

HUMAN-CENTERED BUSINESS MODEL

A HOLISTIC APPROACH TO A SUSTAINABLE BUSINESS ECOSYSTEM



An initiative within the framework of the Global Forum on Law, Justice and Development

HUMAN CENTERED BUSINESS MODEL SOCIAL PRINCIPLES and INDICATORS PAPER

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ABOUT THIS PAPER

This document is part of a set of research papers covering the six pillars of the Human-Centered Business Model (HCBM). The purpose of this research paper is to build on the work done, so far by partners of HCBM, by identifying in more detail the HCBM Social Sustainability Principles (Social Principles; SSP; SS Principles), by proposing an initial selection of Social Sustainability Indicators (SS) and by offering guidance, backed up by a collection of resources, on how the SS Principles can be implemented. More specifically, by placing the HCBM in the context of the past, current and future developments and trends in corporate sustainability, the paper is aiming to:

Present the HCBM social principles and their relevance and alignment to key sustainability instruments, initiatives and tools, key governmental and corporate developments, trends and best practices.

Provide a paper for review and consultation for rationale for elaboration of the HCBM Social principles and for selection of corresponding social performance indicators. Present an analysis of the linkages between each of the HCBM Social principles and the most widely used and globally accepted voluntary sustainability initiatives, including recommendations for application of the HCBM Social principles in the Small and Medium Enterprises (SME) sector and identification of the most commonly used indicators.

Propose initial set of indicators for each principle that will be tested and refined through the HCBM pilot projects. The preliminary selection of proposed indicators for each of the HCBM Social principles and elaboration of the guiding principles is based on analysis of globally accepted and most widely applied by the private sector standard frameworks and best practices.

Identify best practices, guides, tools and other practical instruments that will help HECs (Human Centered Enterprises) to implement the HCBM Social Sustainability Principles. **Give examples** and cases of companies that have begun incorporating these environmental principles in their business culture and organizational performance.

In this paper we use a typology, adapted and modified from ILO and OECD publications (ILO 2008; OECD 2009; OECD 2014) and other classifications, that organizes and presents the key CSR and sustainability instruments in three major levels and a few categories. This classification, presented below, outlines the elements of the architecture of an **emerging global system of instruments for sustainable business**:

Normative Level I: International Norms-setting Instruments – international agreements, conventions and declarations that reflect agreed international normative principles, directed to government for domestic implementation, can help business understand what to do (ILO 2008; OECD 2009), for example:

Overarching, across all sustainability dimensions: Sustainable Development Goals (SDGs), Agenda 2030, Agenda 21, etc.

Environmental: The Paris Agreement (2016), Montreal Protocol on Substances that Deplete the Ozone Layer (1987) and Vienna Convention for the Protection of the Ozone Layer (1985), UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention, 1998), etc.

Social: Universal Declaration of Human Rights, ILO Conventions, ILO Declaration on Fundamental Principles and Rights at Work, etc.

Ethical/integrity: OECD Convention on Combating Bribery of Foreign Officials in International Business Transaction, etc.

Functional/Operative Level II: International Instruments – international principles, codes, guidelines, frameworks, standards and tools that are linked to the international norms-setting agreements and directed to the business sector and in some cases to business and civil society

Category 1. Instruments Developed by Intergovernmental Bodies – originating from the UN and other intergovernmental organizations, officially-agreed and/or recognized by governments principles and frameworks that offer authoritative guidance to the business sector on expectations of behavior and also help understand what to do, and sometimes also how, for example: ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration), OECD Guidelines for Multinational Enterprises (OECD Guidelines), UN Global Compact (UNGC) Principles, International Finance Corporation (IFC) Performance Standards, The World Bank Group (WBG) Environmental and Social Framework, etc.

Category 2. Private International Instruments with Government Recognition- developed privately and officially agreed or/and recognized by governments frameworks, guidelines and standards, developed with participation of business/civil society, that offer guidance on expectations of behavior and provide guidance on how to implement such standards: International ISO standards (e.g. ISO 26000, ISO 14000 series, etc.), Global Reporting Initiative (GRI) Sustainability Reporting Standard and Guidelines.

Category 3. Private Instruments - codes, frameworks, guidelines, standards and tools, linked to business initiatives and sometimes aligned with international norms, developed by business and other business entities to address specific business needs, predominantly sectoral: Responsible Care Guidelines, ICMM Sustainable Development Principles, Electronic Industry Code of Conduct.

Regulatory Level III: National and International Regulatory Instruments and Initiatives – regulations, policies, principles, codes, guidelines on national level put in place by governments, governmental institutions, stock exchanges, and other market regulators, or other national organizations and initiatives:

Category 4. Mandatory Initiated by Governments – regulations, policies and mandatory requirements put in place by governments or governmental implementation institutions concerning sustainability performance and reporting of companies. Some requirements focus on a given sector, topic or region. For example the EU [Directive on disclosure of non-financial and diversity information by certain large companies](#) (European Commission.2014).

