protecting the confidentiality of consumer data, limiting personal information gathered, restricting use of data to its original or agreed-upon purpose, and protecting data from external theft and/or misuse.

Aim and approach of indicator assessment
This subcategory examines whether organizational management systems work to respect and protect consumer privacy. In cases where organizations share personal information, procedures should exist for individuals to dispute, remove, or correct inaccurate information.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT
Consumer privacy is particularly affected by the international nature of electronic information, communication and commerce. Organizations should develop internal policies to protect the confidentiality of personal information regardless of the consumer's country of residence. This holds true even when countries of residence do not have adequate regulations to protect consumer privacy.

This subcategory refers to rules and right conduct. It therefore contributes to SDG 8 in enhancing the inclusion and the sustainable economic growth, employment and decent work of all and SDG 16 “Promote and enforce non-discriminatory laws and policies for sustainable development.”

INTERNATIONAL INSTRUMENTS

- GRI Sustainability Reporting Standards
- ISO 26000 Guidance on Social Responsibility
- OECD Guidelines for Consumer Protection in E-Commerce
- OECD Guidelines for Multinational Enterprises (Consumer Interests)
- OECD Privacy Framework
- The Universal Declaration of Human Rights (Article 12)
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Privacy International’s country rankings on privacy-related issues

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Strength of internal management system to protect consumer privacy, in general    | • Site visit or site-specific audit  
|                                                                                  | • Interviews with employees, governmental agencies, management, and NGOs  
|                                                                                  | • Review of organization-specific reports and audits, such as GRI or COP reports |
| Number of consumer complaints related to breach of privacy or loss of data within the last year | • Site visit or site-specific audit  
|                                                                                  | • Interviews with governmental agencies and management  
|                                                                                  | • Review of organization-specific reports and audits, such as GRI or COP reports |
| Number of complaints by regulatory bodies related to breach of consumer privacy or loss of data within the last year | • Site visit or site-specific audit  
|                                                                                  | • Interviews with governmental agencies and management  
|                                                                                  | • Review of organization-specific reports and audits, such as GRI or COP reports |

LIMITATIONS OF THE SUBCATEGORY

As organizations are unlikely to provide information about data loss or misuse, this subcategory might be difficult to assess. Average data may need to be used or assumptions may be made that can lead to biases.

REFERENCES


Internet sources

Privacy International, Data Protection and Privacy Laws
4.4 TRANSPARENCY

DEFINITION
Organizational transparency enables an informed choice for the consumer without intent to mislead or conceal. There are certification standards, labels, and special indices that may be used to provide information about performance regarding social responsibility. While other strategies may be used to communicate with consumers, these approaches simplify the communication between organization and consumer.

Aim and approach of indicator assessment
This subcategory assesses if the organization communicates on all issues regarding its product and social responsibility in a transparent way.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT
Transparency about social responsibility is a basic prerequisite for sustainable consumption. Increasing and irresponsible consumption leads to ecological destruction and negative social impacts. The consumer is also possibly at risk due to hazardous product content. Therefore, it is essential that consumers are informed about the impacts of a product/organization/site in order to assume responsibility for their consumption.

This subcategory supports the provision of quality information on goods and services, to engage and assist consumers in sustainable consumption, advocated in SDG 12, and also the increased access to information, communications technology, and the internet in least developed countries included in SDG 9.

INTERNATIONAL INSTRUMENTS

- [GRI Sustainability Reporting Standards](#)
- [International Chamber of Commerce](#)
- [ISO 26000 Guidance on Social Responsibility](#)
- [OECD Guidelines for Multinational Enterprises](#) (General Policies)
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- U.S. Consumer Product Safety Commission

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-compliance with regulations regarding transparency</td>
<td>• Interviews with consumer protection agencies, governmental agencies, management, and NGOs</td>
</tr>
</tbody>
</table>
| Consumer complaints regarding transparency | • Interviews with consumers, employees, consumer protection agencies, governmental agencies, management, and NGOs  
• Review of enterprise-specific reports, such as GRI reports or audits |
| Publication of a sustainability report | • Organization’s website |
| Quality and comprehensiveness of the information available in the sustainability report or other documents regarding the social and environmental performance of the organization | • Review of organization-specific reports  
• Interviews with management |
| Communication of the results of social and environmental life cycle impact assessment | • Interviews with management  
• Review of enterprise-specific reports, such as GRI reports or audits |
| Certification/label the organization obtained for the product/site | • Review of organization-specific reports  
• Interview with management |
| Company rating in sustainability indices (Dow Jones Sustainability Index, FTSE4Good, ESI, HSBC, Corporate Sustainability Index, etc.) | • Dow Jones Sustainability Index  
• FTSE |

LIMITATIONS OF THE SUBCATEGORY

While using labels is a useful way to communicate transparently to consumers, some labels have stricter standards than others and this might be hard to distinguish for the average consumer. Company sustainability reports also have a wide range of information that they provide.
REFERENCES


Internet sources

Global Reporting Initiative
4.5 END-OF-LIFE RESPONSIBILITY

**DEFINITION**

In a product life cycle, end-of-life refers to product disposal, reuse, or recycling. In an environmental context, this concept is commonly referred to as extended producer responsibility. Product disposal can lead to significant environmental and social concerns, such as environmental and public health impacts that stem from the accumulation of hazardous material in electronic waste. When countries transport waste to less developed countries, it is common for the poor to sift through landfills in search of waste with economic value that entails important public health and safety impacts.

**Aim and approach of indicator assessment**

This subcategory examines management efforts to address the social impacts of product or service end-of-life. Organizations should provide accurate, complete, and clear information to consumers regarding appropriate end-of-life options. In some cases, producers should buy back and recycle or safely dispose of waste.

**POLICY RELEVANCE**

**RELEVANCE TO SUSTAINABLE DEVELOPMENT**

Organizations that enter new markets may encounter relatively lenient regulations related to product disposal and consumer health and safety. In this case organizations should go beyond minimum requirements and promote sustainable consumption by considering end-of-life responsibility in product design. This is particularly important as waste from relatively affluent countries is often shipped to developing countries for recycling and disposal.

This subcategory contributes to SDG 12 “Responsible consumption and production” in substantially reducing waste generation thus addressing reduction of waste and practices to recover valuable materials from waste. Often, formal and informal actors handling hazardous wastes and substances of high concern are exposed to safety and health issues. It also contributes to SDG 15 “Life on land,” ensuring a healthy environment for flora and fauna on land.

