



PRE-PUBLICATION VERSION

THE METHODOLOGICAL SHEETS FOR SUB-CATEGORIES IN SOCIAL LIFE CYCLE ASSESSMENT (S-LCA)





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GUIDE TO THE METHODOLOGICAL SHEETS

Introduction

The UNEP/SETAC Life Cycle Initiative Social LCA Project group started the work on methodological sheets in 2005. Many versions of the sheets were drafted and discussed since then and those discussions have heavily influenced the development of the *Guidelines for Social Life Cycle Assessment of Products*, published by UNEP and SETAC in May 2009. After the publication of the Guidelines, the group worked to publish the methodological sheets to complement the Guidelines. These two resources are to be used in parallel. The Guidelines provide context for the methodological sheets, related to goals and methods, which is critical to understanding and properly taking advantage of the methodological sheets.

The first public version of the methodological sheets was published in 2010 on the UNEP Life Cycle Initiative's website.

The new 2013 version of the 31 methodological sheets, one for each of the subcategories identified in the Guidelines, are available for download at the UNEP Life Cycle Initiative's website. These sheets have undergone several internal and external reviews, including a formal peer review directed by UNEP Life Cycle Initiative.

The sheets are meant and are considered to be work in progress, meaning that they will continue to evolve as more practical experience is gained, and impact methodologies get further developed.

Objectives of the Sheets

The *Methodological Sheets for Subcategories in Social Life Cycle Assessment (S-LCA)* supplement the *Guidelines for Social Life Cycle Assessment of Products* published by UNEP/SETAC in 2009 and were developed as a public resource to guide the application of S-LCA. The goal pursued by those 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 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 guidelines 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 desirable that the methodological sheets are a living resource in the sense that they continue to evolve and their content is expanded over time.

Formal Peer Review

During the formal consultation process three critical questions were posed to reviewers to assess the relevance and accuracy of the sheets (Benoît-Norris, et al., 2011), based on the specific goals they are intended to achieve, these were:

- Are the subcategory definitions proposed concisely presenting the main concepts and key elements to be monitored in each methodological sheet?
- Is there potential for improving the proposed subcategory definition?
- Are the examples of subcategory indicators and data sources helpful in understanding assessment of the subcategory?

Reviewers comments were categorized under three main types: general, technical or editorial (UNEP/SETAC-LCI, 2010c). A total of 145 comments from six reviewers with distinct relevant expertise regarding the stakeholder categories to which they were assigned were compiled. From this total 33 percent of the comments were technical, 17 percent were general, 36 were editorial and 14 were either general/technical or editorial/technical.

Technical comments focused mostly on providing additional supporting standards or conventions to the subcategory, or refining language to match that of international agreed upon conventions, or suggesting additional sources of information to identified metric/indicators. There were two

specific comments that provided insight to improve the sheets overall.

These included the issue of relevance of the subcategories to sustainable development and the lack of information regarding impact assessment methodologies. Similarly, there was a proposal to split the definition section into two, that responded specifically to the question of the coherence of the sheets.

There was one comment suggesting retiring the Subcategory Prevention and Mitigation of Armed Conflict, as it was considered more a responsibility of the “political sphere”. Under the general type of comments some relate to the difficulty users may have in understanding how to use of corporate-wide data to assess product-specific performance.

Others were targeted at proposing a closer linkage with ISO 26000 Guidance on Social Responsibility, which in turn would provide material for addition of new subcategories. Other relates to the “struggles” with the overlap of subcategories and stakeholder groups”, pointing out specifically to local community and society. There was a specific suggestion to add “conducting site-specific audits” to collect data, to which the S-LCA Guidelines also make reference. Nevertheless, in general there is the perception that reviewers seem to agree that the methodological sheets provide valuable information, although some point out that they are at a starting point.

Social LCA and Impact Assessment

The S-LCA Project Group working 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 accepted level of minimum performance.

According to the Guidelines, this would be achieved in three steps:

- Selecting impact categories and characterization methods and models;
- Linking inventory data to a 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 carcass; the detail to actually achieve that is still not widely agreed upon by S-LCA practitioners.

The Guidelines have proposed to use Life Cycle Attribute Assessment in order to facilitate LCIA type calculations. Life Cycle Attribute Assessment consists in calculating the percentage of an activity variable such as worker hours which possesses an attribute of interest. That way worker hours act as an elementary flow

and the number or percentage of workers hours for which issues are eg. under control or above compliance can be calculated.

There are several life cycle impact assessment approaches that have been proposed and that are used by groups applying Social LCA.

Most of the characterization models developed relates to Type 1 Impact categories.

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.



The entrance of a microenterprise established to empower women in rural Costa Rica.



A sculpture in the 'Jardin des Droits de l'Homme' (Aiguillon, France) cites the first article of the Universal Declaration of Human Rights.

Overview of the Sheets

The UNEP/SETAC S-LCA Project Group reached consensus on using the stakeholder category framework as the “backbone” of the guidelines, hence of 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—Workers, Local Community, Society (national and global), Consumers, and Value Chain Actors - under which each relevant subcategory identified in the Guidelines is further elaborated. 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 stakeholder classification for S-LCA has its origins in stakeholder theory, where it was argued that managers would get a better understanding of the complex issues around their business and

lead them successfully, if they involved a broader spectrum of stakeholders, beyond shareholders. This theory is widely accepted today, as it forms the basis of many of the CSR and sustainability reporting frameworks. But beyond this theory being widely accepted, the real benefit of applying it to the S-LCA methodology is that it will ensure perspectives from all relevant groups are taken into consideration when assessing the social and socio-economic impacts of products throughout their life cycle.

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 consensus of wide audiences. In this way, the S-LCA Project 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.

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 give 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 of the context. The resource aims at guiding towards relevant sources and proposing a few metrics



Coocafe, a coffee cooperative enterprise, in Costa Rica, bringing fair trade coffee to the market.

that can be valuable to consider. By doing so, the S-LCA project group is documenting everyone of the subcategories presented in the Guidelines and for which it is advised that a statement be made when presenting results of a 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 data source examples, Site-specific data source examples and references.

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



Stakeholders and Subcategories

Methodological sheets have been grouped according to five stakeholders: Workers, Consumers, Local Community, Society and Value Chain Actors. Within each stakeholder group, sheets have been prepared for several assessment subcategories. (For example, 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 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 Brundtland 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 WCED prioritizes the needs of the world's poor and acknowledges limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs (see Chapter 2.1 of the Guidelines).

International Conventions and Agreements

This list contains international 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.

International Targets/Recommended Standards

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

Data Needed to Compile the Subcategory

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.)

At present time the nonprofit organization New Earth is making available a resource called the Social Hotspots Database (SHDB). This tool can play a role similar to Life Cycle Assessment databases in assessing product hotspots, but with the added benefit of geographical precision and potential social impacts identification” (New Earth, 2012). The development of these types of tools will certainly facilitate performance of S-LCAs, in particular those where the goal is to identify hotspots. However, it is important to keep in mind that with little information about the enterprises or organizations and general information about the location, it is not possible to assess the detailed impacts.

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 web sites.

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, Units of Measurement and Data Sources

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 note whether data are available in quantitative, semi-quantitative and/or qualitative form and provide data sources for each indicator.

Limitations of the Subcategory

In some cases, methodological sheets describe limitations of subcategory assessment (e.g., widespread lack of data or data bias). Not all methodological sheets describe limitations. This is not to imply that assessment of these subcategories is without limitations. Actual limitations may exist in specific circumstances.

References

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

Authors

Co-authors of the sheets are referenced.

1



Stakeholder: Local Community

Delocalization and Migration • Community Engagement • Cultural Heritage • Respect of Indigenous Rights • Local Employment • Access to Immaterial Resources • Access to Material Resources • Safe and Healthy Living Conditions • Secure Living Conditions



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 assess 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 there is potential for delocalization and migration to occur. 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 at risk populations and respond to 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.

International Conventions and Agreements

- International Covenant on Civil and Political Rights, Article 12
- United Nations Declaration on the Rights of Indigenous Peoples
- The Universal Declaration of Human Rights, Article 17

International Targets/Recommended Standards

- AA1000 Accountability Principles Standard 2008
- IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement
- United Nations Global Compact, Principle 1

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, quantitative data could describe the level of forced evictions and labor migration. This could be attributed to a particular organization or described on a region/country level. Qualitative and semi-quantitative data could describe and rate the strength of organizational policies related to resettlement of community members. Qualitative and semi-quantitative data could also describe procedures for incorporating migrant workers into the community.

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:
- [U.S. Department of State Country Reports on Human Rights Practices](#), including discussion of Internally Displaced Persons
- [UN International Migrant Stock: The 2008 Revision](#), including international migrants as a percentage of population

Site-Specific Data Source Examples

- Site visit or site-specific audit
- Interviews with community members
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports, such as UN COP reports
- Organization-specific audits, such as AA1000
- Site-specific Social Impact Assessment report

Examples of Inventory Indicators, Units of Measurement and Data Sources

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.

Generic Analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Forced Evictions stemming from Economic Development	Quantitative	COHRE's Global Survey on Forced Eviction describes specific events, causes and numbers of people affected
Description of Causes for and Treatment of Internally Displaced Persons	Qualitative/Semi-Quantitative	U.S. Dept. of State Country Reports on Human Rights Practices, including discussion of Internally Displaced Persons
International Migrants as a Percentage of Population	Quantitative	UN International Migrant Stock, as percentage of country/region population

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Number of individuals who resettle (voluntarily and involuntarily) that can be attributed to organization	Quantitative	<ul style="list-style-type: none"> 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)	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> 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	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> 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 political nature of delocalization and migration issues may interfere with survey administration or interview opportunities. Survey recipients/ interviewees may not participate or answer with complete honesty out of fear or political pressure.

References

Reading

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UN (1948). *The Universal Declaration of Human Rights*. United Nations.

UN (1966). *International Covenant on Civil and Political Rights*. United Nations.

Internet Sites

[United Nations Global Compact](#)

[United Nations Global Compact, Access to Adequate Housing](#)

[United Nations Global Compact, Internal Displacement](#)

[United Nations International Migrant Stock: The 2008 Revision](#)

[U.S. Department of State Country Reports on Human Rights Practices](#)

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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. 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

International Conventions and Agreements

- Convention on Access to Information, Public Participation in Decision-Making and Access to Environmental Justice Matters (The Aarhus Convention)

International Targets/Recommended Standards

- AA1000 AccountAbility Principles Standard 2008
- AA1000 Stakeholder Engagement Standard
- Agenda 21, Section III
- Amnesty International Human Rights Principles for Companies
- G3 Sustainability Reporting Guidelines

- 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
- SA8000

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe or rate the strength of an organization's efforts to encourage community engagement. Quantitative data might capture the number of annual community meetings, while semi-quantitative data could describe the quality of meetings.

National and International Data Availability and Sources

Generic data source examples

- **U.S. Department of State annual country reports on human rights**, including freedom of peaceful assembly and association and political participation
- **World Economic Forum** annual country rankings on transparency of government policymaking and public trust of politicians

Site-specific data source examples

- Site visit or site-specific audit
- Interviews with community members
- Interviews with employees
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports
- Organization-specific audits, such as AA 1000 and SA8000

Examples of Inventory Indicators, Units of Measurement and Data Sources

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Freedom of Peaceful Assembly and Association	Qualitative	U.S. Dept. of State Human Rights Country Reports
Transparency of Government Policymaking	Semi-Quantitative	World Economic Forum rankings, by country
Public Trust of Politicians	Semi-Quantitative	World Economic Forum rankings, by country

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Strength of written policies on community engagement at organization level	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with community members, employees, management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits
Diversity of community stakeholder groups that engage with the organization	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with community members, employees, management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits
Number and quality of meetings with community stakeholders	Quantitative/Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with community members, employees, management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits
Organizational support (volunteer-hours or financial) for community initiatives	Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits

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.