Category 5. Mandatory Initiated by Other Regulators (Stock Exchanges, etc.) – sustainability policies and mandatory requirements put in place by stock exchanges and investors address the sustainability performance and reporting of companies. Some requirements focus on a given sector, topic or region. For example, the Johannesburg Stock Exchange mandates all listed companies to disclose ESG practices (<http://www.sseinitiative.org/fact-sheet/jse/>)

Category 6. Voluntary Guidance Initiated by Governments or Other Regulators - guidance and recommendations put in place by governments, governmental implementation institutions, stock exchanges and market regulators that address the sustainability performance and reporting of companies. Some focus on a specific sector, topic or region. For example: the EU **Flagship Initiatives**¹ that will help SMEs achieve sustainable growth; etc.

¹ Europe Strategy 2020 has identified new engines to boost growth and jobs. Three priority areas are addressed by 7 **flagship initiatives**: **Smart growth** (Digital agenda for Europe; Innovation Union; Youth on the move), **Sustainable growth** (Resource efficient Europe; An industrial policy for the globalisation era), **Inclusive growth** (An agenda for new skills and jobs; European platform against poverty)

This paper focuses on Level II, Categories 1 and 2 International Instruments with governmental recognition and their alignment with HCBM Social Principles – examples of such instruments are presented in Annex A (HCBM SSP Research - Literature Review) and Annex B (Main International Sustainability Instruments Level II – Table). **The rationale for this is that these instruments are aligned with the Level I normative instruments, most of them are accepted and officially endorsed by significant number of governments, many of them are influencing the development of social sustainability and sustainability regulations, and these instruments are most widely used by companies worldwide.**

The HCBM Social Principles are presented in their correlation to the officially endorsed by most governments globally sustainability instruments from Level II, and specifically to the main instruments among them which are most widely recognized and applied by companies worldwide and have global multistakeholder recognition and acceptance.

Each of the HCBM SS Principles is described with definitions and illustrated with examples from case studies. For each principle is noted if it is proposed to be implemented by the HCE immediately or in a period of time. Information is provided about the practical value of each principle for the HCE, based on overview of the relevance of each principle to SMEs, and business stakeholders such as governments, investors and rating agencies.

Level I and III instruments are not addressed explicitly in the paper, but examples of Level I: International Normative Instruments and examples of Level III Regulatory Instruments are presented in **Annex A** (HCBM SSP Research - Literature Review).

This paper is a working document – it will undergo peer review and further consultations with HCBM partners.

DEVELOPMENTS AND TRENDS CONCERNING SOCIAL SUSTAINABILITY

Historical Background

In France, the law of 15 July 1893, instituted free medical assistance; the law of 9 April 1898, considerably facilitated the worker compensation claims; the law of 27 June 1904, created the *service départemental d'aide sociale à l'enfance*, a childbirth assistance program; and on 14 July 1905, an elderly and disabled persons assistance program was initiated. [France](#) also had, by the 1900s, the most extensive network of child welfare clinics and free or subsidized milk supplies in the world.

The establishment of global, regional and national, socially sustainable principles, frameworks, standards and practices relevant to business as well as to other organizations in the last two centuries is rooted in the

In the USA, in 1791 the First strike in building trades by Philadelphia carpenters took place for a 10-hour day. On December 15, 1791 the US Bill of Rights was adopted. The First of the 10 Amendments in the Bill of Rights guarantees freedom of religion, speech, and the press, the rights of peaceful assembly and petition. At the beginning of the 20th century, the appearance of large corporations and the era of the 'robber barons' (businessmen who illegally amassed large fortunes) led to the development of the antitrust movement and the corporate social contract doctrine. In response to such phenomenon, corporations emphasized philanthropy and some forms of corporate citizenship to sustain that government regulation was unnecessary.

development and evolution of legal and regulatory initiatives backed up by human rights and labor movements in Europe and North America.

The concept of social sustainability remains outside the spotlight during the 1960s and 1970s when the environmental movements picked up speed and the attention was on the basic needs approach to economic development. Sustainable development (SD) was introduced as a concept in 1987 in the Brundtland report². The report stated that “Humanity has the ability to make development sustainable - to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs”. In 1992, at the first World Summit in Rio de Janeiro, this definition was adopted as the universal definition of sustainable development, and currently it continues to be the most widely applied among the growing number of SD definitions.

Consistent across most interpretations and business applications of sustainability³ is a focus on economic, environmental, and social priorities and dimensions, a three-pillar approach referred to in different business contexts as ‘the triple bottom line’ (economic, social, environmental), the 3 E’s (economy, ecology, equity), or the 3 P’s (prosperity, planet, people)⁴. However, “although [recognized] as equally important as economic or environmental sustainability (United Nations, 1993), it [social sustainability] lacks broad recognition” (Omman, 2006; Littig and Griessler 2005; Partridge 2005; Kunz 2006; Cuthill 2010; Dempsey et al. 2011; Vallance 2011) during the first decade after the 1992 Rio Summit.