**INTERNATIONAL INSTRUMENTS**

- GRI Sustainability Reporting Standards
- ISO 26000 Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (Consumer Interests)
- United Nations Guidelines for Consumer Protection
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- ECOLEX search for country regulations on product disposal and recycling

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Do internal management systems ensure that clear information is provided to consumers on end-of-life options (if applicable)? | • Site visit or site-specific audit  
• Interviews with consumers, governmental agencies, management, and NGOs  
• Review of organization-specific reports and audits, such as GRI reports |
| Annual incidents of non-compliance with regulatory labeling requirements | • Site visit or site-specific audit  
• Interviews with governmental agencies and management  
• Review of organization-specific reports and audits, such as GRI reports |

LIMITATIONS OF THE SUBCATEGORY

Accessing data from organizations is often difficult and average data sets do not fully represent the real situation. It is also difficult to trace products through the entire supply chain to the end of life. The more data we can gain access to, the more precise and accurate the assessment will be.

REFERENCES


Internet sources

- ECOLEX
- OECD – Extended Producer Responsibility
5. Society

5.1 PUBLIC COMMITMENT TO SUSTAINABILITY ISSUES

DEFINITION

A public commitment is a promise or agreement made by an organization, or a group of organizations, to its customers, employees, shareholders, local community, or the general public whose fulfilment can be evidenced in a transparent and open way. Typically, this will take the form of performance improvement targets with defined dates for achievement and public reporting of progress. The promise or agreement is disseminated through the organization’s website, promotional materials, or other means. These commitments relate to the contribution of organizations to the sustainable development of the community or society as the reduction of impacts from their activities.

Aim and approach of indicator assessment

This subcategory assesses to what extent an organization is engaged in reducing its sustainability impacts. Public promises entail a higher binding character than mere internal goals. Official and public commitments or declarations are examples of measures which will be accounted for in the assessment.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

A broader interpretation of social responsibility implies that organizations not only consider sustainable issues at the organization level but also in relation to their community and society. Thus, public commitment is a very relevant indicator to analyze the organization’s understanding of social responsibility.
This subcategory contributes to the achievement of SDG 12 targets related to reducing impacts from production and consumption activities, in particular the efficient use of natural resources, cutting food waste, management of chemicals, and related waste. It also supports the attainment of SDG 17 “Partnerships for the goals” in strengthening global partnership for sustainable development.

INTERNATIONAL INSTRUMENTS

- GRI Sustainability Reporting Guidelines
- ISO 9001: Standard for Quality Management
- ISO 26000 Guidance on Social Responsibility
- UN Global Compact

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Governments in general
- OECD contact points for the OECD guidelines for Multinational enterprises
- U.S. Department of State annual country reports on human rights, including freedom of peaceful assembly and association and political participation

Site-specific data source examples

- Interviews with employees
- Interviews with governmental agencies
- Interviews with local community members
- Interviews with management
- Interviews with non-governmental organizations
- Interviews with union branch
- Organization-specific reports, such as GRI reports
- Site-specific Social and Environmental Impact Assessment reports
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Presence of publicly available documents as promises or agreements on sustainability issues | • Interviews with community members, employees, governmental agencies, union branch, management, and NGOs  
• Review of enterprise-specific reports, such as GRI reports or audits |
| Complaints issued related to the non-fulfilment of promises or agreements by the organization by the local community or other stakeholders at OECD contact points or Global Reporting Initiative | • Interviews with community members, employees, governmental agencies, union branch, OECD contact points, management, and NGOs  
• Review of enterprise-specific reports, such as GRI reports or audits |
| Presence of mechanisms to follow-up the realization of promises                     | • Interviews with community members, employees, governmental agencies, union branch, OECD contact points, management, and NGOs  
• Review of enterprise-specific reports, such as GRI reports or audits |
| The organization has pledged to comply with the global compact principles and has engaged itself to present yearly; communication on progress | • Global Compact                                  |
| Implementation/signing of principles or other codes of conduct (Sullivan Principles, Caux Round Table, UN principles, etc.) | • Sullivan Principles  
• Caux Round Table  
• United Nations  
• Global Compact |

LIMITATIONS OF THE SUBCATEGORY

The defined indicators could be difficult to assess if the corresponding raw data is not available. There are challenges in collecting or assessing primary data. This might lead to assumptions or use of proxy information that might not be representative of the specific product.

REFERENCES


Internet sources

Financial Consumer Agency of Canada
5.2 CONTRIBUTION TO ECONOMIC DEVELOPMENT

DEFINITION

Organizations can foster economic development in many ways. They generate revenue, create jobs, provide education and training, make investments, or forward research.

Aim and approach of indicator assessment

This subcategory assesses to what extent the organization/product or service contributes to the economic development of the society. It can be measured at different geographical levels. It is important in the assessment to avoid double counting with the social impacts related to the local community.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Economic development is a basic requirement in the struggle against poverty and hunger. Creation of sufficient wealth to satisfy basic material needs underlies human well-being. Organizations can compete in ways that exploit lower tier suppliers and employees, or they can invest to create more capable suppliers and productive workers that provide a foundation for sustained economic development.

This subcategory supports the achievement of SDG 1 and SDG 2 by reducing poverty and consequently hunger. It also promotes healthy life, wellbeing, and opportunities for quality education as advocated in SDG 3 and SDG 4.

By definition, economic development is strongly linked to SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.” The indicators used in this SDG are perfect metrics to measure the social impact defined by this subcategory.

A strong link can be identified also for the SDG 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” and SDG 10 “Reduce inequality within and among countries.” When the product life cycle or the organization invest in the local contest, it can be done through creation of infrastructure or in reducing inequality contributing to the two above mentioned SDGs.

INTERNATIONAL INSTRUMENTS

- Declaration on the Right to Development
- Fourteenth UNCTAD Conference 2020
- Millennium Declaration
- Rio Declaration on Environment and Development
- Tenth UNCTAD Conference 2000: Paragraph 166
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- CIA factbook
- Economy Watch
- OECD
- PSILCA
- World Bank

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Contribution of the product/service/organization to economic progress (e.g., annual growth rate of real GDP per employed person) | - Interviews with community members, governmental agencies, management, and NGOs  
- Review of enterprise-specific reports, such as GRI reports or audits |
| Proportion of informal employment in non-agriculture employment, by sex | - Interviews with governmental agencies, management, and NGOs  
- Review of enterprise-specific reports, such as GRI reports or audits |
| Average hourly earnings of female and male employees, by occupation, age, and persons with disabilities | - Interviews with governmental agencies, management, and NGOs  
- Review of enterprise-specific reports, such as sustainability reports or audits |

LIMITATIONS OF THE SUBCATEGORY

Because organizations can contribute to economic development in many ways, there are several ways to assess this indicator. The choice of the indicator to use is a very important step as they may not represent the organization’s true contribution to the economic development. A high revenue does not automatically lead to a high contribution. While public enterprises could be obliged to present data that are necessary for the assessment of this subcategory that may not be the case for private enterprises.