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- World Economic Forum (2009). [The Global Competitiveness Report: 2009-2010](#).

Internet Sites

- [Amnesty International Business and Human Rights Checklist](#)
- [U.S. Department of State, Country Reports on Human Rights Practices](#)

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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).

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.

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.

International Conventions and Agreements

- 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
- ILO Indigenous and Tribal Peoples Convention
- International Covenant on Civil and Political Rights, Article 18
- International Covenant on Economic, Social and Cultural Rights
- International Convention on the Elimination of All Forms of Racial Discrimination, Article 5
- United Nations Declaration on the Rights of Indigenous Peoples
- The Universal Declaration of Human Rights, Articles 18, 22 and 27
- Agenda 21, Section I
- Universal Declaration on Cultural Diversity

International Targets/Recommended Standards

- G3 Sustainability Reporting Guidelines
- 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

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe or rate the strength of organization policies that address the protection of cultural heritage, for example by incorporating expression of cultural heritage into product design. Quantitative data could capture incidents of discrimination against community members by the organization.

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 List of Intangible Heritage in Urgent Need of Safeguarding](#)
- [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

Site-specific data source examples

- Site visit or site-specific audit
- Interviews with community members
- Interviews with employees
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports
- Organization-specific audits, such as AA 1000 and SA8000
- Site-specific Social Impact Assessment report

Examples of Inventory Indicators, Units of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Cultural Heritage in Urgent Need of Safeguarding	Qualitative	UNESCO Urgent Safeguarding List
Prevalence of Racial Discrimination	Qualitative/Semi-Quantitative	Business & Human Rights Resource Centre reports on racial discrimination

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Strength of Policies in Place to Protect Cultural Heritage	Qualitative/Semi-Quantitative	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/Strength of Organizational Program to include Cultural Heritage Expression in Product Design/Production	Qualitative/Semi-Quantitative	Site visit or site-specific audit Interviews with community members, employees, management and NGOs
Is Relevant Organizational Information Available to Community Members in their Spoken Language(s)?	Semi-Quantitative	Site visit or site-specific audit Interviews with community members, management and NGOs

Limitations of the Subcategory

There is a lack of formal data to support quantitative analysis of this indicator.

References

Reading

- GRI (2006). [G3 Sustainability Reporting Guidelines, Version 3.0](#). Global Reporting Initiative.
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- ISO 26000 (2009). [Guidance on Social Responsibility, Draft ISO/DIS 26000](#). International Organization for Standardization
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- UN (1965). [International Convention on the Elimination of All Forms of Racial Discrimination](#). United Nations.
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- UNESCO (2005). [Convention on the Protection and Promotion of Cultural Expressions](#). United Nations Educational, Scientific and Cultural Organization.

Internet Sites

- [Business & Human Rights Resource Centre, Discrimination](#)
- [United Nations Global Compact, Freedom of Thought, Conscience and Religion](#)
- [UNESCO: Cultural Diversity](#)
- [UNESCO: Safeguarding Intangible Cultural Heritage](#)
- [U.S. Department of State, Country Reports on Human Rights Practices](#)

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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.

International Conventions and Agreements

- Convention on Biological Diversity, Article 8(j)
- Convention for the Safeguarding of the Intangible Cultural Heritage
- ILO Indigenous and Tribal Peoples Convention
- International Covenant on Civil and Political Rights, Article 26
- International Treaty on Plant Genetic Resources for Food and Agriculture
- United Nations Declaration on the Rights of Indigenous Peoples
- The Universal Declaration of Human Rights, Articles 1, 2, 7 and 23

International Targets/Recommended Standards

- Agenda 21, Sections I, III and IV
- Amnesty International Human Rights Principles for Companies
- G3 Sustainability Reporting Guidelines
- 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

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe or rate the strength of organizational policies that address the rights of indigenous peoples. Quantitative data could describe the number of meetings held with indigenous community members. If an organization is charged with discrimination against indigenous community members, qualitative data could describe the effectiveness of the organization's response.

National and International Data Availability and Sources

Generic data source examples

- **Amnesty International Human Rights Reports**, by country, including issues faced by indigenous peoples <http://www.amnesty.org/en/human-rights>
- **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

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 reports, such as GRI reports
- Site-specific Social Impact Assessment report

Examples of Indicators, Units of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Human Rights Issues Faced by Indigenous Peoples	Qualitative/Semi-Quantitative	Amnesty International human rights reports by country and issue, including indigenous peoples
Prevalence of Racial Discrimination	Qualitative/Semi-Quantitative	Business & Human Rights Resource Centre reports on racial discrimination
Indigenous Land Rights Conflicts/Land Claims	Qualitative/Semi-Quantitative	U.S. Department of State Human Rights Reports , including issues faced by indigenous peoples

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Strength of Policies in Place to Protect the Rights of Indigenous Community Members	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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	Quantitative	<ul style="list-style-type: none"> ▪ 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	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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

There is a lack of quantitative data available to assess an organization's respect of indigenous rights.

References

Reading

Amnesty International (1998). [Human Rights Principles for Companies](#). AI Index: ACT 70/01/98.

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Internet Sites

[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](#)

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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.

International Conventions and Agreements

- ILO Convention concerning Employment Policy, 1964 (No. 122)

International Targets/Recommended Standard

- Agenda 21, Section I
- G3 Sustainability Reporting Guidelines, Economic Performance Indicators and Labor Practice and Decent Work Performance Indicators
- ILO R169 Employment Policy (Supplementary Provisions)
- ILO R189 Concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- ISO 26000: Guidance on Social Responsibility, Clause 6.8 - Community Involvement and Development, Issue 3: Employment Creation and Skills Development, Issue 5: Wealth and Income Creation and Issue 7: Social Investment
- OECD Guidelines for Multinational Enterprises (Employment and Industrial Relations)
- Millenium Development Goals, Goal 1
- United Nations Global Compact, Principle 1

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). Many indicators for this subcategory are available in a quantitative format (e.g. percentage of the workforce hired locally; percentage of suppliers that are local). Qualitative or semi-quantitative data could be used to describe or rate the strength of management policies related to local hiring preferences.

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

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 reports, such as GRI or UN COP reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Unemployment Statistics by Country	Quantitative	ILO data on unemployment
Poverty and Working Poverty by Country	Quantitative	ILO data on unemployment
Presence of Local Supply Networks	Semi-Quantitative	World Economic Forum rankings of supplier quantity, by country

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Percentage of workforce hired locally	Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with management ▪ Review of organization-specific reports, such as GRI or COP reports
Strength of policies on local hiring preferences	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with community members, employees, governmental agencies, management and NGOs ▪ Review of organization-specific reports, such as GRI or COP reports
Percentage of spending on locally-based suppliers	Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with management ▪ Review of organization-specific reports, such as GRI or COP 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

Reading

GRI (2006). *G3 Sustainability Reporting Guidelines, Version 3.0*. Global Reporting Initiative.

GRI (2006). *Indicator Protocols Set Economic (EC), Version 3.0*. Global Reporting Initiative.

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UN (1992). *Agenda 21*. United Nations.

World Economic Forum (2009). *The Global Competitiveness Report: 2009-2010*.

Internet Sites

[ILO, Key Indicators of the Labour Market](#)

[Millennium Development Goals](#)

[United Nations Global Compact](#)

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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.

International Conventions and Agreements

- The Universal Declaration of Human Rights, Article 19
- Convention on Access to Information, Public Participation in Decision-Making and Access to Environmental Justice Matters (The Aarhus Convention)
- International Covenant on Civil and Political Rights, Articles 19 and 21

International Targets/Recommended Standards

- AA1000 AccountAbility Principles Standard 2008
- AA1000 Stakeholder Engagement Standard
- Agenda 21, Sections I, II III and IV

- G3 Sustainability Reporting Guidelines, Labor Practices and Decent Work Performance Indicators
- 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
- SA8000
- United Nations Global Compact

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data could describe the history of an organization's efforts to promote local education initiatives and community service programs. Quantitative data could be used to identify general hotspots; for example, the frequency of patent filings in emerging economies.

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](#)

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 reports, such as GRI or UN COP reports
- Organization-specific audits, such as AA1000 and SA8000
- Site-specific Social Impact Assessment report

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Patent Filings	Quantitative	WIPO data on patent filings by origin, including emerging countries
Freedom of Expression in Country of Operation	Qualitative/Semi-Quantitative	Amnesty International human rights reports provide annual information on freedom of expression, by country
Levels of Technology Transfer	Semi-Quantitative	World Economic Forum rankings for FDI and technology transfer, by country

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Annual arrests connected to protests of organization actions	Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with governmental agencies, management and NGOs ▪ Review of organization-specific reports, including GRI and COP reports and audits
Do policies related to intellectual property respect moral and economic rights of the community?	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with community members, employees, governmental agencies, management and NGOs ▪ Review of organization-specific audits, such as ISO 26000, and social impact assessments
Presence/strength of community education initiatives	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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, audits and social impact assessments

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

Reading

- AccountAbility (2005). [AA1000 Stakeholder Engagement Standard](#).
- AccountAbility (2008). [AA1000 AccountAbility Principles Standard 2008](#).
- GRI (2006). [G3 Sustainability Reporting Guidelines, Version 3.0](#). Global Reporting Initiative.
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- World Economic Forum (2009). [The Global Competitiveness Report: 2009-2010](#).

Internet Sites

- [Amnesty International, Human Rights by Country](#)
- [Millineum Development Goals](#)
- [United Nations Global Compact](#)
- [United Nations Global Compact, Freedom of Opinion, Speech and Expression](#)
- [U.S. Department of State, Country Reports on Human Rights Practices](#)
- [WIPO, World Intellectual Property Indicators](#)

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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.

International Conventions and Agreements

- 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
- International Targets/Recommended Standards
- Agenda 21, Sections I, II, III and IV
- G3 Sustainability Reporting Guidelines, Environmental Performance Indicators
- IFC Performance Standards on Social & Environmental Sustainability
- ISO 14000: Environmental Management
- ISO 26000: Guidance on Social Responsibility
- Millennium Development Goals, Goal 7
- Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights
- OECD Guidelines for Multinational Enterprises (Environment and Commentary on the Environment)
- Rio Declaration on Environment and Development, Principles 2, 4 and 17
- United Nations Global Compact, Principles 7-9

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, quantitative data could indicate levels of industrial resource use. Qualitative and semi-quantitative data could describe or rate the strength of operational risk assessments with regard to potential resource conflict. Qualitative and semi-quantitative data also could describe the organization's contribution to community infrastructure or the strength of environmental management systems.

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:
- [World Bank](#) data on biodiversity, extractive industries and water resources:
- [United States Department of Agriculture, Natural Resources Conservation Services](#), World Soil Resources Map Index
- [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 reports, such as GRI or UN COP reports
- Organization-specific audits, such as ISO 14000
- Site-specific Social Impact Assessment report

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Changes in Land Ownership	Quantitative	FAO data on public versus private ownership of forest and other wooded land, by country
Levels of Industrial Water Use	Quantitative	World Bank data on percentage of annual freshwater withdrawals attributed to industry, by country
Extraction of Material Resources	Quantitative	OECD data on extraction of material resources, by country and material type
Percent of Population (Urban, Rural, Total) with Access to Improved Sanitation Facilities	Quantitative	World Bank data on water supply and sanitation, by country

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Has the organization developed project-related infrastructure with mutual community access and benefit	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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	Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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

It is difficult to measure how an organization affects certain local material resources, namely how land use changes impact biodiversity.