Since the first World Summit, with the rapid growth in scale and power of the private sector there has been a widespread recognition by governments, civil society and companies alike that business has specific responsibilities towards society and the environment. The Corporate Social Responsibility (CSR) evolved as voluntary beyond-compliance business response to the growing stakeholder expectations and pressures for business responsibility in increasingly interconnected and transparent fast-changing world.

But since the late 1980s much of the debate on sustainability and CSR has been dominated by ecological perspectives, while the social dimension has not been well defined (Hutchins & Sutherland, 2008). Until early 21 century, social sustainability is characterized often as the least attended, least developed and the least quantifiable part of sustainability.

Business self-regulation and voluntary business initiatives took central place in the CSR movement, involving for example codes of conduct, improvements in occupational health and safety, environmental management systems, social and environmental reporting, support for community projects and philanthropy. A variety of instruments emerged globally and locally as well to help companies implement CSR: principles, management standards, reporting indicators and others.

² **Brundtland Report**, also called *Our Common Future* (World Commission on Environment and Development.1987. *Our Common Future*. Oxford: Oxford University Press. <http://www.un-documents.net/our-common-future.pdf>), was released in 1987 by the [World Commission on Environment and Development](#) (WCED). It introduced the concept of sustainable development and described how it could be achieved. Sponsored by the [United Nations](#) (UN) and chaired by Norwegian Prime Minister [Gro Harlem Brundtland](#), the WCED explored in the report the causes of environmental degradation, attempted to understand the interconnections between social equity, economic growth, and environmental problems, and developed policy solutions that integrated all three areas.

³ Atkinson, G.; Dietz, S.; Neumayer, E.; Agarwala, M. 2014. *Handbook of Sustainable Development: Second Edition*. Edward Elgar Publishing: Cheltenham, UK.

⁴ In recent years, some scholars suggested ethics as additional pillar (Gemma Burford, Elona Hoover, Ismael Velas, Svatava Janoušková, Alicia Jimenez, Georgia Piggot, Dimity Podger and Marie K. Harder. 2013. Bringing the “Missing Pillar” into Sustainable Development Goals: Towards Intersubjective Values-Based Indicators. *Sustainability*, 5, 3035-3059; doi:10.3390/su5073035. <http://www.mdpi.com/2071-1050/5/7/3035>)

The United Nations (UN) Funds and Programmes⁵ and Specialized Agencies⁶, particularly the International Labor Organization (ILO), The Human Rights Council and the UN Office of the High Commissioner on Human Rights, and The Organization on Economic Cooperation and Development (OECD), took the lead in international sustainability norms-setting. In parallel, the development of environmental and social governmental policies and regulations in general was slowed down, partially by the explosion of voluntary CSR business initiatives, but environmental regulation and compliance and sustainability reporting remained among the priority sustainability areas influenced by governments. Globally, during the last 20+ years, diverse approaches emerged as combination of government, multilateral, civil society and business engaged in public-private partnerships (PPPs) and multistakeholder initiatives (MSIs) associated with standard setting, reporting, monitoring, auditing and certification⁷.

Since its establishment, the EU has shown remarkable leadership in CSR and sustainability policy development and stimulated implementation of coordinated approaches and solutions among the EU member countries and worldwide. The EU Commission has defined CSR as [the responsibility of enterprises for their impact on society](#). CSR is expected to be company led, while public authorities play a supporting role through a mix of voluntary policy measures and, where necessary, complementary regulation.

In 2011 the **EC Communication “A renewed EU strategy 2011-14 for Corporate Social Responsibility”** (COM (2011) 681) outlined the most recent EU’s policies on CSR, including on

⁵ Examples of Funds and Programmes are: UNDP (United Nations Development Programme), UNEP (United Nations Environment Programme), UNFPA (United Nations Population Fund), UNICEF (United Nations Children’s Fund) and WFP (World Food Programme). UN Funds and Programmes are directly under the authority of the General Assembly and the Secretary-General and are entirely funded through voluntary contributions by UN member states. They have been charged with operational activities at country level, i.e. policy advisory functions, consultancy for governments and project implementation.

⁶ Examples of Major Specialized Agencies are: the World Bank Group, WHO (World Health organization), FAO (Food and Agricultural organization), ILO (International Labour organization), IFAD (International Fund for Agricultural Development), UNIDO (United Nations Industrial Development organization) and UNESCO (United Nations Educational, Scientific and Cultural Organization), which all deal normatively and operationally with development issues. The Specialized Agencies are bound only contractually to the UN and do not receive binding directives from the General Assembly or the Secretary-General. They have their own membership, their own governing structure and collect assessed (mandatory) contributions from their member states with regard to core (normative) functions. The Specialized Agencies have the mandate for global norm and standard-setting.