REFERENCES


**Internet sources**

CIA factbook

Economy Watch

OECD

UN General Assembly, United Nations, Resolution Adopted by the General Assembly, 4 December 1986, A/RES/41/128

World Bank

World Economic Forum - Global Competitiveness
5.3 PREVENTION AND MITIGATION OF ARMED CONFLICTS

**DEFINITION**

Conflicts can be defined as a tense situation between different parties caused by different interests, aims, or value systems. There are special regions in the world that are known for enduring disturbances – so-called conflict zones. This subcategory shall consider if and how the organization acts in conflict zones.

**Aim and approach of indicator assessment**

This subcategory assesses the organization’s role in conflicts or situations that might develop into conflicts in the future. It assesses as well if the organizations put in place a strategy, measures, and/or an action plan to reduce and prevent conflicts when it operates in conflict zones or its supply chain operates in conflict zones. Thereby both positive and negative impacts or consequences on conflict developments should be considered.

For the assessment, it is useful to distinguish between different forms of conflicts. Thereby it is proposed to make use of the classification developed and used by the Heidelberg Institute for International Conflict Research, which groups conflict intensity into five different levels:

<table>
<thead>
<tr>
<th>State of violence</th>
<th>Intensity group</th>
<th>Level of intensity</th>
<th>Name of intensity</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-violent</td>
<td>Low</td>
<td>1</td>
<td>Latent conflict</td>
<td>A positional difference over definable values of national meaning is considered to be a latent conflict if respective demands are articulated by one of the parties and perceived by the other as such.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Manifest conflict</td>
<td>A manifest conflict includes the use of measures that are located in the preliminary stage to violent force. This includes for example verbal pressure, threatening explicitly with violence, or the imposition of economic sanctions.</td>
</tr>
<tr>
<td>Violent</td>
<td>Medium</td>
<td>3</td>
<td>Crises</td>
<td>A crisis is a tense situation in which at least one of the parties uses violent force in sporadic incidents.</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>4</td>
<td>Severe crises</td>
<td>A conflict is considered to be a severe crisis if violent force is repeatedly used in an organized way.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
<td>War</td>
<td>A war is a type of violent conflict in which violent force is used with a certain continuity in an organized and systematic way. The conflict parties exercise extensive measures, depending on the situation. The extent of destruction is massive and of long duration.</td>
</tr>
</tbody>
</table>
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Peace and security are primary policy goals and core conditions for any sustainable development. Thus, the assessment of a company’s impact on the development of existing and forming conflicts is fundamental.

This subcategory contributes to SDG 11 “Sustainable cities and communities.” It addresses especially targets 11.1 and 11.2 concerning safe housing and transportation. It contributes to the targets of SDG 16 “Peace, justice and strong institutions” and in particular to target 16.4 “Significantly reduce illicit financial and arms flows.” The subcategory also addresses SDG 17 “Partnership for the goals.”

INTERNATIONAL INSTRUMENTS

- Amnesty International
- OECD Guidelines for Multinational Enterprises (General Policies)
- Rio Declaration on Environment and Development (Principle 10)
- UN Charta, United Nations Conference on International Organization
- UN Security Council Resolutions
- Voluntary Principles on Security and Human Rights

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Amnesty International
- Heidelberg Institute for International Conflict Research
- United Nations
- U.S. Department of State annual country reports on human rights, including freedom of peaceful assembly and association and political participation
EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Organization’s role in the development of conflicts      | • Interviews with community members and NGOs
                                                        | • Internet research                                   |
| Disputed products                                        | • Sector statistics                                    |
                                                        | • Labeling                                             |

LIMITATIONS OF THE SUBCATEGORY

The collection of primary data might be difficult as organizations do not want to be associated with conflict and are unlikely to provide information.

REFERENCES


Internet sources

German Advisory Council on Global Change (WBGU)

Global Partnership for Prevention of Armed Conflict

Global Witness

Heidelberg Institute for International Conflict Research

International Finance Corporation (IFC): Extractive Industries Review

Voluntary Principles on Security and Human Rights
5.4 TECHNOLOGY DEVELOPMENT

DEFINITION

The development and transfer of technology is an umbrella concept in which the different key elements (technology needs, technology information, enabling environments, capacity-building, financial, and institutional mechanisms) are playing an important role. Technology transfer is the process of using technology, expertise, know-how, or facilities for a purpose not originally intended by the developing organization. It is also defined as a process for converting research into economic development.

Technology transfer may imply that a technology developed for one sector is then used in a totally different area. Transferring such technologies and know-how relies heavily on personal networking.

Aim and approach of indicator assessment

This subcategory assesses whether the organization participates in joint research and development for efficient and environmental sound technologies.

Technology transfer between more advanced economies and developing economies is key for the improvement of social conditions and to prevent further environmental damage related to old technology use and it is formally part of many international instruments (e.g. UNFCCC, Agenda 21).

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Technology development is a key element to promote sustainability. Modern technologies on the one hand may reduce environmental impacts and on the other hand help to overcome under-development. The access to advanced technologies is of crucial importance for developing economies.

Successful technology transfer means that it is necessary to broaden the view of „technology“ to mean not only machines and equipment, but also the skills, abilities, knowledge, systems, and processes necessary to make things happen. Thus, technologies are meant to be total systems that include know-how, procedures, goods, and services as well as organizational and operational measures.

A „technology transfer“ is, in reality, a structural process of learning. The key components of a transfer can be identified as knowledge derived from real-world experience together with human expertise capable of transforming that knowledge into action. Successful technology transfer requires inputs such as coordination between technology developers and users, a facilitative environment that is supportive of entrepreneurship, and networks and collaborations that provide referral links for information, finance, and other pertinent resources.

Successful transfer of appropriate technologies – particularly those that contribute to sustainable development – is essential to facilitating national and community development and enhancing sustainability, especially in developing countries and countries with economies in transition. Broad based involvement of a range of stakeholders, providing different elements of a technology transfer cycle, is essential for a speedier uptake of technologies (Hari Srinivas).

Thus, it is a social concern that organizations contribute to technology development, by engaging in partnerships with
other organizations (universities, laboratories, institutions, centers) in joint research and development programs or private-public partnerships to develop supporting infrastructure and promote necessary institution reforms that facilitate sustainable business models.