References

Reading

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GRI (2006). *Indicator Protocols Set Environment (EN), Version 3.0*. Global Reporting Initiative.

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ISO 14000 (2004). *Environmental Management*. International Organization for Standardization

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OECD (2008). *OECD Guidelines for Multinational Enterprises*. Organisation for Economic Co-operation and Development.

UN (1966). *International Covenant on Civil and Political Rights*. United Nations.

UN (1992). *Agenda 21*. United Nations.

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UNEP (2006). Report of the Eighth Meeting of the Parties to the Convention on Biological Diversity, Decision VIII/17: Private-sector Engagement. UNEP/CBD/COP/8/31

World Economic Forum (2009). [The Global Competitiveness Report: 2009-2010](#).

Internet Sites

[FAO Global Forest Resources Assessment](#)

[Millineum Development Goals](#)

[OECD Environmental Data Compendium](#)

[United Nations Global Compact](#)

[United Nations Global Compact, Access to Water](#)

[UNEP Convention on Biological Resources: Business and Biodiversity](#)

[World Bank, Data & Statistics](#)

[World Bank, Topics in Development \(including data\)](#)

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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 also lead to adverse health impacts. Organizations should institute environmental risk management systems for preventing, mitigating and controlling health damage from their operations.

Organizations may also contribute to the health of local communities, for example by shared access to employee health services. Organizations should also 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.

International Conventions and Agreements

- 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)
- ILO Prevention of Major Industrial Accidents Convention, 1993 (No. 174)
- The Universal Declaration of Human Rights, Article 3

International Targets/Recommended Standards

- Agenda 21, Sections I, II III and IV
- Amnesty International Human Rights Principles
- G3 Sustainability Reporting Guidelines, Environmental Performance Indicators

- IFC Performance Standard 4: Community Health, Safety and Security
- 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
- UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights
- United Nations Global Compact, Principles 7-9

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative data could describe efforts by the organization to strengthen community health. A semi-quantitative rating scale might describe management efforts to ensure structural safety on the worksite. Quantitative data could be used to identify general hotspots; for example, areas with high rates of disease or industrial pollution.

National and International Data Availability and Sources

Generic data source examples

- [Ecolex](#) 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](#)

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 reports, such as GRI or UN COP reports
- Site-specific Social Impact Assessment report

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
Burden of Disease by Country	Quantitative	WHO disability adjusted life year statistics, by country
Pollution Levels by Country	Quantitative	World Bank data on particulate matter concentrations, by country
Presence/Strength of Laws on Construction Safety Regulations by Country	Qualitative/Semi-Quantitative	World Bank and IFC descriptions of license and permit requirements, by country

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Management oversight of structural integrity	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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)	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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

It may be difficult to demonstrate a causal link between organization operations and population health effects. For this reason, organization-related health impacts are often disputed and subject to lengthy reviews and court cases. In many cases, analysis relies on qualitative review of management oversight efforts and risk assessment techniques.

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Internet Sites

[ECOLEX](#)

[Millineum 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](#)

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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). It is necessary therefore 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.

International Conventions and Agreements

- International Covenant on Civil and Political Rights, Article 9
- UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- UN Convention on the Prevention and Punishment of the Crime of Genocide
- UN International Covenant on Civil and Political Rights
- The Universal Declaration of Human Rights, Articles 3, 5 and 9

International Targets/Recommended Standards

- Amnesty International Human Rights Principals for Companies
- G3 Sustainability Reporting Guidelines, Human Rights Performance Indicators
- IFC Performance Standard 4: Community Health, Safety and Security
- ISO 26000: Guidance on Social Responsibility
- 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 Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights
- United Nations Global Compact, Principles 1 and 2

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data could describe the presence/strength of management policies related to the training and monitoring of hired personnel. Organization-specific quantitative data, if available, could depict historical incidents of direct or complicit human rights abuses.

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
- **World Economic Forum** annual country rankings for reliability of police services
- **U.S. Department of State Country Reports on Human Rights Practices**, including incidents of arbitrary arrest and detention

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 reports, such as GRI or UN COP reports
- Site-specific Social and/or Human Rights Impact Assessment reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Available
State of Security and Human Rights in Country of Operation	Qualitative	Amnesty International , state of human rights, by country
Strength of Public Security in Country of Operation	Semi-Quantitative	World Economic Forum Global Competitiveness Report , rankings for security of public institutions and reliability of police services

Specific Analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Management policies related to private security personnel	Qualitative or Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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	Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with management, governmental agencies and NGOs
Number of casualties and injuries per year ascribed to the organization	Quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interviews with management, governmental agencies and NGOs

Limitations of the Subcategory

It may be difficult to prove the complicity of an organization in state-led human rights violations. Involvement is often disputed and subject to lengthy review and court cases. In many cases, assessment relies on qualitative review of management oversight efforts and risk assessment techniques.

References

Reading

- Amnesty International (1998). [Human Rights Principles for Companies](#). AI Index: ACT 70/01/98.
- GRI (2006). [G3 Sustainability Reporting Guidelines, Version 3.0](#). Global Reporting Initiative.
- GRI (2006). [Indicator Protocols Set Human Rights \(HR\), Version 3.0](#). Global Reporting Initiative.
- IFC (2007) [Guidance Note 4: Community Health, Safety and Security](#). International Finance Corporation.
- ISO 26000 (2009). [Guidance on Social Responsibility, Draft ISO/DIS 26000](#). International Organization for Standardization
- OECD (2002). [Multinational Enterprises in Situations of Violent Conflict and Widespread Human Rights Abuses](#). Organisation for Economic Co-operation and Development. Online:
- OECD (2008). [OECD Guidelines for Multinational Enterprises](#). Organisation for Economic Co-operation and Development.
- UN (1948). [The Universal Declaration of Human Rights](#). United Nations.
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- World Economic Forum (2009). [The Global Competitiveness Report: 2009-2010](#).

Internet Sites

- [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](#)

Authors

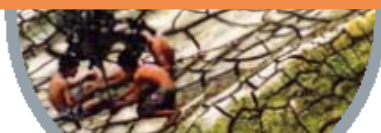
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2



Stakeholder: Value Chain Actors

Fair Competition • Respect of Intellectual Property Rights •
Supplier Relationships • Promoting Social Responsibility



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 Definition

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.

International Conventions and Agreements

- EU antitrust and anti-cartel legislation

International Targets/Recommended Standards

- The United Nations Set of principles and rules on competition
- G3 Sustainability Reporting Guidelines
- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (General Policies)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe competitive conduct of the enterprise.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with public authorities
- Interviews with employees
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI and annual reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
National law and regulation	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ National legislation ▪ OECD
Sectoral regulation	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Sectoral reports e.g. from OECD
Sectoral agreement	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Sectoral reports
Sector is present in consumer unions	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Consumers International ▪ Consumers Union

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
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)	qualitative/semi-quantitative/ quantitative	<ul style="list-style-type: none"> 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	qualitative/semi-quantitative	<ul style="list-style-type: none"> 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	qualitative/semi-quantitative	<ul style="list-style-type: none"> 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
Employee awareness of the importance of compliance with competition legislation and fair competition.	qualitative/semi-quantitative	Global Compact

Limitations of the Subcategory

Anti-competitive behavior is often difficult to prove. Also the intensity might be difficult to assess.

References**Reading**

GRI (2006). [G3 Sustainability Reporting Guidelines, Version 3.0](#). Global Reporting Initiative.

ISO 26000 (2009). [Guidance on Social Responsibility, Draft ISO/DIS 26000](#). International Organization for Standardization

OECD (2008). [OECD Guidelines for Multinational Enterprises](#). Organisation for Economic Co-operation and Development.

[The United Nations Set of principles and rules on competition](#)

Internet Sites

Consumers Union

European Commission website on competition

Global Anti-Dumping-Database

Global Competition Forum

International competition network website

OECD Competition Committee

UNCTAD – United Nations Conference on Trade and Development

World Bank

WTO

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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 Definition

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.

International Conventions and Agreements

- UN Security Council Resolutions
- United Nations Declaration on the Rights of Indigenous Peoples, 2007
- UNESCO's 2003 Convention on the Safeguarding of Intangible Cultural Heritage
- Berne Convention for the Protection of Literary and Artistic Works
- Paris Convention for the Protection of Industrial Property 1971 (Stockholm Act of 1967)
- Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods
- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration
- Patent Cooperation Treaty/ Patent Law Treaty (2000)
- Madrid Agreement Concerning the International Registration of Marks
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure
- The Hague Agreement Concerning the International Deposit of Industrial Designs.
- International Patent Classification Agreement (IPC)

- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks
- Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks
- Locarno Agreement Establishing an International Classification for Industrial Designs
- The Geneva Treaty on the International Recording of Scientific Discoveries

Declarations regarding indigenous intellectual property:

- Declaration of Belem, Brazil, 1988
- Kari-Oca Declaration, Brazil, 1992; reaffirmed in Indonesia, 2002
- Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous Peoples, New Zealand, 1993
- Julayinbul Statement on Indigenous Intellectual Property Rights, Australia, 1993
- Santa Cruz de la Sierra Statement on Intellectual Property, Bolivia, 1994
- Tambunan Statement on the Protection and Conservation of Indigenous Knowledge, Sabah, East Malaysia, 1995
- Suva Statement on Indigenous Peoples Knowledge and Intellectual Property Rights, Suva, Fiji, 1995
- Kimberley Declaration, Kimberley, South Africa, 2002

International Targets/Recommended Standards

None identified.

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe the organization's behavior regarding the respect of intellectual property rights.

National and International Data Availability and Sources

Generic data source examples

- World Intellectual Property Organization (WIPO)
- Worldwide global intellectual property information network (WIPONET)

Site-specific data source examples

- Interviews with local community members
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports and annual reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
General Intellectual Property Rights and related issues associated with the economic sector	qualitative/ semi-quantitative	<ul style="list-style-type: none"> ▪ WIPO ▪ WIPONET ▪ NGOs ▪ Premier ethnographic repositories (such as Anthropological Dept)

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Organization's policy and practice	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with community members, management and NGOs ▪ Review of organization-specific reports, such as GRI reports and annual reports
Use of local intellectual property	qualitative/semi-quantitative/quantitative	<ul style="list-style-type: none"> ▪ 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 idea of intellectual property rights may be subject to critic, for example in the open source, free software movement (Richard Stallman and colleagues).

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Internet Sites

[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 \(WIPO\)](#)

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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 effect in 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 take due care to avoid or minimize any negative impact (ISO 26000).

Policy Definition

Relevance to Sustainable Development

Supplier relationships may be different from simple purchasing transactions in several ways. First, there can be a sense of commitment to the supplier. Another element of these supplier relationships is advanced planning. A third element is also important, the organization's attitude and view of its suppliers matters a lot for business success. Organizations that forge 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.

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- ISO 26000: Guidance on Social Responsibility

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe the organization's behavior regarding supplier relationships.

National and International Data Availability and Sources

Generic data source examples

None identified.

Site-specific data source examples

- Interviews with management
- Interviews with procurement department
- Interviews with suppliers

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

None identified.

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Absence of coercive communication with suppliers	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management and procurement department ▪ Interviews with suppliers
Sufficient lead time	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management and procurement department ▪ Interviews with suppliers
Reasonable volume fluctuations	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management and procurement department ▪ Interviews with suppliers
Payments on time to suppliers	semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management and procurement department ▪ Interviews with suppliers

Limitations of the Subcategory

None identified.