⁷ Combination of government, multilateral, civil society and business engaged in public-private partnerships (PPPs) and multistakeholder initiatives (MSIs) associated with standard setting, reporting, monitoring, auditing and certification, such as for example:

- UN-based initiatives such as the UN Global Compact (UNGC), the UN Principles for Responsible Investment (PRI);
- Certification schemes such as ISO14001, SA8000, Forest Stewardship Council, Marine Stewardship Council;
- Anti-sweatshop initiatives such as Fair Labor Association, Worker Rights Consortium, Clean Clothes Campaign, Global Alliance for Workers and Communities, Worldwide Responsible Apparel Production;
- Global Reporting Initiative (GRI), Ethical Trading Initiative and AA1000, attempt to improve certain aspects of management, monitoring and reporting systems, as well as learning through stakeholder engagement;
- the [Sustainable Stock Exchanges \(SSE\) initiative](#), a peer-to-peer learning platform organized by the UN Conference on Trade and Development (UNCTAD), the UN Global Compact, the UN Environment Programme Finance Initiative (UNEP FI), and the Principles for Responsible Investment (PRI), bringing together exchanges to work in collaboration with investors, regulators, and companies, on enhancing corporate transparency – and ultimately performance – on ESG (environmental, social and corporate governance) issues and encourage sustainable investment.

Improving Company Disclosure of Social and Environmental Information. Two directives, the directive on the annual financial statements⁸ and the 2014/95/EU directive on mandatory disclosure of non-financial and diversity information⁹ combined with the [EC Guidelines on non-financial reporting C 215/8/ 5.7.2017](#), set the course towards comprehensive, integrated financial and extra-financial business

The [European Commission Strategy on CSR](#), adopted since 2011, promotes CSR in the EU and specifically recommends six key global initiatives and their globally accepted and most widely applied by business instruments (EC. 2011):

- [United Nations Global Compact Principles](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [ISO 26000 Guidance Standard on Social Responsibility](#)
- [International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [GRI Sustainability Reporting Standards and Guidelines](#)

The [Directive 2014/95/EU](#) and the [EC Guidelines on non-financial reporting C 215/8/ 5.7.2017](#) laid down non-binding rules on disclosure of *non-financial* and diversity information by large companies and recommend companies to use “international, European or national guidelines” including the globally accepted and most widely used by companies worldwide GRI Sustainability Reporting Standards and Guidelines with the GRI framework and disclosures for sustainability reporting. The EC CSR Guidelines are built upon the main most widely applied instruments listed above and take into consideration a number of other globally accepted initiatives providing codes, standards and frameworks for sustainable business development and CSR.

reporting in the EU and contributed to the international sustainability reporting agenda.

Annex A provides a brief regional and national perspective on the governmental frameworks and approaches supporting and enabling implementation of social sustainability by companies in the European Union and UK, in the USA, Canada and in Brazil.

Increasingly the Socially Responsible Investors (SRI) and the Responsible Investment (RI) funds¹⁰, the Stock Exchanges (SEs) and other market regulators also developed initiatives and established

⁸ **Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (the Accounting Directive)** (European Parliament and Council. 2013) encourages the EU Member States to provide for different accounting and disclosure requirements, and reporting obligations, including with respect to the contents of the management report and the inclusion of a ‘corporate governance statement’, for so-called micro-entities, small and medium-sized companies, and large undertakings in accordance with the “think small first” principle.

⁹ In 2014 the European Parliament passed a vote to require mandatory disclosure of non-financial and diversity information by certain large companies and groups on a ‘comply or explain’ basis. This vote amends Directive 2013/34/EU with a new so called EU [Directive on disclosure of non-financial and diversity information by certain large companies](#) (European Commission.2014) and affects all European-based "Public Interest Entities" (PIEs) of 500 employees or more as well as parent companies. It requires member states to have the relevant legislation in place as of December 2016. It is expected the first company reports will be published in 2018 covering financial year 2017-2019.

¹⁰ The World Summit also had impact on the continuing expansion of Socially Responsible Investment (SRI) and Responsible Investment (RI) funds, and the proliferation of sustainability research institutes, rating agencies and benchmarking institutions focused on research and assessment of the Environmental, Social and Governance (ESG) performance of companies and their rating. The company ratings and the produced ESG company data is used by asset managers to manage Socially Responsible Investment (SRI) and Responsible Investment (RI) funds. The current major research providers offering full ESG ratings according to Novethic (Novethic 2013;and

requirements aiming at strengthening companies' sustainability performance. The [World Federation of Exchanges](#)' (WFE) [Guidance & Recommendations](#) identify material environmental, social and governance (ESG) metrics which the exchanges, WFE members, can incorporate into their ESG disclosure guidance and governance requirements to companies listed on their market.

Throughout the last 50 years the overarching goal has been not only to increase environmental and social sustainability but to begin integrating sustainability into business, including not only environmental considerations but inclusive business, human rights, integrity and ethical consideration, from Multinational Enterprises (MNEs) to Micro, Small and Medium Enterprises (MSMEs). However, the sustainability integration of smaller businesses and industries, central to the economies in developing countries, has been frequently overlooked. The constraints smaller businesses and industries operate under, such as limited human and financial resources, restrict their ability to participate in global policy processes¹¹ and have raised a plethora of private codes and labels, sustainability reporting tools and process to introduce sustainability to the MSMEs and help companies reduce impacts and maximize benefits.