This subcategory contributes to SDG 4 “Quality education” by promoting an increase in the number of youth and adults who have relevant technical skills. Moreover, it addresses SDG 9 “Industry, innovation and infrastructure” and especially target 9.b “Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.” The subcategory also contributes to SDG 17 “Partnerships for the goals.”

INTERNATIONAL INSTRUMENTS

- [Agenda 21](#) – Chapter 34. Transfer of environmentally sound technology, cooperation and capacity-building
- [ISO 26000 Guidance on Social Responsibility](#)
- [OECD Guidelines for Multinational Enterprises (General Policies)](#)
- [Rio Declaration on Environment and Development (Principle 9)](#)
- [United Nations Framework Convention on Climate Change (UNFCCC), (Article 4.5)](#)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

**Generic data source examples**

- Sector reports

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

**Specific analysis**

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Involvement in technology transfer program or projects | - Interviews with management  
- Reports on technology development of the organization  
- Project reports |
| Partnerships in research and development | - Interviews with management  
- Reports on technology development of the organization  
- Reports of collaborating organizations on the technology development of the organization |
| Investments in technology development/technology transfer | - Interviews with management  
- Reports on technology development of the organization  
- Reports of collaborating organizations on the technology development of the organization |
LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. This does not imply that indicators listed are ideal measures of impact. As with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.

REFERENCES

Global Development Research Center, 2015. Technology transfer for sustainable development
IPCC, 2000. Methodological and Technological issues in Technology Transfer
UNEP, ICETT International Centre for Environmental Technology Transfer

Internet sources
AGENDA 21
EPEC- European PPP Expertise Centre
EU SUSTAINABLE industrial policy - ECODESIGN DIRECTIVE
Private Participation in Infrastructure Database
5.5 CORRUPTION

DEFINITION

Corruption is the misuse of power for personal advantages. Different types of corruption exist, including bribery, embezzlement, theft and fraud, extortion, abuse of discretion, favoritism, nepotism and clientelism, conduct creating or exploiting interests, and improper political contributions.

Aim and approach of indicator assessment

This subcategory assesses whether an organization has implemented appropriate measures to prevent corruption and if there is evidence that it has engaged or has been engaged in corruption.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Corruption takes money out of the official system and thus has an impact on the state income. It falsifies competition and enables illegal practices. According to the OECD, bribery is a widespread phenomenon in international business transactions, including trade and investment, which raises serious moral and political concerns, undermines good governance and economic development, and distorts international competitive conditions. Therefore, assessing corruption and bribery is an important component of the overall social responsibility of the corporation.

This subcategory refers to rules and right conduct. It therefore contributes to SDG 16 “Promote and enforce non-discriminatory laws and policies for sustainable development.” In particular, it contributes to SDG 16.5 “Substantially reduce corruption and bribery in all their forms.”

INTERNATIONAL INSTRUMENTS

- Inter-American convention against corruption
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- UN Convention against Corruption
- U.S. Foreign Corruption Practices Act (FCPA)
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- IMF
- OECD National Contact Point
- Transparency international
- World Bank
- World Economic Forum annual country rankings on transparency of government policymaking and public trust of politicians

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalized commitment of the organization to prevent corruption, referring to recognized standards</td>
<td>• Interviews with management&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports and annual reports</td>
</tr>
<tr>
<td>The organization carries out an anti-corruption program</td>
<td>• Interviews with management&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports and annual reports</td>
</tr>
<tr>
<td>The organization installs or co-operates with internal and external controls to prevent corruption</td>
<td>• Interviews with management&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports and annual reports</td>
</tr>
<tr>
<td>Written documents on active involvement of the organization in corruption and bribery; convictions related to corruption and bribery</td>
<td>• Interviews with management, national authorities, and NGOs&lt;br&gt;• OECD contact points&lt;br&gt;• World Bank</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Even if the organization commits to prevent corruption, information on possible violations is not easy to obtain. As with all subcategories, the choice of appropriate indicators is crucial for the study.
REFERENCES


Internet sources

Country Reports on the implementation of OECD Anti-Bribery Convention. OECD Bribery in International Business. Accessed on 31/03/2021

Global Compact Transparency and Anti-Corruption

Global Reporting Initiative

IMF and Corruption

International Chamber of Commerce and Corruption

OECD and Corporate Governance

OECD Corruption

Organization of American States Convention against Corruption

The Council of Europe’s Criminal Law Convention on Corruption

The UTSEIN Anti-Corruption Resource Center

Transparency International

Transparency International Business Principles to Countering Bribery

UN Convention against Corruption

World Bank Governance and Anti-Corruption
5.6 ETHICAL TREATMENT OF ANIMALS

DEFINITION

Ethical treatment of animals focuses on the well-being and/or welfare of animals that are affected by product systems and/or organizations’ behavior. Based on the current product systems and/or organizations’ behaviors, the primary focus, but not limited to, is to start with the prevention of abusive treatment of animals and consider improved practices in decision-making and policies in accordance with animals’ natures. This relates to the fundamental animals’ needs in accordance to their nature and natural behavior.

The ethical treatment of animals is closely linked to animal welfare. According to The World Organisation for Animal Health, animal welfare "means the physical and mental state of an animal in relation to the conditions in which it lives and dies" (OIE, 2021, p. I). Animal welfare is therefore not only about ensuring an animal is not treated cruelly or caused unnecessary pain or suffering, it is about ensuring that an animal’s physical state, its mental state, and its ability to fulfil its natural needs and desires are considered and attended to.

In line with that, ethical treatment of animals could have a positive (fulfilling animals’ needs) or negative social impact (animal welfare is not regarded or not met).

The subcategory only applies to products (partly or fully) containing animal products (such as meat, leather, wool, honey, etc.) or products that use animals for testing practices.

Based on developed regulations, animals are considered sentient beings and are classified in three groups: wild, pet, and farm animals. Another legal animal definition includes any mammal, bird, reptile, amphibian, or any other vertebrate or invertebrate whether wild or tame.

Aim and approach of indicator assessment

The aim of the assessment is to verify how the organization manages the life, treatment, and death of animals. Indicators should be selected in an appropriate way to assess the aforementioned aspects but also to establish a linkage to potential positive and negative impacts throughout the life cycle of affected animals. The indicator results can then be used for stakeholder communication.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Animals in general (and especially in human care) are an ethical concern for the society and may also be a concern for consumers and workers.

For several years, public awareness on the treatment of animals has been growing, as shortcomings and abuses in livestock farming and animal husbandry have been reported in various cases. Reported issues came to public eye, e.g.:

- The scope of the law is too narrow, or it is too narrowly interpreted;
- No capacity for enforcement is available especially in developing countries;
- Exceedance of regulations happens and are usually not redressed;
Animal cruelty and torture has been reported too often;

Physical and psychological stress has been reported for both related animals and humans in livestock production systems.