References

Reading

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OECD (2000). Guidelines for Multinational Enterprises, Revision 2000, Organization for economic Co-operation and Development.

Pharmaceutical Industry Principles for Responsible Supply Chain Management, Implementation Guidance Document - Version 1.0 - 2007-03-15

School of Engineering and Technology, Central Connecticut State University, New Britain, Connecticut, USA

Internet Sites

[ISO 26000 Guidance on social responsibility](#)

[Institute for supply management](#)

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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 value 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 Definition

Relevance to Sustainable Development

As 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 potential to contribute significantly to improvement of social conditions in supply chains.

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- GRI G3 Sustainability Reporting Guidelines
- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (General Policies)
- SA 8000
- IFC Performance Standards on Social & Environmental Sustainability
- UN Global Compact, Principles 1 and 2

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

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative data that is generic in nature might describe general human rights conditions by sector and region. Semi-quantitative data might rate the strength of explicit policies or codes of conduct that address social responsibility among suppliers. Quantitative data could include the percentage of suppliers for which an enterprise conducts social responsibility audits.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with management
- Interviews with procurement department
- Interviews with suppliers

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Industry code of conduct in the sector	semi-quantitative	▪ Industry associations

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Presence of explicit code of conduct that protect human rights of workers among suppliers	semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of organization-specific reports, such as GRI reports or COP reports
Percentage of suppliers the enterprise has audited with regard to social responsibility in the last year	quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of organization-specific reports, such as GRI reports or COP reports
Membership in an initiative that promotes social responsibility along the supply chain	semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of organization-specific reports, such as GRI reports or COP reports
Integration of ethical, social, environmental and regarding gender equality criteria in purchasing policy, distribution policy and contract signatures	qualitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of organization-specific reports
Support to suppliers in terms of consciousness-raising and counselling concerning the social responsibility issues	qualitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Interviews with suppliers

Limitations of the Subcategory

None identified.

References**Reading**

GRI (2006). [G3 Sustainability Reporting Guidelines, Version 3.0](#). Global Reporting Initiative.

GRI (2006). [Indicator Protocols Set Human Rights \(HR\), Version 3.0](#). Global Reporting Initiative.

ICC (2007). [Policy Statement: ICC Guidance on Supply Chain Responsibility](#). International Chamber of Commerce. Online:

IFC (2007). [International Finance Corporation's Guidance Notes: Performance Standards on Social & Environmental Sustainability](#). International Finance Corporation. Online:

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OECD (2008). [OECD Guidelines for Multinational Enterprises](#). Organisation for Economic Co-operation and Development.

SAI (2008). [Social Accountability 8000](#). Social Accountability International.

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Internet Sites

[UN Global Compact](#)

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3



Stakeholder: Consumer

Health and Safety • Feedback Mechanism • Privacy •
Transparency • End-of-Life Responsibility



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.

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 Definition

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.

International Conventions and Agreements

- ISO 26000: Guidance on Social Responsibility
- OECD Recall Procedures for Unsafe Products Sold to the Public and the Recommendation of the Council of 25th October 1982

International Targets/Recommended Standards

- Consumer Product Safety Improvement Act of 2008 (PUBLIC LAW 110–314—AUG. 14, 2008)
- Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data could describe the presence/strength of management policies with regard to security of the product for customers. Organization-specific quantitative data, if available, could give more detailed information (e.g. incidents of product recall).

National and International Data Availability and Sources

Generic data source examples

- International Consumer Product Health and Safety Organization
- U.S: Consumer Product Safety Commission

Site-specific data source examples

- Systematic compilation of reports
- Evaluation of sector vulnerability
- Interview with consumers
- Review of documentation in situ
- Interview of management (in situ / ex situ)
- Observation in situ
- Interview of local NGO's and/or consumers protection offices

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Quality of or number of information/signs on product health and safety	Quantitative, Semi-Quantitative	U.S: Department of Health and Human Services – Household Products Database, Health & Safety information on Household Product
Presence of consumer complaints (at national, sectorial, organizational level)	Quantitative, Semi-Quantitative	U.S. Consumer Product Safety Commission
GRI PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services and type of outcomes	Quantitative, Semi-Quantitative, Qualitative	GRI Sustainability Reports

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Number of consumer complaints	Quantitative/ Semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management, retailers and NGOs ▪ Review of enterprise-specific reports, such as GRI reports or audits ▪ Consumer organizations
Presence of Management measures to assess consumer health and safety	Qualitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management, retailers and NGOs ▪ Review of enterprise-specific reports ▪ Consumers organizations
Quality of labels of health and safety requirements	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Labels on the product

Limitations of the Subcategory

No limitations.

References

Reading

OECD Guidelines for Consumer Protection in the Context of Electronic Commerce, 1999, <http://www.oecd.org/dataoecd/18/13/34023235.pdf>

ISO 26000 (2008), Guidance on Social Responsibility, Draft, International Organization for Standardization.

OECD (2000). Guidelines for Multinational Enterprises, Revision 2000, Organization for Economic Co-operation and Development.

Internet Sites

[Codex Alimentarius \(for food products\)](#)

[RAPEX, Keeping European consumers safe](#)

[U.S: Department of Health and Human Services - Household Products database:](#)

[The International Consumer Product Health and Safety Organization](#)

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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 Definition

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).

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).

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data could compile the presence of feedback mechanism offered to customers. Organization-specific quantitative data, if available, could give more detailed information (e.g. Management measures to improve feedback mechanisms).

National and International Data Availability and Sources

Generic data source examples

- European Commission, Consumers Affairs

Site-specific data source examples

- Site visit or site-specific audit
- Systematic compilation of reports
- Evaluation of sector vulnerability
- Interview with consumers
- Review of documentation in situ
- Interview of management (in situ / ex situ)
- Observation in situ
- Interview of local NGO's and/or consumers protection offices

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Presence of feedback mechanisms (e.g. after sale services) (by organization or sector/country)	Quantitative, Qualitative and semi-quantitative	Australian competition and consumer commission
Number of consumer complaints at the sector level	Quantitative, Qualitative and semi-quantitative	Australian competition and consumer commission

Specific analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Presence of a mechanism for customers to provide feedback	Quantitative, Qualitative and semi-quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interview with directors or marketing officer ▪ Verification of enterprise documents ▪ Consumer protection office ▪ Consumers organizations
Management measures to improve feedback mechanisms	Quantitative, Qualitative and semi-quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ Interview with directors or Human resources officer ▪ Verification of enterprise documents
GRI PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Quantitative, Qualitative and semi-quantitative	<ul style="list-style-type: none"> ▪ Site visit or site-specific audit ▪ GRI Sustainability report ▪ Interview with directors or marketing officer ▪ Verification of enterprise documents ▪ Consumer protection office ▪ Consumers organizations

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**Reading**

Fullwood, D. (1993). Key Indicators of Consumer Participation. Proceedings of 29th ASSID Conference, Newcastle.

ISO 26000 (2008). Guidance on Social Responsibility, Draft, International Organization for Standardization.

OECD (2000). Guidelines for Multinational Enterprises, Revision 2000, Organization for economic Co-operation and Development.

Internet Sites

Global Reporting Initiative

SOCAP International (The Society of Consumer Affairs Professionals in Business)

Consumers International (CI)

Example of feedback mechanism

<http://www.marketingdonut.co.uk/>

<http://www.molsoncoors.com/responsibility/product-responsibility/consumer-feedback>

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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 Definition

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.

International Conventions and Agreements

- The Universal Declaration of Human Rights, Article 12

International Targets/Recommended Standards

- G3 Sustainability Reporting Guidelines, Product Responsibility Performance Indicators
- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Consumer Protection in the Context of Electronic Commerce
- OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data
- OECD Guidelines for Multinational Enterprises (Consumer Interests)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe and rate the strength of management systems designed to protect consumer privacy. Quantitative data could capture the annual number of consumer and regulatory complaints against the organization related to consumer privacy.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Site visit or site-specific audit
- Interviews with consumers
- Interviews with employees
- Interview with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports or audits, such as GRI or UN COP reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Country ranking related to regulations on data-sharing	Semi-Quantitative	Privacy International's rankings on data-sharing <ul style="list-style-type: none"> ▪ Privacy International's country rankings on privacy-related issues
Country ranking related to strength of laws protecting privacy against organizations and government	Semi-Quantitative	Privacy International's rankings on statutory protection <ul style="list-style-type: none"> ▪ Privacy International's country rankings on privacy-related issues
Country ranking related to the strength of regulatory powers to investigate privacy-related complaints	Semi-Quantitative	Privacy International's rankings on privacy enforcement <ul style="list-style-type: none"> ▪ Privacy International's country rankings on privacy-related issues

Specific analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Strength of internal management system to protect consumer privacy, in general	Qualitative or Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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	Quantitative	<ul style="list-style-type: none"> ▪ 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	Quantitative	<ul style="list-style-type: none"> ▪ 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

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**Reading**

GRI (2006). G3 Sustainability Reporting Guidelines, Version 3.0. Global Reporting Initiative. Online: http://www.globalreporting.org/NR/rdonlyres/ED9E9B36-AB54-4DE1-BFF2-5F735235CA44/0/G3_GuidelinesENU.pdf

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OECD (2008). OECD Guidelines for Multinational Enterprises. Organisation for Economic Co-operation and Development. Online: <http://www.oecd.org/daf/investment/guidelines>

UN (1948). The Universal Declaration of Human Rights. United Nations. Online: <http://www.un.org/en/documents/udhr/>

Internet Sites

[Privacy International's country rankings on privacy-related issues](#)

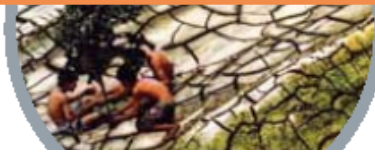
[Privacy International, Data Protection and Privacy Laws](#)

[United Nations Global Compact, Maintaining Privacy:](#)

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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 assess if the organization communicates on all issues regarding its product and social responsibility in a transparent way.

Policy Definition

Relevance to Sustainable Development

Transparency about social responsibility is a basic prerequisite for a sustainable consumption. Increasing and irresponsible consumption leads to ecological destruction and negative social impacts. Possibly also the consumer is 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 can assume responsibility for their consumption.

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- G3 Sustainability Reporting Guidelines
- ISO 26000: Guidance on Social Responsibility
- International Chamber of Commerce
- OECD Guidelines for Multinational Enterprises (General Policies)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe on one hand the organization's communication regarding consumer risks and environmental and social impacts of the product/organization/site and on the other hand the real social and environmental impacts.

National and International Data Availability and Sources Generic data source examples

- U.S. Consumer Product Safety Commission

Site-specific data source examples

- Interviews with consumer protection offices
- Interviews with consumers
- Interviews with employees
- Interviews with management
- Interviews with governmental agencies
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports
- Site-specific social impact assessment reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Presence of a law or norm regarding transparency (by country and/or sector)	Semi-Quantitative/Qualitative	Government websites
Sector transparency rating; number of organizations by sector which published a sustainability report	Quantitative/Semi-Quantitative/Qualitative	Global Reporting Initiative

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Non-compliance with regulations regarding transparency	Semi-Quantitative/ Qualitative	<ul style="list-style-type: none"> Interviews with consumer protection agencies, governmental agencies, management and NGOs
Consumer complaints regarding transparency	Semi-Quantitative/ Qualitative	<ul style="list-style-type: none"> 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	Semi-Quantitative/ Qualitative	<ul style="list-style-type: none"> Organization's Website
Quality and comprehensiveness of the information available in the sustainability report or other documents regarding to the social and environmental performance of the organization	Qualitative	<ul style="list-style-type: none"> Review of organization-specific reports Interview with management
Communication of the results of social and environmental life cycle impact assessment	Semi-Quantitative/ Qualitative	<ul style="list-style-type: none"> Interview with management Review of enterprise-specific reports, such as GRI reports or audits
Certification/label the organization obtained for the product/site	Semi-Quantitative/ Qualitative	<ul style="list-style-type: none"> Review of organization-specific reports Interview with management
Company rating in sustainability indices (Dow Jones Sustainability Index, FTSE4Good, ESI, HSBC, Corporate Sustainability Index, etc.)	Semi-Quantitative/ Qualitative	<ul style="list-style-type: none"> Dow Jones Sustainability Index FTSE

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

Reading

Goleman, D. (2009). *Ecological Intelligence – Knowing the Hidden Impacts of What We Buy*, London.