Agenda 2030 and SDGs - the Post-2015 Sustainable Business Agenda and Current Developments in the Environmental, Social and Ethical/Integrity Fields of Sustainability

“For any company seeking to be sustainable, it begins with operating with integrity – respecting fundamental responsibilities in the areas of human rights, labor, environment and anti- corruption” (United Nations Global Compact (UNGC). 2015. Guide to Corporate Sustainability)

A 20-year follow-up to the Earth Summit took place in Rio de Janeiro in 2012 through the Rio+20 United Nations Conference on Sustainable Development (UNCSD). UNCSD galvanized a process resulting in a set of Sustainable Development Goals (SDGs) which will carry on the momentum generated by the Millennium Development Goals (MDGs) and fit into a global development framework beyond 2015.

In September 2015, convened by the UN, more than 150 heads of states adopted a set of [Sustainable Development Goals \(SDGs\) to end poverty, protect the planet and ensure prosperity for all](#) as part of the ambitious [2030 Agenda for Sustainable Development](#).

The Sustainable Development Goals (SDGs)¹² define the global sustainable development priorities and aspirations for 2030 and aim to mobilize global efforts around a common set of goals, SDG indicators and specific targets. The final proposed [list of SDGs indicators](#) was provided by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators in 2016.

The SDGs have been agreed by all governments, yet their success relies heavily on action and collaboration by all actors. The SDGs call for worldwide action not only among governments, but business, civil society and all stakeholders to end poverty and create a life of dignity and opportunity for

www.novethic.com are EIRIS-vigeo (United-Kingdom/France), MSCI ESG research (USA), oekom (Germany), Sustainalytics (Netherlands) Inrate (Switzerland) or EthiFinance (France).

¹¹Stephens, Anthea, Private sector involvement in implementing multilateral environmental agreements (MEAs): A closer look at the natural products industry, World Conservation Union (IUCN), South Africa

¹² The SDGs cover all social, environmental and developmental issues, in both developed and developing countries. Each of the 17 SDGs contains a number of interconnected targets, which results in a truly cross-cutting approach in implementation of activities, monitoring, evaluation and reporting on progress towards the SDGs. (Leadership Council Sustainable Development Solutions Network, 2015).

all, within the boundaries of the planet. Thus, the launch of the SDGs opened opportunity for further acceleration of and more strategic coordination among the business-driven actions linked to sustainable development and to the sustainable development actions of other stakeholders. Even more, unlike their predecessor, the [Millennium Development Goals \(MDGs\)](#)¹³, the SDGs explicitly call on all businesses to “apply their creativity and innovation to solve sustainable development challenges” ([The UN Department of Economic and Social Affairs \(DESA\), Division for SDGs](#)).

The previous MDGs were perceived by the private sector as a burden unrelated to the core business strategies. As the SDGs form the global agenda for human development, they offer a platform for companies to proactively demonstrate how their business helps to advance sustainable development, both by minimizing negative impacts and maximizing positive impacts on people and the planet. Enterprises are beginning to see in the SDGs business opportunities to address the world’s sustainable development challenges, develop solutions and create value for the company, its stakeholders and the society. Covering a wide spectrum of sustainable development topics relevant to companies – such as poverty, health, education, climate change and environmental degradation – the SDGs have the potential to become the bridge connecting business strategies with the global and local sustainability priorities and societal needs. And as the unmet economic, environmental and social needs to address the sustainability

The recent empirical and theoretical research data collected by the UN Global Compact (UNGC) points to a number of factors that help motivate corporate leaders and entrepreneurs to proactively steer their companies to embark on the sustainable development opportunities and challenges. The drivers – dynamic and always changing – can be understood in two broad categories: society-based drivers and market-based drivers:

- i. Society-based drivers, such as policies established by Governments and expectations created by citizen and civil society organizations, that reward more responsible and sustainable organizations, continue to provide a strong motivation for corporations to reduce the negative impacts they may have on society and on the environment and to adopt more responsible business practices.
- ii. Market drivers, found within the markets themselves, include the sustainability-related requirements and preferences expressed by business partners and investors, as well as the increasing engagement of employees and consumers, directly effect and relate to a company’s core business and related strategies. These drivers are poised to gather greater force in the coming era.

challenges create new market opportunities for companies meeting these needs with sustainable products, the new global development agenda provides opportunities to strengthen the drivers that are fostering enlightened business leaders genuinely motivated to formulate and implement new-era corporate sustainability.

This evolving paradigm change is demonstrated through the new post-2015 business engagement framework, developed by the UNGC and its global network of signatories. The framework is aiming to shift the corporate mindsets and business models in order to mainstream responsible business practices and achieve the SDGs, the so called Global Goals. It coins an extended definition of business sustainability that goes well beyond financial performance: “Corporate (business) sustainability is a company’s delivery of long-term value in financial, environmental, social and ethical terms” to achieve it companies must “push sustainability deep into the corporate DNA” by doing “five things: first and foremost operate responsibly in alignment with universal principles, support and strengthen the society and the communities, provide leadership by making commitments at the highest level, report annually on their efforts, and engage locally where they have a presence.” (UNGC. Guide to Corporate Sustainability)

¹³ The International Planning Committee for Food Sovereignty, in its post 2015 thematic consultation document on MDG 69 states "The major limitation of the MDGs by 2015 was the lack of political will to implement due to the lack of ownership of the MDGs by the affected constituencies" ([Position International Planning Committee on Food Sovereignty Informal Thematic Consultation Hunger, Food and Nutrition Post 2015, CSA actors](#)" Retrieved 7 May 2018).