World Animal Protection, a prominent international animal welfare NGO, has noted that animals matter for sustainable development, particularly for subsistence livestock farming in developing countries, due to four key reasons:

First, animals are vital for global food security. This is being endangered by intensive farming, which diverts grains for people to livestock feed;

Second, intensive farming causes an increase in deforestation as forests are replaced by arable land for intensive livestock food, leading to an increase in greenhouse gas emissions and further environmental and social impacts;

Third, intensive farming is worsening the occurrence of zoonotic diseases and devastating animal disease epidemics (e.g., avian flu and African swine fever) – maybe even pandemics – as well as the vast global costs associated with their mitigation and post-restoration. The World Bank estimated the direct economic cost of zoonotic diseases over the past decade to be 20 billion USD (with further indirect losses estimated at over 200 billion USD), and;

Finally, natural ecosystems and native animal habitats are being destroyed due to intensive animal farming, which severely harms biodiversity at different levels.

The topic of animal welfare and the ethical treatment of animals is not directly addressed within the SDGs. However, it could be linked to SGD 12 “Responsible consumption and production,” SDG 14 “Life below water,” and SDG 15 “Life on land.” While none of the named SDGs provide explicit indicators or targets on the topic, the latter two deal with aspects of biodiversity and degradation of species, which links also to intensive farming. In addition, SDG 15 is linked to the United Nations Animal Welfare Program.

INTERNATIONAL INSTRUMENTS

- Compassion in World Farming
- EURO Group for Animals
- European Convention for the Protection of Animals kept for Farming Purposes
- Food and Agricultural Organization of the United Nations (FAO)
- The Declaration of Animal Rights
- Treaty on the Functioning of the European Union (TFEU) (Title II, Article 13)
- Universal Declaration on Animal Welfare
- World Animal Protection
In addition, national legislation shall be considered, such as animal protection laws or laws on animal welfare. Further, national NGOs may be considered for the S-LCA depending on the production location.

**ASSESSMENT OF DATA**

**NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES**

*Generic data source examples*

Not available yet. Reports of NGOs may be used instead.

*Site-specific data source examples*

- Interviews with consumers
- Interviews with workers
- Interview with animal experts (veterinaries, animal biologists, farmers, etc.)
- Interviews with non-governmental organizations addressing animal welfare issues and animal rights
- Interviews with certification bodies

**EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES**

Note: Indicators for measuring the Ethical Treatment of Animals may be oriented with the aspects to be considered for animal husbandry by Brambell from 1965, which resulted in the five freedoms. Those are well established and can serve as a starting point (e.g. [FAO](https://www.fao.org) and [European Commission](https://ec.europa.eu) refer to those) for understanding the overall intention of assessing animals’ welfare:

- Freedom from hunger and thirst - by ready access to fresh water and a diet to maintain full health and vigor.
- Freedom from discomfort - by providing an appropriate environment including shelter and a comfortable resting area.
- Freedom from pain, injury, or disease - by prevention or rapid diagnosis and treatment.
- Freedom to express normal behavior - by providing sufficient space, proper facilities, and company of the animal’s own kind.
- Freedom from fear and distress - by ensuring conditions and treatment which avoid mental suffering.
### Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of regular check-ups and frequency of animals welfare conducted by specialists (veterinarians, animal biologists, or others)</td>
<td>• Interviews with management • Interviews with animal specialists (veterinarians, animal biologists or others)</td>
</tr>
<tr>
<td>Presence/number of serious injuries, illnesses, and unforeseen fatal casualties reported by workers and animal specialists</td>
<td>• Interviews with workers • Interviews with animal specialists (veterinarians, animal biologists or others) • Interviews with civil society organizations representing animal welfare issues</td>
</tr>
<tr>
<td>Presence/number of behavioral disorders or occupational diseases reported by workers, animal specialists, and/or civil society members</td>
<td>• Interviews with workers • Interviews with animal specialists (veterinarians, animal biologists or others) • Interviews with civil society organizations representing animal welfare issues</td>
</tr>
<tr>
<td>Complaints from consumers or civil society organizations representing animal welfare issues</td>
<td>• Interviews with consumers • Interviews with civil society organizations representing animal welfare issues</td>
</tr>
<tr>
<td>Actions in response to complaints or serious unforeseen cases putting the lives or welfare of the animals at risk</td>
<td>• Interviews with management • Interviews with consumers or civil society organizations representing animals’ welfare issues</td>
</tr>
<tr>
<td>Presence of any label certifying the fair treatment of animals</td>
<td>• Interviews with consumers • Interviews with management</td>
</tr>
<tr>
<td>Improvements over time concerning the prevention of injuries, illnesses, and unforeseen fatal casualties</td>
<td>• Interviews with management and procurement department • Interviews with smallholders</td>
</tr>
<tr>
<td>Improvements over time concerning the prevention of behavioral disorders and occupational diseases</td>
<td>• Interviews with management • Reports of NGOs • Interviews with civil society organizations representing animal welfare issues</td>
</tr>
<tr>
<td>Quality, dimension and hygiene of livestock farming conditions; Livestock density</td>
<td>• Interviews with management and workers • Interviews with civil society organizations representing animal welfare issues • Comparison against country/sector specific regulations • Comparison against specifications of animal welfare organizations</td>
</tr>
</tbody>
</table>

1 Animal welfare is here defined as the freedom of hunger, thirst and pain and the possibility to act in accordance to species specific behavior (Neugebauer et al. 2014). The definition may be adapted or extended whenever reasonable.

Further examples for indicators can be taken from Neugebauer et al. (2014); Tallentire et al. (2018); and Zira et al. (2020).

### LIMITATIONS OF THE SUBCATEGORY

The assessment of animal behavior is complex and a wrong diagnosis has negative consequences, favoring the continuation of animal disease, inadequate use of resources, and/or no comprehension of welfare mechanisms. Indicators should be identified differently for each species, taking into account its characteristics.
REFERENCES


Internet sources

European Commission (Animal welfare)

NC3Rs
5.7 POVERTY ALLEVIATION

DEFINITION

Poverty is a multidimensional phenomenon caused by the lack of opportunity, education, health, and security – and the malnutrition of people. A poor person has minimal opportunities to make an income and sustain the household’s primary needs, living in precarious conditions, with precarious health conditions and at risk of unemployment. Thus, not being able to be properly nourished, clothed, have an adequate abode, and be part of a community indicate poverty.