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OECD (2000). *Guidelines for Multinational Enterprises, Revision 2000*, Organization for economic Co-operation and Development

Internet Sites

Global Reporting Initiative

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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 Definition

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.

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- Global Reporting Initiative Guidelines, Product Responsibility Performance Indicators
- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (Consumer Interests)
- United Nations Guidelines for Consumer Protection

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, semi-quantitative data could be used to identify hotspots by rating the strength of national legislation on product disposal and recycling. Qualitative data could describe management systems designed to educate consumers about end-of-life responsibility. Quantitative data could describe annual incidents of non-compliance with regulatory labeling and disposal requirements.

National and International Data Availability and Sources

Generic data source examples

ECOLEX search for country regulations on product disposal and recycling

Site-specific data source examples

- Site visit or site-specific audit
- Interviews with consumers
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports or audits, such as GRI reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Strength of national legislation covering product disposal and recycling	Semi-Quantitative	ECOLEX search for legislation by country

Specific analysis

Inventory Indicator	Unit of Measurement	Data Methodology
Do internal management systems ensure that clear information is provided to consumers on end-of-life options (if applicable)?	Semi-Quantitative	<ul style="list-style-type: none"> ▪ 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 labelling requirements	Quantitative	<ul style="list-style-type: none"> ▪ 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

The lack of a single database to compare the strength of country legislations on end-of-life responsibility makes hotspot identification difficult.

References**Reading**

GRI (2006). G3 Sustainability Reporting Guidelines, Version 3.0. Global Reporting Initiative. Online: http://www.globalreporting.org/NR/rdonlyres/ED9E9B36-AB54-4DE1-BFF2-5F735235CA44/0/G3_GuidelinesENU.pdf

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Internet Sites

ECOLEX

OECD - Extended Producer Responsibility

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Stakeholder: Worker

Freedom of Association and Collective Bargaining • Child Labour • Fair Salary • Hours of Work • Forced Labour • Equal Opportunities / Discrimination • Health and Safety • Social Benefit / Social Security



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 as a result 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 programmes.

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 Definition

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 labour 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.

International Conventions and Agreements

The UN Declaration of Human Rights Article 20: "Everyone has the right to freedom of peaceful assembly and association."

ILO Convention (no87) Freedom of Association and Protection of the Right to Organize Convention

ILO Convention (no98) Right to Organize and Collective Bargaining Convention

ILO Convention (no135) Workers' Representatives Convention

ILO Convention (no 154) and Recommendation (no 91 and 163) Collective Bargaining Convention.

International Targets/Recommended Standards

- [Social Accountability International, SA 8000](#)
- Tripartite Declaration of Principles concerning. Multinational Enterprises and Social Policy, ILO YEAR:1977,
- [Global Social Compliance Programme](#)
- [GRI G3/ G4 Sustainability Reporting Guidelines](#)
- OECD Guidelines for Multinational Enterprises (Employment and industrial relations)
- The [UN Global Compact's ten principles](#) (the 3rd principle)

International Finance Corporation, Performance Standard 2 - Labor and Working Conditions (April 30, 2006)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text).

For this subcategory the three types of indicator are suggested. The national context is very important in the assessment of this theme. In fact depending on the current laws, regulations and practices in force in the country, the freedom of association could be more or less restricted.

Direct inspections (or random checks) are preferable at the organization level. At the regional level, union density statistics can be used, see reference list: ILO, Task Force on Industrial Relations (GT/RP) and, Committee on monitoring International Labour Standard, 2004.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with workers
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Interviews with certification bodies
- Organization-specific reports, such as GRI reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Evidence of restriction to Freedom of association and Collective bargaining	semi-quantitative	International Trade Union Confederation (ITUC)
Evidence of country/sector/organization or factory non respect or support to Freedom of association and Collective bargaining	Quantitative, semi-quantitative, qualitative	Daily trade union news Labourstart
GRI: HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Semi-quantitative, qualitative	Organizations GRI Sustainability reports

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Employment is not conditioned by any restrictions on the right to collective bargaining	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Employment contract ▪ Interview with directors or human resources officer ▪ Interview with workers and trade union representatives ▪ NGOs reports ▪ Regulations
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)	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Visit to facility ▪ Interview with directors or human resources officer ▪ Interview with workers and trade union representatives ▪ NGOs reports

Check the availability of collective bargaining agreement and meeting minutes (e.g. Copies of collective bargaining negotiations and agreements are kept on file)	semi-quantitative	<ul style="list-style-type: none"> ▪ Visit to facility ▪ Interview and/or questionnaire filled by directors or human resources officer
Workers are free to join unions of their choosing	semi-quantitative	<ul style="list-style-type: none"> ▪ Regulation ▪ Verification of organizations' documents ▪ Interview with workers and trade union representatives ▪ Interview with NGO and Trade Union association
Employee/union representatives are invited to contribute to planning of larger changes in the company, which will affect the working conditions	semi-quantitative	<ul style="list-style-type: none"> ▪ Interview with directors or human resources officer ▪ Interview with workers and trade union representatives ▪ Verification of organizations' documents including sustainability reports
GRI LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	semi-quantitative	<ul style="list-style-type: none"> ▪ Organizations GRI Sustainability reports
Workers have access to a neutral, binding, and independent dispute resolution procedure	semi-quantitative	<ul style="list-style-type: none"> ▪ Interview or questionnaire filled by directors or Human resources officer and workers, ▪ Verification of organizations' documents ▪ Interview with NGO and Trade Union association

Limitations of the Subcategory

The Committee on monitoring International Labour Standard identify several difficulties in using the following indicators: union density, frequency and length of strikes and the percentage of workers covered by collective agreements (GRI LA4). Interpretation, including information on context is necessary to use these indicators appropriately.

One critic of the union density indicator: "The use of union density as a proxy for compliance with freedom of association is built on the implicit assumption that, in the presence of genuine freedom of association, all workers would join a trade union, but this assumption might be at variance with reality (Freeman and Rogers, 1999)."

References

Reading

Committee on monitoring International Labour Standard, 2004. Monitoring International Labour Standards, Techniques and Sources of Information. Centre for Education, National Research Council of the National Academies, the National Academies Press, Washington, DC, www.nap.edu

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UN Global Compact (2009), Freedom of association and collective bargaining. Human Rights Dilemmas for Multi-National Corporations (Solutions Forum, produced by Maplecroft in partnership with the UN Global Compact.

Internet Sites

Financial Consumer Agency of Canada

Authors

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Child Labour

Definition

The term “child labour” 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 labour 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.

Child working constitutes child labour 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 it 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 labour. It will be looked upon, if the conditions are favourable for the occurrence of child labour, and the existence and quality of the prevention and mitigating measures taken by the organization.

Policy Definition

Relevance to Sustainable Development

The child labourers 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 labour is one of the single greatest threats to any poverty eradication program. Child labourers 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 labour as a prerequisite for sustainable development.

International Conventions and Agreements

- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Convention (no 138) and recommendation (no 146) Minimum Age Convention
- ILO Convention (no 182) Worst Forms of Child Labour Convention
- ILO Convention (no 190) Worst Forms of Child Labour Recommendation June 17, 1999
- ILO Convention (no 90) Night work of young persons (Industry), July 10, 1948 (to be revised)
- ILO Convention (no 41) Minimum Age (Non-Industrial Employment) Recommendation, April 30, 1932 (interim status)
- The United Nations Convention on the Rights of children (CRC)

International Targets/Recommended Standards

- [Social Accountability International, SA 8000](#)
- [UN Global Compact's ten principles](#) (the 5th principle)
- [IFC Performance Standard 2 - Labor and Working Conditions](#)
- [GRI G3/ G4 Sustainability Reporting Guidelines](#)
- [OECD Guidelines for Multinational Enterprises \(General Policies\)](#)
- [Global Social Compliance Programme](#)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory all three kinds of data can be found. Qualitative (may be translated in semi-quantitative, semi-quantitative and quantitative (The direct measurement of child labour is difficult and likely to lead to underestimation due to lack of disclosure).

National and International Data Availability and Sources

Generic data source examples

- The International Labour Organisation (ILO), UNICEF and the World Bank initiated the inter-agency research project, [Understanding Children's Work \(UCW\)](#),
- [Childinfo](#) – monitoring the Situation of Children and Women – UNICEF
- [US Dept. of labor](#)

Site-specific data source examples

- Systematic compilation of reports on cases of child labour
- Evaluation of sector vulnerability to child labour

- Interview with workers (inside/outside organization)
- Review of documentation in situ
- Interview of management (in situ / ex situ)
- Observation in situ
- Interview of local NGO's and/or Union Branch
- Interview with administrations of local schools.

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Percentage of children working by country and sector	quantitative, semi-quantitative, qualitative	Understanding Children Work (ILO, World Bank, UNICEF)
GRI HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	semi-quantitative,	Organizations GRI Sustainability reports

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Absence of working children under the legal age or 15 years old (14 years old for developing economies)	quantitative, semi-quantitative, qualitative	<ul style="list-style-type: none"> ▪ Visit to facility ▪ Interview with directors or Human resources officer ▪ Verification of organization documents ▪ NGOs reports ▪ Verification with workers interviews or audits ▪ Interview with community members
Children are not performing work during the night (an example of unauthorized work by the ILO conventions C138 and C182)	quantitative, semi-quantitative, qualitative	<ul style="list-style-type: none"> ▪ Visit to facility ▪ Interview with directors or human resources officer ▪ Verification of organization documents ▪ NGOs reports ▪ Verification with workers interviews or audits
Records on all workers stating names and ages or dates of birth are kept on file	semi-quantitative	<ul style="list-style-type: none"> ▪ Visit to facility ▪ Interview with directors or human resources officer ▪ Verification of organization documents
Working children younger than 15 and under the local compulsory age are attending school	quantitative, semi-quantitative, qualitative	<ul style="list-style-type: none"> ▪ Interview with directors or Human resources officer ▪ Verification with workers interviews or audits ▪ NGOs reports ▪ Interview with local schools

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Internet Sites

[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](#)

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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 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 Definition

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 being capable to provide for their own needs and the one 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.

International Conventions and Agreements

- ILO Convention (n° 26) Minimum Wage-Fixing Machinery Convention
- ILO Conventions (n° 102) Social Security (Minimum Standards) Convention
- ILO Convention (n° 131) Minimum Wage Fixing Convention
- ILO Convention (n° 132) Holidays with Pay Convention (Revised)
- ILO Convention (n°100 and n°111) Equal Remuneration for Men and Women Workers for Work of Equal Value
- United Nations convention on Equal Remuneration.

International Targets/Recommended Standards

- SA 8000
- Fair Labour Association
- Non poverty wage

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, quantitative data are preferable such as the wage paid to the workers at each step in the supply chain.