According to the UNGC, the corporate sustainability orientation “is rooted in three dimensions –

- i) respecting universal principles;
- ii) action to support broader UN goals; and
- iii) engaging in partnerships and collective action at the global and local levels.”
(UNGC. 2015. Guide to Corporate Sustainability)

Our analysis of available research on the lessons from the CSR implementation in the past 20+ years shows that maximizing the business performance in these three domains will require not only establishment of a company culture based on sustainability principles and sustainability-focused leadership and governance within the companies. It will require also an external business ecosystem where government and other business stakeholders interact with the companies, act in line with common sustainability principles as companies and work in partnership with them toward the SDGs.

A well-defined and practical system of sustainability instruments, to guide and assist the activities of companies and the other elements of the business ecosystem, is also of importance for the successful global uptake of corporate sustainability.

The momentum created by the SDGs has energized the efforts for definition of roles and improved consistency in the sustainability instruments. Several initiatives, led by some UN Agencies, multilateral organizations, and multistakeholder private organizations, have developed a group of core instruments that have a common point of departure in the international conventions on human rights, labor and environment and are designed to be generally acceptable to most companies globally operating in most sectors. Most of governments and the UN recognize these initiatives and their instruments are often addressed as “core” or “main” building blocks of the “emerging global CSR system” or “emerging global triple bottom line (TBL) architecture”.

Our research of best sustainability business practices and our literature review of CSR, Corporate Governance (CG), Sustainability Reporting analysis and other sustainability publications (EU 2011, 2017; OECD 2008, 2014, 2017, 2018; KPMG 2017; UNCTAD 2008; Ernst &Yong 2017, SustainAbility; etc.) identified among the main international sustainability instruments, seven main international instruments addressing the social sustainability of enterprises:

- [OECD Guidelines for Multinational Enterprises](#)
- [United Nations Global Compact Principles](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy](#)
- [IFC's Environmental and Social Performance Standards](#)
- [ISO 26000 Guidance Standard on Social Responsibility](#)
- [The Global Reporting Initiative \(GRI\).](#)

The research confirms that these core international sustainability instruments have gained maximum global recognition, official endorsement by governments, and multistakeholder acceptance and are most commonly used by companies worldwide. The seven initiatives behind these seven instruments are distinguished by collaborative efforts to establish some degree of functional complementarity and linkages among the instruments and some level of consistency on priority topics covered by these instruments and on language and expectations. These global initiatives are playing important key role in shaping up the national regulatory and legal frameworks addressing business and sustainability.

This paper presents explicitly the relevance and alignment of each HCBM Social Sustainability Principle with each of these seven **main international sustainability instruments listed below and in Annex B:**

OECD Guidelines for Multinational Enterprises (2012)

The [OECD Guidelines](#) are developed by the Organization for Economic Co-operation and Development (OECD) and represent the most recognized and widely endorsed by governments and the business community recommendations to governments and MNEs for responsible business performance in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation, in the international environment in compliance with applicable laws and the most internationally recognized standards. For this reason, the Guidelines has been updated on several occasions to bring it into line with changes to international law. Five updates took place between 1976 and 2011.

United Nations Global Compact (UNGC)

The [UNGC](#) is the largest policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. According to the UNGC, corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. The ten UNGC principles are derived from United Nations Declarations and Conventions. UNGC signatories are required to issue an annual Communication on Progress (COP), a public disclosure to stakeholders on progress made in implementing the ten principles. Violations of the COP policy (e.g. failure to issue a COP) can result in a signatory's status being changed to 'noncommunicating' and can eventually lead to expulsion.

UNGC Principles addressing Human Rights

[Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and

[Principle 2](#): make sure that they are not complicit in human rights abuses.

UNGC Principles addressing Labour

[Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

[Principle 4](#): the elimination of all forms of forced and compulsory labour;

[Principle 5](#): the effective abolition of child labour; and

[Principle 6](#): the elimination of discrimination in respect of employment and occupation.

The UN Global Compact is the United Nations global corporate responsibility initiative. The relationship between the Guiding Principles on Business and Human Rights and the UN Global Compact are outlined on the UNGC website ([www.unglobalcompact.org/docs/issues_doc/human rights/Resources/GPs_GC%20note.pdf](http://www.unglobalcompact.org/docs/issues_doc/human%20rights/Resources/GPs_GC%20note.pdf) (accessed 09 April 2018)). A range of tools and guidance materials, many of which are also relevant to small and medium-sized enterprises are also available on the website of the UNGC (<https://www.unglobalcompact.org/library>).