Poverty can be relative and/or absolute. Absolute poverty is a situation in which the basic needs (i.e., those needed for human survival) of individuals are not fulfilled. It is defined as „a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services“ (United Nations, 1995, chapter 2, par. 19).

The World Bank defines „extremely poor people,“ „as those living on less per day than 1.25 international dollars in 2005 purchasing power parity (PPP) terms (to allow for differences in purchasing power)“ (World Bank 2017, p. 1). The International Poverty Line has subsequently been revised in 2015 to 1.90 PPP-adjusted dollars a day per person in 2011 PPP terms. Instead, relative poverty „means poverty defined in comparison to other people’s standing in the economy“ (Eskelinen, 2011). It is a situation in which the poor person has a clearly disadvantaged social and financial situation compared to other people in their social context. It is estimated that poverty is increased in 2020 for the first time in 20 years as a result of the combination of Covid-19 pandemic with climate change and conflicts that are already compressing poverty reduction.

Poverty reduction requires practical and strategic approaches. The first involves poor people and addresses the material aspects of poverty, while the strategic changes address the direct and indirect causes of poverty at many levels (local, national, and international). Since the reduction of poverty is rarely immediate, it therefore needs to be gradually alleviated by addressing the severity of some poverty components. Thus, poverty alleviation is the process that seeks to reduce the level of poverty in a social context.

Aim and approach of indicator assessment

The aim of the assessment is measuring the presence or not of proactive activities, such as strategies, action plans, investment, to reduce the poverty of the society at different geographical level made by the organization itself or linked with the product life cycle.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Poverty reduction and economic stability are crucial drivers to protect the environment and the local communities and address sustainable development. Policymakers should commit to setting up a partnership for poverty alleviation and sustainable development. The World Bank proposes a framework to reach sustainable economic growth by action in three areas:
Promoting opportunity – “Expanding economic opportunity for poor people by stimulating overall growth and building up their assets (such as land and education) and increasing the returns on these assets, through a combination of market and nonmarket actions” (World Bank, 2001:VI).

Facilitating empowerment – “Making state institutions more accountable and responsive to poor people, strengthening the participation of poor people in political processes and local decision making, and removing the social barriers that result from distinctions of gender, ethnicity, race, religion, and social status” (World Bank, 2001:VI).

Enhancing security – “Reducing poor people’s vulnerability to ill health, economic shocks, crop failure, policy-induced dislocations, natural disasters, and violence, as well as helping them cope with adverse shocks when they occur. A big part of this is ensuring that effective safety nets are in place to mitigate the impact of personal and national calamities” (World Bank, 2001:VI).

The investment in these three areas allows for bearing human capital development that is essential for sustainable economic growth.

This subcategory is in line with the SDG 1 “End poverty in all its forms everywhere,” contributing in particular to reducing the proportion of people living in poverty (1.2), to implementing measures at a national level for social protection (1.3), to ensuring equal rights to resources and services (1.4), and to enhancing the resilience of poor and vulnerable people (1.5). It also affects the achievement of SDG 2 “Zero hunger.”

Moreover, the Agenda 2030 (UN, 2015) aims to leave no one behind in achieving the SDGs (UN, 2015, preamble, par. 4, 26, 48, 72; UNDP and OPHI, 2020). However, “people who are identified as multidimensionally poor are being ‘left behind’ in several SDGs at the same time” (UNDP and OPHI, 2020, p. 20).

INTERNATIONAL INSTRUMENTS

- ILO Convention (No. 29) Forced Labour Convention 1930
- ILO Convention (No. 100) Equal Remuneration Convention 1951
- ILO Convention (No. 105) Abolition of Forced Labour Convention 1957
- ILO Convention (No. 111) Discrimination (Employment and Occupation) Convention 1958
- ILO Convention (No. 102) Social Security (Minimum Standards) Convention 1952
- ILO Convention (No. 128) Invalidity, Old-Age and Survivors' Benefits Convention 1967
- ILO Convention (No. 130) Medical Care and Sickness Benefits Convention 1969
- International Covenant on Economic, Social and Cultural Rights (Article 9, 11, 12 and 13)
- ISO 26000 Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises
- Social Accountability International, SA 8000
- Sustainable Development Goals – Agenda 2030
- Universal Declaration on Human Rights (Article 22, 23, 25, 26, 27)

**ASSESSMENT OF DATA**

**NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES**

**Generic data source examples**

- EUROSTAT
- FAOSTAT
- ILOSTAT
- OECD Data
- SHDB
- World Bank Open Data

**EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES**

**Specific analysis**

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| The organization carries out a poverty alleviation program | • Interviews with management  
• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports |
| Contingency planning measures, disaster, emergency management plan, training programs, and recovery/restitution plans | • Interviews with management  
• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports |
| Formalized commitment of the organization to reduce poverty | • Interviews with management  
• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports |
LIMITATIONS OF THE SUBCATEGORY

Accessing the organization's data can be particularly difficult since data made public do not always represent the actual situation. A more accurate and precise assessment would require access to as much data as possible. The multidimensionality of poverty makes assessment more difficult. Moreover, correlations with growth, its composition, and sector should also be considered when assessing poverty alleviation. Factors such as inequality, illiteracy, urbanization, disease, and mortality influence how growth affects poverty reduction.

REFERENCES

6. Children

6.1 EDUCATION PROVIDED IN THE LOCAL COMMUNITY

DEFINITION

Education is defined as that process of facilitating learning, or the acquisition of knowledge, skills, values, morals, beliefs, habits, and personal development. Educational methods include teaching, training, storytelling, discussion, and directed research.

Education can take place under the guidance of educators and it can happen in every age of the life. It can take place in formal or informal settings, and any experience that has a formative effect on the way one thinks, feels, or acts may be considered educational. Formal education is commonly divided formally into stages such as preschool or kindergarten, primary school, secondary school, and then college, university, or apprenticeship. In most countries, education is mandatory up to a certain age.

Due to social, cultural, and economic factors, millions of children and adults are in need of educational opportunities. Education in itself is an empowering right and one of the most powerful tools by which economically and socially marginalized children and adults can grow harmoniously and freely. Education is the key to rise from poverty and to enable one to fully play a role in society.

Marginalization, due to ethnicity, language, and religion in both developing and developed countries, is one of the main causes for many children who do not receive the basic education thus excluding them from learning, which is essential for their intellectual and social development. Poverty, because of unemployment, illness, and the illiteracy of parents, also plays a negative role in heightening the non-schooling of children consequently depriving them from intellectual and social development as well as political conflicts and civil wars. The lack of sufficient financial resources does not make for a proper education system: untrained teachers and overcrowded classes affect the quality of teaching as well. Girls are the gender most affected by the deprivation of education and many countries make little effort to reduce this problem.