National and International Data Availability and Sources

Generic data source examples

- Minimum Wage Fixing Convention, 1970 (No. 131).
- ILO Global Wage Report

Site-specific data source examples

- Interviews with human resource department of the organizations
- Interviews with workers
- Interviews with governmental agencies
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Living Wages in the US by state, county, community (*)	quantitative	Living wage calculator
Minimum wage by country	quantitative	Comprehensive resource
Non poverty wage by country	quantitative	Non poverty wages

* Comparing average sector wage with living wage, minimum wage and non-poverty wage

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Lowest paid worker, compared to the minimum wage	Quantitative/Semi-quantitative	<ul style="list-style-type: none"> ▪ Country minimum wage ▪ Interview with directors or Human resources officer ▪ Verification of organization documents: e.g. wage records ▪ Review of organization-specific reports, such as GRI reports or audits
The lowest paid workers are considering their wages meets their needs.	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with workers ▪ Interview with local NGO's
Presence of suspicious deductions on wages	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Interviews with employees, management and human resources ▪ Review of organization-specific reports, such as GRI reports or audits agreement or contracts between organizations and employees ▪ Review of wage records
Regular and documented payment of workers (weekly, bi-weekly)	Qualitative / Semi-Quantitative	<ul style="list-style-type: none"> ▪ Interviews with employees, governmental agencies, management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits ▪ Review of wage records

Limitations of the Subcategory

In many countries even minimum wages are not paid to workers. Effective implementation of living wages in supply chains brings a wide set of challenge. For more information please consult “Wages Along the Supply Chain: Assessment and Prospects” October 26, 2009, Washington, D.C. (Fair Labor Association).

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Internet Sites

[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](#)

[International Labour Organization - Wages](#)

[Sweat Free](#)

[US Living wage](#)

[World Bank Core Labour Standard Tool Kit](#)

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Hours of work

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 taken into account in the organisation of working hours. There are also higher restrictions if the hours of work are made during the night.

Hours of work are considered in function of different time arrangement (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 really 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 workers.

Policy Definition

Relevance to Sustainable Development

Over the last several decades a number of broad socio-economic trends have emerged which have had an enormous impact on working time. 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 life style of the 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 shorter 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-fuelled 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.

International Conventions and Agreements

- ILO Hours of Work (Industry) Convention, (No. 1), 1919
- ILO Part-Time Work Convention (No. 175) and Recommendation (No. 182), 1994
- ILO Weekly Rest (Industry) Convention, 1921 (No. 14)
- ILO Weekly Rest (Commerce and Offices) Convention, 1957 (No. 106)

- ILO Weekly Rest (Commerce and Offices) Recommendation, 1957 (No. 103)
- ILO Part-Time Work Convention, 1994 (No. 175)
- ILO Part-Time Work Recommendation, 1994 (No. 182)
- ILO Reduction of Hours of Work Recommendation, 1962 (No. 116)
- Night Work Convention, 1990 (No. 171)
- Protocol of 1990 to the Night Work (Women) Convention (Revised), 1948 (No. 89)
- Night Work Recommendation, 1990 (No. 178).

International Targets/Recommended Standards

- Hours of Work (Industry) Convention, 1919 (No. 1) ILO standard
- SA 8000
- Ethical Trade Initiative
- Global Social Compliance Programme

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, quantitative data are preferable such as number of hours of work made by each worker or maximum number of hours of work.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with human resource department of the organizations
- Interview with workers (inside/outside organization)
- Interviews with governmental agencies
- Interviews with non-governmental organizations
- Organization-specific reports or audits, such as GRI
- Time records

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Excessive Hours of work	Quantitative/ semi-quantitative/ qualitative	U.S. Dept. of State Human Rights Country Reports http://www.state.gov/g/drl/rls/hrrpt/ International Trade Union Confederation, WTO country report http://www.ituc-csi.org/-ituc-reports-wto-.html

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Number of hours effectively worked by employees (at each level of employment)	quantitative	<ul style="list-style-type: none"> ▪ 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).	quantitative	<ul style="list-style-type: none"> ▪ Interviews with workers, governmental agencies, management and NGOs ▪ Review of audits ▪ Review of time records
Respect of contractual agreements concerning overtime	semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with workers, governmental agencies, management and NGOs ▪ Review of audits ▪ Review of time records
Clear communication of working hours and overtime arrangements	semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with workers, governmental agencies, management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits and agreement or contracts between organizations and workers ▪ Review of employee contracts and collective bargaining agreement
The organization provides flexibility	Qualitative/Semi-Quantitative	<ul style="list-style-type: none"> ▪ Interviews with employees, governmental agencies, management and NGOs ▪ Review of organization-specific reports, such as GRI reports or audits agreement or contracts between organizations and employees

Limitations of the Subcategory

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.

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Internet Sites

[Ethical Trade Initiative](#)

[Fair Labour Association](#)

[Global Reporting Initiative](#)

[Global Social Compliance Programme](#)

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[International Trade Union Confederation, WTO country report](#)

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Forced Labour

Definition

Forced or compulsory labour 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 labour is not forced or compulsory. By right, labour should be offered voluntary and workers should be free to leave the employment at any time in accordance with established rules.

Identifying forced labour in practice:

Lack of consent to (involuntary nature of) work (the “route into” forced labour)

- 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 labour), 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 labour, ILO 2005)

Aim and approach of indicator assessment

The assessment aims to verify that there is no use of forced or compulsory labour in the organization

Policy Definition

Relevance to Sustainable Development

Abolition of forced labour 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 countries member of the ILO.

Compliance to human rights convention is the floor level for social sustainability.

International Conventions and Agreements

- ILO Conventions n° 29 and 105 (Forced and mandatory labour)
- IFC Performance Standard 2 - Labor and Working Conditions
- Forced Labour (Indirect Compulsion) Recommendation, 1930 (No. 35)
- United Nations Slavery Convention (1926)
- United Nation's 1956 Supplementary Convention of the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery
- American Convention on Human Rights.

International Targets/Recommended Standards

- [Social Accountability International](#)
- [Amnesty International Human Rights Principles for Companies](#)
- [ISO 26000: Guidance on Social Responsibility](#)
- [OECD Guidelines for multinational enterprises](#)
- [Global Social Compliance Programme](#)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). Indicators for this subcategory may be quantitative, semi quantitative or qualitative (e.g. high, medium and low evidence of forced labour, number of workers from which ID have been retained, contracting to prison labourers (yes/ no)).

National and International Data Availability and Sources

Generic data source examples

- ILO reports on the advancement of the conventions 29 and 105.
<http://natlex.ilo.ch/declaration/principles/eliminationofchildlabour/lang--en/index.htm>
- U.S. Department of Labor's list of goods produced by child labor or forced labor
www.dol.gov/ilab/programs/ocft/pdf/2009tvpra.pdf

Site-specific data source examples

- Systematic compilation of reports on cases of forced labour
- Evaluation of sector vulnerability to forced labour

- Interview with workers (inside/outside organization)
- Review of documentation in situ
- Observation in situ
- Interview of local NGO's and/or Union Branch

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Risk of forced labour used for production of commodity	Quantitative/semi-quantitative	U.S. Department of Labor's list of goods produced by child labor or forced labor
Percentage (estimate) of forced labour by region	Quantitative	ILO The cost of coercion
GRI HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	Quantitative, semi-quantitative, qualitative	Organization GRI Sustainability reports

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Workers voluntarily agree upon employment terms. Employment contracts stipulate wage, working time, holidays and terms of resignation. Employment contracts are comprehensible to the workers and are kept on file	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interview with directors or Human resources officer ▪ Verification of organization documents ▪ Verification with workers interviews or audits ▪ NGOs reports
Birth certificate, passport, identity card, work permit or other original documents belonging to the worker are not retained or kept for safety reasons by the organization neither upon hiring nor during employment.	Semi-quantitative	<ul style="list-style-type: none"> ▪ Interview with directors or Human resources officer ▪ Verification of organization documents ▪ Verification with workers interviews or audits ▪ NGOs reports
Workers are free to terminate their employment within the prevailing limits	Semi-quantitative	<ul style="list-style-type: none"> ▪ Interview with directors or Human resources officer ▪ Verification of organization documents ▪ Verification with workers interviews or audits ▪ NGOs reports
Workers are not bonded by debts exceeding legal limits to the employer	Quantitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interview with directors or Human resources officer ▪ Verification of organization documents ▪ Verification with workers interviews or audits ▪ NGOs reports

Limitations of the Subcategory

No limitations.

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http://www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD_BLOB?Var_DocumentID=5060 (page consultée en février 2007).

U.S. Department of Labor's list of goods produced by child labor or forced labor
www.dol.gov/ilab/programs/ocft/pdf/2009tvpra.pdf

Internet Sites

[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 State Annual Human Rights Reports](#)

[World Bank Core Labour Standard Tool Kit](#)

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Equal opportunities/Discrimination

Definition

Everybody deserves a "fair chance". It doesn't 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 and your sexual orientation. Everybody 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 citizens 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 two groups:

- Direct discrimination takes place when a person is treated less favourably 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 a substantially higher proportion of 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.

Aim and approach of indicator assessment

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

If we focus on the 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, colour, 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' organisations, where such exist, and with other appropriate bodies.

For the purpose the terms employment and occupation includes access to vocational training, access to employment and to particular occupations, and terms and conditions of employment.

Policy Definition

Relevance to Sustainable Development

Discrimination is intertwined with human rights instruments such as the Universal Declaration of Human Rights. It is one of the fundamental ILO conventions that are to be introduced into

the legislation of every member of the ILO, and that are recognised 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.

International Conventions and Agreements

- 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
- ILO Equal Remuneration Convention, 1951 (No. 100)
- ILO Equal Remuneration Recommendation , 1951 (No. 90)
- ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ILO Discrimination (Employment and Occupation) Recommendation, 1958 (No. 111)
- ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169)
- ILO Indigenous and Tribal Populations Recommendation, 1957 (No. 104)
- Convention on the Elimination of all Forms of Discrimination against Women, adopted in 1979 by the UN General Assembly.

International Targets/Recommended Standards

- [The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy](#)
- [Social Accountability International, SA 8000](#)
- [UN Global Compact's ten principles \(](#)
- [IFC Performance Standard 2 - Labor and Working Conditions](#)
- [GRI G3/ G4 Sustainability Reporting Guidelines](#)
- [OECD Guidelines for Multinational Enterprises \(General Policies\)](#)
- [Global Social Compliance Programme](#)

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, the national context is particularly important depending on the practice, the background laws and norms in force in the country, the available data and statistics on discrimination cases can be very different. In fact there is a definition commonly accepted of discrimination in the other hand the equal opportunities are offered in different forms depending on the country and the organization considered.