UN Guiding Principles on Business and Human Rights

The [Guiding Principles on Business and HR](#) were developed to put into operation the "[Protect, Respect and Remedy](#)" Framework. While they do not by themselves constitute a legally binding document, the

Guiding Principles elaborate on the implications of existing standards and practices for States and businesses, and include points covered variously in international and domestic law.

International Labor Organization Tripartite Declaration of Principles Concerning Multinational Enterprises on Social Policy

The [MNE Declaration](#) is the only ILO instrument that provides direct guidance to enterprises on social policy and inclusive, responsible and sustainable workplace practices. It also provides guidance on “due diligence” processes – consistent with the UN Guiding Principles on Business and Human Rights – in achieving decent work, sustainable businesses, more inclusive growth and better sharing of the benefits of FDI, particularly relevant for the achievement of [Sustainable Development Goal 8](#).

The latest revision has enriched the MNE Declaration by adding principles addressing specific decent work issues related to social security, forced labour, transition from the informal to the formal economy, wages, access to remedy and compensation of victims.

International Finance Corporation (IFC) and The World Bank Group

IFC's Environmental and Social Performance Standards define IFC clients' responsibilities for managing their environmental and social risks. The 2012 edition of IFC's Sustainability Framework, which includes the Performance Standards, applies to all investment and advisory clients whose projects go through IFC's initial credit review process after January 1, 2012.

- [2012 Performance Standards](#)
- [2012 Guidance Notes](#).

[IFC Sustainability Framework, Policy and Performance Standards on environmental and Social Sustainability](#), 2012. This Performance Standard applies to business activities with environmental and/or social risks and/ or impacts. For the purposes of this Performance Standard, the term “project” refers to a defined set of business activities, including those where specific physical elements, aspects, and facilities likely to generate risks and impacts, have yet to be identified.⁶ where applicable, this could include aspects from the early developmental stages through the entire life cycle (design, construction, commissioning, operation, decommissioning, closure or, where applicable, post-closure) of a physical asset. OECD Guidelines for Multinational Enterprises (principles and guidance on policy and management) are also included in this alignment.

IFC Sustainability Framework

IFC's approach to sustainability is governed by IFC's [Sustainability Framework](#) and the [Corporate Governance methodology](#). They are designed to help IFC's clients improve their business performance, enhance transparency, engage with the people affected by the projects IFC finances, protect the environment, and achieve greater development impact.

Environmental and Social Review Procedures Manual, IFC/WB Group 2016

The Environmental and Social Review Procedures (ESRP) Manual defines IFC management-approved tasks to achieve client compliance with the Policy and Performance Standards on Environmental and Social Sustainability, Access to Information Policy, and Environmental, Health and Safety (EHS) Guidelines. The Manual describes how IFC conducts its environmental and social due diligence for the business activities involving direct investments, investments through financial intermediaries, and Advisory projects.

The EHS Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP), as defined in [IFC's Performance Standard 3: Resource Efficiency and Pollution Prevention](#). IFC uses the EHS Guidelines as a technical source of information during project appraisal activities, as described in [IFC's Environmental and Social Review Procedures Manual](#).

The World Bank Environmental and Social Framework (ESF), formerly known as “safeguards”, was approved in 2016 (going into effect in October 2018). Although not directly applied to enterprises, ESF is a globally recognized key instrument that is expected to strengthen the national systems in borrowing countries and thus will have influence on the potential for development of HCBM ecosystems in these countries. The framework brings the World Bank’s environmental and social protections into closer harmony with those of other development institutions, and makes important advances in areas such as transparency, non-discrimination, social inclusion, public participation, and accountability – including expanded roles for grievance redress mechanisms. It places greater emphasis on the use of borrower sustainability frameworks and capacity building, with the aim of constructing sustainable borrower institutions and increasing efficiency. The ESF introduces comprehensive labor and working condition protection; an over-arching non-discrimination principle; community health and safety measures that address road safety, emergency response and disaster mitigation; and a responsibility to include stakeholder engagement throughout the project cycle. It concludes nearly four years of analysis and engagement around the world with governments, development experts, and civil society groups, reaching nearly 8,000 stakeholders in 63 countries. The framework is part of a far-reaching effort by the World Bank Group to streamline its work and to boost development outcomes in Bank projects by placing strong emphasis on sustainability, responsible use of resources, and monitoring and evaluation.

ISO 26000

[The International Standards Organization \(ISO\)](#) is an independent, non-governmental international organization with a membership of 161 [national standards bodies](#).ⁱ **ISO 26000** is a guidance standard on how business and organizations can operate in a socially responsible way. It helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions, and shares best practice on social responsibility. It is aimed at all types of organizations regardless of activity, size or location. The standard states that an organization should, at appropriate intervals, report about its performance on social responsibility to the stakeholders affected. ISO 26000 represents broad international collaboration; representatives from government, NGOs, industry, consumer groups and labor organizations from around the world were involved in its development. ISO 26000 defines 7 ‘core subjects’: 1. Organizational governance, 2. Human rights, 3. Labour practices, 4. The environment 5. Fair operating practices, 6. Consumer issues, 7. Community involvement and development.