Aim and approach of indicator assessment

The subcategory aims at assessing the presence, quality, level, and type of education fostered and provided to children.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Education is a fundamental human right preserved in the Universal Declaration of Human Rights (1948) and other international instruments (UNESCO).

The right to education is one of the key principles behind SDG 4 “Quality education” which aims to provide adequate education as fundamental to achieving sustainable development. The subcategory is also related to SDG 1 “No poverty,” SDG 3 “Good health and well-being,” SDG 5 “Gender equality,” SDG 8 “Decent work and economic growth,” and SDG 10 “Reduced inequality.”

INTERNATIONAL INSTRUMENTS

- International Convention on the Elimination of All Forms of Racial Discrimination (1965)
- International Covenant on Civil and Political Rights (1966)
- International Covenant on Economic, Social and Cultural Rights (1966)
- Universal Declaration of Human Rights (1948)

ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples

- Eurostat
- OECD
- UNESCO
- UNICEF
### EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

#### Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| Community involvement programs and opportunities as a consistent goal for schools | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of systems promoting human and financial resources           | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of strategies addressing demand-side gender-related and disability barriers to education | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of equitable access to education                             | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of policy, leadership, and budget for early learning         | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of systems promoting community and student participation     | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of education systems promoting accountability to communities | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
| Presence of provisions of local community involvement in monitoring of school activities | • Interviews with community members, employees, governmental agencies, management, and NGOs  
  • Site visit or site-specific audit  
  • NGO reports  
  • Regulations |
LIMITATIONS OF SUBCATEGORY

Evaluating education can be very challenging since it requires a thorough assessment and understanding of the analyzed context. Economic and cultural factors influence the way education is understood locally and its importance. The presence of barriers related to physical and economic difficulties may be so entrenched that it could not perceived as an obstacle to be overcome and removed.

REFERENCES


UNESCO. *Right to education*.

Internet sources

Humanium

National University. *Why Is Early Childhood Education Important?*

Save the children. *Education*.

Save the children. *Learning*.

UNICEF. *Education*.

*Sustainable Development Goals*
6.2 HEALTH ISSUES FOR CHILDREN AS CONSUMERS

DEFINITION

Health is vitally important for every human being in the world. Health is the state of physical, mental, and social well-being and does not only mean an absence of illness or disease. The right to health is closely linked to other fundamental human rights, most notably access to potable water and adequate hygiene.

UNICEF defines a child as a person below the age of 18, unless the laws of a particular country set the legal age for adulthood younger. Children are the core essence of sustainable development. How children as exposed to the environment and the community at the present will affect the life of the children in the future. Our current challenge is to prepare children so they can survive in the future.

Childhood is a unique period of rapid physical and psychological development during which young people’s physical, mental and emotional health and well-being can be permanently affected for better or worse. Adequate food, clean water, and care and affection during a child’s developing years are essential to his or her survival and health. Children are even affected by everyday hazards differently and more severely than adults. Due to their physiology, children absorb a higher percentage of pollutants to which they are exposed, and thus their immune systems are more compromised and vulnerable (UNICEF, 2013).

Aim and approach of indicator assessment

The aim of the assessment is to understand the positive and negative contribution of a product and/or services to the physiological and psychological health of children as consumers. This is conducted by observing trends in a region, country or local community over a period of time. In addition, the assessment would assess the presence of management approach or effort performed to improve the health of children or to reduce the potential negative impact.

POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Children are a common basis for all dimensions of sustainable development. No advances in sustainable development will occur in coming decades without multiple generations contributing to societal improvement. Moreover, beyond sheer survival, children have a right to thrive, develop to their full potential, and live in a sustainable world.

The subcategory contributes to SDG 3 “Ensure healthy lives and promote well-being for all at all ages” and has as its foundation children’s environmental health (WHO). A safe, healthy, and protective environment is key to ensuring that children grow and develop normally.
WHO identified examples of areas that different stakeholders can contribute to the health of children:

- **Industry**, manage hazardous waste, reduce the use of harmful chemicals.
- **Agriculture**, reduce the use of hazardous pesticides, no child labour.
- **Transport**, reduce emissions, increase public transport.
- **Urban planning**, facilitate green spaces, safe walking and cycling path.
- **Health-care facilities**, safe water, sanitation and hygiene, reliable electricity.
- **Schools**, safe sanitation and hygiene, free of noise pollution, promote good nutrition.
- **Housing**, clean fuel for heating and cooking, no mould or pests, remove unsafe building materials, no lead paints.
- **Policy maker**, monitor health outcomes, tobacco control, regulate harmful chemicals.

**INTERNATIONAL INSTRUMENTS**

- Sustainable Development Goals indicators (https://data.unicef.org/resources/sdg-global-indicators-related-to-children/) Target 2.2: By 2030 end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.
- Sustainable Development Goals Indicators Goal 3: Ensure healthy lives and promote well-being for all at all ages.
- [UN Global Compact](https://www.unglobalcompact.org/)
- [UNICEF Children Are Everyone’s Business](https://www.unicef.org/)
- WHO Children’s environmental health: Inheriting a sustainable world

**ASSESSMENT OF DATA**

**NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES**

**Generic data source examples**

- [UN Global Compact](https://www.unglobalcompact.org/)
- [UNICEF](https://www.unicef.org/)
- [WHO](https://www.who.int/)

**Site-specific data source examples**

- Interviews with local community members
- Interviews with governmental agencies
- Interviews with management
• Interviews with non-governmental organizations
• Interviews with certification bodies
• Interviews with customers

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization carries out programs that provide an understanding or information about the impact of products on children’s health, physical and psychological development</td>
<td>• Interviews with management&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports</td>
</tr>
<tr>
<td>The organization carries out programs to promote leisure and family time for the children</td>
<td>• Interviews with management on regulations&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports</td>
</tr>
<tr>
<td>The organization carries out programs to promote health impact to children</td>
<td>• Interviews with management on regulations&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports</td>
</tr>
<tr>
<td>Formalized commitment of the organization to improve the health of children</td>
<td>• Interviews with management&lt;br&gt;• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports</td>
</tr>
</tbody>
</table>

LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. This does not imply that indicators listed are ideal measures of impact. As with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.