National and International Data Availability and Sources

Generic data source examples

- Division for the Advancement of Women – Department of Economic and Social Affairs
- World Bank gender equality resources

Site-specific data source examples

- Interviews with community members
- Interview with workers (inside/outside organization)
- Interviews with management
- Interviews with governmental agencies and non-governmental organizations
- Organization-specific reports and audits

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Women in the Labor force participation rate by country	Quantitative, semi-quantitative, qualitative	The World Bank Genderstats CPIA - Country Policy and Institutional Assessment
Country gender index ranking	Semi-quantitative	OECD, SIGI - Social institutions and Gender Index

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Presence of formal policies on equal opportunities	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Review of enterprise-specific reports ▪ Interviews with human resources and management
Announcement 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.	Semi-quantitative/qualitative	<ul style="list-style-type: none"> ▪ Review of enterprise-specific reports, ▪ Interview with NGOs ▪ Interviews with human resources and management
GRI HR4 Total numbers of incidents of discrimination and actions taken	Quantitative/qualitative	<ul style="list-style-type: none"> ▪ GRI Sustainability reports ▪ Review of enterprise-specific reports, ▪ Review of violation records (can be national) ▪ Interview with NGOs ▪ Interviews with human resources and management
GRI LA 13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority, group membership, and other indicators of diversity	Quantitative/semi-quantitative	<ul style="list-style-type: none"> ▪ GRI Sustainability reports ▪ Interviews with Human resources and management ▪ Review of enterprise-specific reports ▪ Publicly available information
GRI LA 14 Ratio of basic salary of men to women by employee category	Quantitative/semi-quantitative	<ul style="list-style-type: none"> ▪ 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 natural job segregation will always reflect in the internal composition of the workforce. How are we to know what is the actual reason for, as an example, the lack of women in the workforce – perhaps it is a type of work to which women in general are not attracted, or perhaps women in general do not have the appropriate skills as a result of societal discrimination.

Discrimination is also when a manager keeps assigning the dirtiest jobs to the worker, who he knows is a homosexual.

The limitations of assessment of this subcategory is the difficulty to provide hard evidence that discrimination is taking place.

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Internet Sites

[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](#)

[International Finance Corporation Guidance Notes](#)

[Wayne State University, Office of Equal Opportunity, Federal State Laws](#)

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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 measure and management practices. An incident is defined as a work-related event(s) in which a injury or ill health (regardless of severity) or fatality occurred or could have occurred.

Policy Definition

Relevance to Sustainable Development

Sustainable development can be achieved without guaranteeing a healthy and safety working conditions. Health and Safety at work represents today one of the most important advanced fields of the social policy of the International and European level. The safety of 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 jobs and of better quality: 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.

International Conventions and Agreements

- ILO Occupational Safety and Health Convention, 1981 (No. 155)
- Protocol of 2002 to the Occupational Safety and Health Convention, 1981 (No. 155)
- ILO Occupational Safety and Health Recommendation, 1981 (No. 164)

- ILO Occupational Health Services Convention, 1985 (No. 161)
- ILO Occupational Health Services Recommendation, 1985 (No. 171)
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)
- Promotional Framework for Occupational Safety and Health Recommendation, 2006 (No. 197)
- Protection of Workers' Health Recommendation, 1953 (No. 97)
- EU Treaty (Article 137)
- Council Directive 89/391 - "Framework Directive" of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work - "Framework Directive".

International Targets/Recommended Standards

- OHSAS (Occupational Health & Safety Advisory Services) 18001
- ILO Guidelines Guidelines on occupational safety and health management systems (ILO-OSH 2001)
- ISO 26000: Guidance on Social Responsibility
- Global Social Compliance Programme

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). Quantitative data might capture the percentage of injuries or fatal accident in the workplace, while semi-quantitative data describes the quality of the physical and psychological working conditions.

National and International Data Availability and Sources

Generic data source examples

- United States Department of Labour – Occupational Safety
- World Health Organization
- European Agency for Safety and Health at Work
- World Health Organization, Harvard School of Public Health, World Bank, [Global burden of disease](#):

Site-specific data source examples

- Interview with workers (inside/outside organization)
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Interviews with trade unions
- Questionnaires
- Organization web site and reports
- Tour of the facilities

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Occupational accident rate by country	Quantitative	OSHA European Union

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Number/ percentage of injuries or fatal accidents in the organization by job qualification inside the company	Quantitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management and Human resources ▪ Review of enterprise-specific reports ▪ Interview with workers and union
Hours of injuries per level of employees.	Quantitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management and Human resources ▪ Review of enterprise-specific reports ▪ Interview with workers and union
Presence of a formal policy concerning health and safety	Semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews and or questionnaire filled by management and human resources ▪ Review of organization-specific web site and reports
Adequate general occupational safety measures are taken	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews and or questionnaire filled by management, workers, governmental agencies and NGOs ▪ Review of organization-specific reports, such as audits
Preventive measures and emergency protocols exist regarding accidents & injuries	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews and or questionnaire filled by management, workers, governmental agencies and NGOs ▪ Review of organization-specific reports, such as audits

Preventive measures and emergency protocols exist regarding pesticide & chemical exposure	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews and or questionnaire filled by management, workers, governmental agencies and NGOs ▪ Review of organization-specific reports, such as audits
Appropriate protective gear required in all applicable situations	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews and or questionnaire filled by management, workers, governmental agencies and NGOs ▪ Review of organization-specific reports, such as audits
Number of (serious/non-serious) Occupational Safety and Health Administration (OSHA) violations reported within the past 3 years and status of violations	Quantitative /semi-quantitative	<ul style="list-style-type: none"> ▪ Questionnaire filled by management, government violation records, news articles
GRI LA8 Education, training, counselling, prevention and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases	Qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ GRI Sustainability reports ▪ Interviews and or questionnaire filled by management, workers, governmental agencies, local communities and NGOs ▪ Review of organization-specific reports

Limitations of the Subcategory

Some WE-LCA (work environment) methods include the assessment of subjects that may be included in an S-LCA, such as work accidents and work atmosphere. When conducting both a S-LCA and a WE-LCA attention should be given to the choice of WE-LCA methodology and/or choice of S-LCA inventory indicators and subcategories in order to avoid double counting.

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Internet Sites

[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](#)

[International Labor Organisation Safework.](#)

[Ilolox](#)

[International Journal of Occupational and Environmental Health](#)

[New Zealand Accident Compensation Corporation](#)

[OSH World](#)

[Safe Work](#)

[US-Environmental Protection Agency](#)

[World Health Organization, Harvard School of Public Health, World Bank, Global burden of disease](#)

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Social Benefit/Social Security

Definition

Social benefits refer to non-monetary employment compensation.

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,

Social benefits are typically offered to full-time workers but may not be provided to other class of workers (eg. part-time, home workers, contractual)

Countries have different laws and policies regarding social security and social benefits and that entails that some benefits may already be taken care for 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/worker to be covered by a medical insurance.

Aim and approach of indicator assessment

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

Policy Definition

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 programmes 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, 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.

International Conventions and Agreements

- ILO Medical Care and Sickness Benefits Convention (No. 130) and Recommendation (No. 134), 1969
- Medical Care and Sickness Benefits Recommendation, 1969 (No. 134)
- ILO Invalidity, Old Age and Survivors' Benefits Convention (No. 128) and Recommendation (No. 131), 1967
- ILO Employment Injury Benefits Convention (No. 121) and Recommendation (No. 121), 1964
- ILO Employment Promotion and Protection against Unemployment Convention (No. 168) and Recommendation (No. 176), 1988
- Equality of Treatment (Social Security) Convention, 1962 (No. 118)
- ILO Maintenance of Social Security Rights Convention, 1982 (No. 157)
- ILO Maintenance of Social Security Rights Recommendation, 1983 (No. 167)
- ILO Maternity Protection Convention (No. 183) and Recommendation (No. 191), 2000
- ILO Workers' Housing Recommendation, 1961 (No. 115)
- Migration for Employment Convention (Revised), 1949 (No. 97)
- Migration for Employment Recommendation (Revised) , 1949 (No. 86)
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)
- Migrant Workers Recommendation, 1975 (No. 151).

International Targets/Recommended Standards

- ISO 26000: Guidance on Social Responsibility

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative data could describe efforts by the organization to strengthen social security.

National and International Data Availability and Sources

Generic data source examples

- The International Social Security Association
- Directorate for Employment, Labour and Social Affairs

Site-specific data source examples

- Interview with workers (inside/outside organization)
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports and specific audit
- Questionnaire

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Social security expenditure by country and branches of social security (eg. Healthcare, sickness, maternity)	Quantitative /semi-quantitative	ILO Social Security Expenditure Database
GRI LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Quantitative	GRI Sustainability report

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
List and provide short description of social benefits provided to the workers (eg. Health insurance, pension fund, child care, education, accommodation etc.)	Qualitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management and Human resources ▪ Review of enterprise-specific reports, ▪ Review of audits ▪ Interview with workers/union (s)
Evidence of violations of obligations to workers under labour or social security laws and employment regulations.	Quantitative/ semi-quantitative/ qualitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management and Human resources ▪ Review of enterprise-specific reports ▪ Review of government reports/ violation documentation ▪ Review of audits ▪ Interview with workers/unions
Percentage of permanent workers receiving paid time-off	Quantitative/ semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews or questionnaire filled by management and Human resources ▪ Interview with workers/union (s)

Limitations of the Subcategory

No limitations.

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Reading

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[Directorate for Employment, Labour and Social Affairs](#)

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5



Stakeholder: Society

Public Commitment to Sustainability Issues • Prevention and Mitigation of Conflicts • Contribution to Economic Development • Corruption • Technology Development



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 assess to what extent an organization is engaged in reducing its sustainability impacts. Public promises entail a higher binding character than mere internal goals.

Policy Definition

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 analyse the organization's understanding of social responsibility.

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- G3 Sustainability Reporting Guidelines
- ISO 26000: Guidance on Social Responsibility
- ISO 9001: Standard for Quality Management
- ISO 14001: Standard for Environmental Management
- SA 8000: Standard for Social Accountability
- OHAS 18001: Occupational health and safety
- OECD Guidelines for Multinational Enterprises (General Policies)
- Rio Declaration on Environment and Development, Principle 10
- UN Global Compact

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe the strength of organization policies on its public commitment to sustainability.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with local community members
- Interviews with employees
- Interviews with governmental agencies
- 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, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Existence of (legal) obligation on public sustainability reporting	semi-quantitative	▪ Government
Engagement of the sector regarding sustainability	qualitative/semi-quantitative	▪ Sector reports

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Presence of publicly available documents as promises or agreements on sustainability issues	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ 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.	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ 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 realisation of promises	quantitative/semi-quantitative	<ul style="list-style-type: none"> ▪ 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	semi-quantitative	<ul style="list-style-type: none"> ▪ Global Compact
Implementation/signing of Principles or other codes of conduct (Sullivan Principles, Caux Round Table, UN principles, etc.)		<ul style="list-style-type: none"> ▪ Sullivan Principles ▪ Caux Round Table ▪ United Nations ▪ Global Compact

Limitations of the Subcategory

The expectations on sustainable development of the community, society and the company involved may be different. In addition the level of public commitment may also vary depending of the severity of the organization's potential impacts on the society (eg. office vs raw material extraction).

References

Reading

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[Financial Consumer Agency of Canada](#)

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Prevention and Mitigation of 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 also consider if 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 in the future develop into conflicts. Thereby both, positive and negative impacts on conflict developments are taken into account.

Policy Definition

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.

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:

State of violence	Intensity group	Level of intensity	Name of intensity	Definition
non-violent	low	1	Latent Conflict	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.
		2	Manifest Conflict	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.
violent	medium	3	Crises	A crisis is a tense situation in which at least one of the parties uses violent force in sporadic incidents.
	high	4	Severe Crises	A conflict is considered to be a severe crisis if violent force is repeatedly used in an organized way.
		5	War	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.