REFERENCES


Internet sources

UNICEF
DEFINITION

- Responsible marketing to children addresses the approaches appropriate to use in marketing communication. Marketing should be ensured to not have an adverse impact on children's rights and comply with the international and national standards of business conduct in related to marketing and health in the countries where the organizations operate and market their products. Organizations should use marketing that raises awareness of and promotes children's rights, positive self-esteem, healthy lifestyles, and non-violent values.

- Marketing refers to any form of commercial communication or message that is designed to, or has the effect of, increasing the recognition, appeal, and/or consumption of particular products and services. It comprises anything that acts to advertise or otherwise promote a product or services. The communication media include television shows, print media, websites, social media, movies, and SMS/email marketing.

- Responsible marketing shall be addressed for products and services that may affect children's physical or mental health. Marketing to children is only acceptable if it meets the following criteria (The Chartered Institute of Marketing, 2011):
  - Does not sexualize, or is not perceived to sexualize, minors;
  - Does not bombard children or parents with repeated messages;
  - Does not make a product seem to enhance qualities that it does not actually do, or create situations where a child cannot distinguish between false information and reality;
  - Does not engage in stealth marketing or conceal a commercial message as a view of non-commercial organizations;
  - Does not intentionally mislead;
  - Applies reasonable objectivity in grey areas.

Organizations are encouraged to promote healthy dietary choices and healthy lifestyles. Organizations play an important role in conveying marketing communication that is consistent with principles of good nutrition, diet, physical activity, and personal choice. When considering child rights protection online, businesses must strike a careful balance between children's right to protection and their right to access to information and freedom of expression.

Aim and approach of indicator assessment

The aim of the assessment is to evaluate the extent of responsible marketing that has been practiced by the organization, related to the product and services they produced and their impact on children. Children under the age of 18 are vulnerable to marketing as they lack experiences as consumers. The way children respond to advertising depends on various factors including age, social group, and experience. Responsible marketing communications can assist consumers in making appropriate choices about products. However, children are not yet in a position to make responsible decisions for themselves and consequently, they should not be targeted in any marketing or advertising.
POLICY RELEVANCE

RELEVANCE TO SUSTAINABLE DEVELOPMENT

Children are the centre for sustainable development. All of the efforts in achieving sustainable development goals are meant to enable the environment to support the future population, which is the current children. Children under 18 years old are key stakeholders of business – as consumers, family members of employees, young workers, and as future employees and business leaders.

Young children are increasingly becoming the target of advertising and marketing because of the amount of money they spend themselves, the influence they have on their parents spending (pester power), and the recognised brand loyalties and consumer habits formed when children are young (future market). The marketing of unhealthy products, including unhealthy food as well as alcohol and tobacco, is linked to various negative outcomes for youth, as well as no communicable diseases (NCD). Research shows that food marketing increases children’s immediate and future consumption, food brand preferences are influenced by product placements and interactive advertising in the games, and childhood obesity is related to viewing commercial television. Youth exposure to alcohol advertising also increases the risk of future alcohol dependence. Marketing of unhealthy products (i.e., food with low nutritional value, alcohol, and tobacco) has a negative impact on human well-being and also increases materialism. These are all negatively correlated with sustainable development.

Governments and other entities, including the United Nations, are looking into the negative effects of child-focused marketing, and some have created administrative units specifically charged with reviewing this type of advertising. The threat of greater regulation, such as requirements to provide increased information to customers, especially children, regarding fat, salt and sugar content of fast foods in certain countries, is changing the dynamics of consumer marketing in some respects. Meanwhile, numerous industry groups have developed voluntary, self-regulatory international codes of conduct that specifically address the issue of marketing to children. Legally enforceable regulations must be followed to ensure the highest level of protection of children from targeted marketing and advertising.

The effect that business has on children can be long-lasting and even irreversible. By conveying the right message to children, we can improve their well-being to support sustainable development goals. For this, this sub-category contributes to SDG 12 “Responsible consumption and production.”

INTERNATIONAL INSTRUMENTS

- Global Reporting Initiative Standard (2016) - GRI 417 Marketing and Labelling
- National legislation and sector/cluster specific regulation
- Save the Children, the United Nations Global Compact and UNICEF (2012) - Children’s Rights and Business Principles
- UNICEF (2019) Responsible Marketing and Advertising
- UNICEF The Convention on the Rights of the Child
ASSESSMENT OF DATA

NATIONAL AND INTERNATIONAL DATA AVAILABILITY AND SOURCES

Generic data source examples
• UN Global Compact
• UNICEF
• WHO

EXAMPLES OF INVENTORY INDICATORS AND DATA SOURCES

Generic analysis
• Organization's policy on responsible marketing
• Compliance to local or international regulation on responsible marketing and labeling
• Regulations/standards on responsible marketing and labeling

Specific analysis

<table>
<thead>
<tr>
<th>Inventory indicator</th>
<th>Data sources</th>
</tr>
</thead>
</table>
| The organization has a policy on responsible marketing | • Interviews with management  
• Review of enterprise-specific reports, such as GRI reports, annual reports |
| The organization performs audit on the implementation of responsible marketing | • Interviews with management on regulations  
• Review of enterprise-specific reports, such as GRI reports, and annual reports |
| The organization receives monitoring and evaluation from the governing body on the implementation of responsible marketing | • Interviews with management on regulations  
• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports |
| The number of incidents of non-compliances with regulations and/or voluntary codes concerning product and service information/ marketing/ advertising and labeling, by incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; and incidents of non-compliance with voluntary codes | • Interviews with management  
• Review of enterprise-specific reports, such as GRI reports, SA8000 certifications, and annual reports |

LIMITATIONS OF THE SUBCATEGORY

Major limitations of this subcategory have not been identified. This does not imply that indicators listed are ideal measures of impact. As with any assessment, measurement error and bias in indicators can affect the accuracy of conclusions.
REFERENCES

AFGC. The Responsible Children's Marketing Initiative of the Australian Food and Beverage Industry.


UNICEF. Children Are Everyone’s Business

WHO. Children’s environmental health: Inheriting a sustainable world.

Internet sources

UN Global Compact

The goal pursued by the Methodological Sheets is to provide an hands-on tool for colleagues wishing to design and conduct S-LCA studies and provide detailed information on each of the subcategories introduced in the Guidelines, organized by stakeholder category.

The sheets have been developed recognizing that data collection is the most labor intensive activity when carrying a S-LCA. Therefore, different indicators may be used depending on data availability and the goal and scope of the study. The sheets are meant to inspire S-LCA case studies based on the Guidelines rather than to represent a complete set of indicators that must be included and criteria that must be met.

It is foreseen and wanted, that the Methodological Sheets are a living resource in the sense that that they evolve over time and that their content be expanded.