International Conventions and Agreements

- UN Charta, United Nations Conference on International Organization
- UN Security Council Resolutions

International Targets/Recommended Standards

- OECD Guidelines for Multinational Enterprises (General Policies)
- Rio Declaration on Environment and Development, Principle 10
- Amnesty International
- Voluntary Principles on Security and Human Rights

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and semi-quantitative data might describe or rate the organization's exposure to conflicts. Further, it is important to consider the national and regional context. This indicator is first and foremost relevant in industries where resource depletion leads to significant profits (eg. extractive industries, forestry or fishery). Few quantitative data sources exist.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with local community members
- Interviews with non-governmental organizations
- Sector reports
- Internet research

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Is the organization doing business in a region with ongoing conflicts?	qualitative/ semi-quantitative	<ul style="list-style-type: none"> ▪ Heidelberg Institute for International Conflict Research ▪ US Department of State Human Rights Country report ▪ Amnesty International ▪ United Nations
Is the organization doing business in a sector that features linkages to conflicts, e.g. where the depletion of resources allows significant profits (e.g. extractive industries, forestry, fishery)?	qualitative/ semi quantitative	<ul style="list-style-type: none"> ▪ Sector reports ▪ Internet research ▪ Heidelberg Institute for International Conflict Research
Is the organization doing business in a sector otherwise linked to the escalation or de-escalation of conflicts (e.g. conflict escalation by massive pollution, de-escalation by trade beyond conflict boundaries)?	qualitative/ semi quantitative	<ul style="list-style-type: none"> ▪ Sector reports ▪ Internet research ▪ Heidelberg Institute for International Conflict Research

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Organization's role in the development of conflicts	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with community members and NGOs ▪ Internet research
Disputed products	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Sector statistics ▪ Labelling

Limitations of the Subcategory

In some cases an organization's role in the development of conflicts is difficult to assess due to information shortages and / or diverging interpretations of major conflict drivers.

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[German Advisory Council on Global Change \(WBGU\)](#)

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[Heidelberg Institute for International Conflict Research](#)

[International Finance Corporation \(IFC\): Extractive Industries Review](#)

[Voluntary Principles on Security and Human Rights](#)

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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 country.

Policy Definition

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.

International Conventions and Agreements

None identified.

International Targets/Recommended Standards

- UN Millennium Goal 1: Eradicate extreme poverty and hunger
- Tenth UNCTAD Conference 2000: Paragraph 166
- Agenda 21, Section I
- Rio Declaration on Environment and Development

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative and quantitative data might describe the economic situation of the country/region and the organization's contribution to its economic development. Thereby, quantitative data might capture the volume of annual production, the annual revenue, paid wages, investments, research and development costs, etc.

National and International Data Availability and Sources

Generic data source examples

- World Bank
- OECD
- CIA factbook
- EconomyWatch

Site-specific data source examples

- Interviews with local community members
- Interviews with employees
- Interviews with governmental agencies
- Interviews with management
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports
- Site-specific Social Impact Assessment reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Economic situation of the country/region (GDP, economic growth, unemployment, wage level, etc.)	qualitative/quantitative	Statistics about economic development (eg. from World Bank, OECD, CIA or NGOs)
Relevance of the considered sector for the (local) economy (share of GDP, number of employees in relation to size of working population, wage level, etc.)	qualitative/quantitative	National economic statistics

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Contribution of the product/service/organization to economic progress (revenue, gain, paid wages, R+D costs in relation to revenue, etc.)	qualitative/quantitative	<ul style="list-style-type: none"> ▪ Interviews with community members, governmental agencies, management and NGOs ▪ Review of enterprise-specific reports, such as GRI 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!. Public enterprises are obliged to present data that are necessary for the assessment of this subcategory but that is not the case for private enterprises.

References

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[OECD](#)

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Corruption

Definition

Corruption is the misuse of power for personal advantages. There are different types of corruption, 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 Definition

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.

International Conventions and Agreements

- Inter-American convention against corruption
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997, entered into force in 1999
- UN Convention against Corruption, 2003, entered into force in 2005
- US Foreign Corruption Practices Act (FCPA)

International Targets/Recommended Standards

- Caux Roundtable principles for business
- ECOSOC
- G3 Sustainability Reporting Guidelines
- Global Compact, Principle 10
- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (General Policies)
- The International Chamber of Commerce Rules of Conduct to Combat Extortion and Bribery, 2005 revision

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative data might describe the degree of corruption in the country/region/sector. In addition it should be examined if the organization was implicated in corruption scandals for the last three years.

Quantitative data could measure the financial damages caused by corruption but this is a far-reaching enterprise and can be difficult to achieve.

National and International Data Availability and Sources

Generic data source examples

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

Site-specific data source examples

- Interviews with management
- Interviews with national authorities
- Interviews with non-governmental organizations
- Organization-specific reports, such as GRI reports

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Risk of corruption in the country and/or sub-region	corruption index	<ul style="list-style-type: none"> ▪ Transparency international ▪ World Bank and other reports on corruption and bribery
Risk of corruption in the sector	corruption index	

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Formalised commitment of the organization to prevent corruption, referring to recognised standards.	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of enterprise-specific reports, such as GRI reports and annual reports
The organization carries out an anti-corruption program	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of enterprise-specific reports, such as GRI reports and annual reports
The organization installs or co-operates with internal and external controls to prevent corruption	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Review of enterprise-specific reports, such as GRI reports and annual reports
Written documents on active involvement of the organization in corruption and bribery; convictions related to corruption and bribery	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management, national authorities and NGOs ▪ OECD contact points ▪ World Bank
Financial damages	quantitative	

Limitations of the Subcategory

Corruption is difficult to expose unless it is being processed legally. Therefore the site specific assessment can mostly assess whether there are systems in place that make it harder for the organization to engage in corruption activities. Foremost the impacts of corruption are difficult to appraise.

References**Reading**

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United Nations Office on Drugs and Crime (2004). **UN anti-corruption toolkit, The global programme against corruption**, Vienna

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OECD Corruption

OECD Bribery in International Business

OECD and Corporate Governance

Organization of American States Convention against Corruption

International Chamber of Commerce and Corruption

IMF and Corruption

UN Convention against Corruption

UN online network in public administration and finance

Global Reporting Initiative

The Anti-Corruption Network for Transition Economy

The UTSEIN Anti-Corruption Resource Center

World Bank Governance and Anti-Corruption

Global Compact Transparency and Anti-Corruption

Transparency International Business Principles to Countering Bribery

The Council of Europe's Criminal Law Convention on Corruption

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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 (eg. UNFCCC, Agenda 21).

Policy Definition

Relevance to Sustainable Development

Technology development is a key element to promote sustainability. Modern technologies may reduce on one hand environmental impacts and help on the other hand 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 a broad 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 speedier uptake of technologies. (Hari Srinivas)

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

International Conventions and Agreements

- Agenda 21 – Chapter 34. Transfer of environmentally sound technology, cooperation and capacity-building
- United Nations Framework Convention on Climate Change (UNFCCC) – Art. 4.5

International Targets/Recommended Standards

- ISO 26000: Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises (General Policies)
- Rio Declaration on Environment and Development, Principle 9

Assessment of Data

Data Needed to Compile the Subcategory

There are three forms of Social LCA data: quantitative, semi-quantitative (yes/no or rating scale responses) and qualitative (descriptive text). For this subcategory, qualitative data might describe the organization’s engagement in fostering technology development to achieve a sustainable development. Reliability of the assessment depends on the degree of validation, and may be expressed in a separate indicator accompanying the aggregated semi-quantitative indicator score.

Quantitative data might determine the scale of investments.

National and International Data Availability and Sources

Generic data source examples

- Sector reports

Site-specific data source examples

- Interviews with management
- Interviews with institutions collaborating with the technology exchange
- Organization-specific reports, such as GRI reports and annual reports
- Reports on technology exchange

Examples of Inventory Indicators, Unit of Measurement and Data Sources

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.

Generic analysis (Hotspots)

Inventory Indicator	Unit of Measurement	Data Sources
Sector efforts in technology development	qualitative	<ul style="list-style-type: none"> ▪ Sector reports ▪ Reports on technology exchange
Research and development costs for the sector	qualitative	<ul style="list-style-type: none"> ▪ Sector reports

Specific analysis

Inventory Indicator	Unit of Measurement	Data Sources
Involvement in technology transfer program or projects	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ Interviews with management ▪ Reports on technology development of the organization ▪ Project reports
Partnerships in research and development	qualitative/semi-quantitative	<ul style="list-style-type: none"> ▪ 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	quantitative	<ul style="list-style-type: none"> ▪ 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

The intensity of an organization's engagement regarding technology development depends largely on the sector (office vs. solar collector manufacturer).

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UNEP, [ICETT International Centre for Environmental Technology Transfer](#)

[AGENDA 21](#)

[EPEC- European PPP Expertise Centre](#)

[EU SUSTAINABLE industrial policy - ECODESIGN DIRECTIVE](#)

[Global Development Research Center. Technology transfer for sustainable development](#)

[OECD Guidelines for Multinational Enterprises](#)

[Private Participation in Infrastructure Database](#)

[UNFCCC, Technology Information Clearinghouse - TT:CLEAR](#)

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About SETAC

The Society of Environmental Toxicology and Chemistry (SETAC) is a professional society in the form of a non-forprofit association, established to promote the use of a multidisciplinary approach to solving problems of the impact of chemicals and technology on the environment. Environmental problems often require a combination of expertise from chemistry, toxicology, and a range of other disciplines to develop effective solutions. SETAC provides a neutral meeting ground for scientists working in universities, governments, and industry who meet, as private persons not bound to defend positions, but simply to use the best science available.

Among other things, SETAC has taken a leading role in the development of Life Cycle Management (LCM) and Life Cycle Assessment (LCA).

The organization is often quoted as a reference on LCA matters.

For more information, see
www.setac.org

About the UNEP Division of Technology, Industry and Economics

Set up in 1975, three years after UNEP was created, the Division of Technology, Economics (DTIE) provides solutions to policy-makers and helps change the business environment by offering platforms for dialogue and co-operation, innovative policy options, pilot projects and creative market mechanisms.

DTIE plays a leading role in three of the six UNEP strategic priorities: climate change, harmful substances and hazardous waste, resource efficiency.

DTIE is also actively contributing to the Green Economy Initiative launched by UNEP in 2008. This aims to shift national and world economies on to a new path, in which jobs and output growth are driven by increased investment in green sectors, and by a switch of consumers' preferences towards environmentally friendly goods and services.

Moreover, DTIE is responsible for fulfilling UNEP's mandate as an implementing agency for the Montreal Protocol Multilateral Fund and plays an executing role for a number of UNEP projects financed by the Global Environment Facility.

The Office of the Director, located in Paris, coordinates activities through:

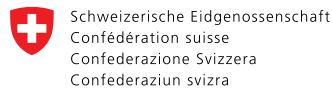
- > **The International Environmental Technology Centre** - IETC (Osaka), which implements integrated waste, water and disaster management programmes, focusing in particular on Asia.
- > **Sustainable Consumption and Production** (Paris), which promotes sustainable consumption and production patterns as a contribution to human development through global markets.
- > **Chemicals** (Geneva), which catalyzes global actions to bring about the sound management of chemicals and the improvement of chemical safety worldwide.
- > **Energy** (Paris and Nairobi), which fosters energy and transport policies for sustainable development and encourages investment in renewable energy and energy efficiency.
- > **OzonAction** (Paris), which supports the phase-out of ozone depleting substances in developing countries and countries with economies in transition to ensure implementation of the Montreal Protocol.
- > **Economics and Trade** (Geneva), which helps countries to integrate environmental considerations into economic and trade policies, and works with the finance sector to incorporate sustainable development policies. This branch is also charged with producing green economy reports.

UNEP DTIE activities focus on raising awareness, improving the transfer of knowledge and information, fostering technological cooperation and partnerships, and implementing international conventions and agreements.

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“The Methodological Sheets for Subcategories in S-LCA” supplement the “Guidelines for Social Life Cycle Assessment of Products” published by UNEP/SETAC in 2009, and developed as a public resource to guide the application of S-LCA. 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 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.

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

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