ISO 26000 brought a new category ISO standards linked to CSR, these include: [ISO 37001](#) on anti-bribery management systems designed to instill a culture of honesty, transparency and integrity in organizations, ISO 37101 on sustainable development and communities, and the [ISO 20400](#) whose sustainable procurement guidelines are fully based on ISO 26000. New projects are also in the works, including an International Workshop Agreement ([IWA 26](#)) aimed at helping organizations integrate the social responsibility principles of ISO 26000 with other ISO management systems standards.

GRI Sustainability Reporting Standards

The Global Reporting Initiative (GRI).(guidance on sustainability reporting and disclosures). [Global Reporting Initiative](#) (GRI) helps businesses and governments worldwide understand and communicate their

impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest. The [Consolidated Set of GRI Standards](#) is issued by the Global Sustainability Standards Board (GSSB) in October 2016. The consolidated GRI Standards includes the three Universal Standards – *GRI 101, 102 and 103* – and the three series of topic-specific Standards: 200 (Economic topics), 300 (Environmental topics) and 400 (Social topics).

The linkage document [Linking GRI Standards and the EU Directive on non-financial and diversity disclosure](#) (GRI, Global Sustainability Board, February, 2017) shows how the GRI Standards can be used to comply with all aspects of the European Directive on the disclosure of non-financial and diversity information. The SDG Compass [Linking the SDGs and GRI](#), released by the GRI and the WBCSD in January 2017, links the Sustainable Development Goals (SDGs) to the relevant indicators and disclosures in the GRI Standards and Sector Disclosures. These linkages are based on a more detailed analysis available on the [SDG Compass website](#).

GRI has collaborated with the main instruments and initiatives UNGC, UNGP, The ILO Principles, OECD Guidelines, IFC Performance Standards, ISO 26000 and with a number of other key initiatives on development of linkages documents and alignment between the GRI Standards, disclosures and measurement frameworks and the instruments, including: Carbon Disclosure Project (CDP), Acumen Lean Data Initiative (Acumen), Sustainability Accounting Standards Board (SASB), International Integrated Reporting Council (IIRC), IRIS by the Global Impact Investing Network (GIIN), The Earth Charter, etc.

The existing research data (OECD, UN, IFC, ISO, ISEAL and GRI) and our own literature review, show that the system of seven main instruments is in line with the key global international agreements, declarations, conventions and norms and receive the highest degree of global recognition by business and governments and the other stakeholders. These key international instruments, together with the key agreements and conventions were used as initial resources for creation of the HCBM Principles and the HCBM Principles Matrix.

One of the goals of this research is to apply the main sustainability instruments, backed up by the latest legal developments and identified good business practices in social sustainability, for further improvement and elaboration of the HCBM principles and as a base for selection of proposed HCBM indicators. We have presented the alignment of each HCBM SS Principle with each of the above international main instruments in Annex C and in the text of this paper.

Social Sustainability Trends and Challenges

Since the late 1980s much of the debate on sustainability has been dominated by ecological perspectives, while the social dimension has not been well defined (Hutchins & Sutherland, 2008). Thus, despite the extensive body of literature on the social pillar of sustainability¹⁴, there is still need for a better understanding of the meanings and interpretations of that concept. There is no single blueprint definition to social sustainability, and the definitions that exist are often derived according to discipline specific criteria or study perspectives.

¹⁴ Boström, M. 2012. SSPP: A missing pillar? Challenges in theorizing and practicing social sustainability: Introduction to the special issue. *Sustain. Sci. Pract. Policy*, 2012, 8. <http://search.proquest.com/openview/a6ee08a077db2455766c0d8cc8556cb9/1?pq-origsite=gscholar> (accessed on 10 April 2018).

There seem to be several challenges concerning the evolution of the social sustainability field as part of the business practice:

- The social sustainability concepts are built on “concepts, such as community, society, and inclusiveness, that themselves have no clear definition” (Davidson 2007) similar to the business concepts of social sustainability.
- Social sustainability is an analytical and a normative concept, but these aspects are not always clearly separated, leading to confusion (Littig and Griessler 2005) as objectives and indicators often reflect current political agendas as well as theoretically unfounded assumptions (Littig and Griessler 2005). Sometimes, as Davidson (2009) has observed, the term social sustainability is simply used to describe the current systems of social welfare and policy, not measurable changes in the social performance of organizations..
- The social sciences have concerned themselves with a wide variety of social objectives, strategies and measurement instruments, but often with little consideration of the sustainability perspective (Metzner 2000 as cited in Spangenberg und Omann 2006 and Colantonio et al. 2009) and little focus on implementation practicality, simplicity and efficiency. “This deficit makes it difficult to systematise the different elements responding to certain problems or project priorities, which dominate the current debate, and this in turn is a major obstacle for any attempt to prioritise among the criteria developed in an ad hoc fashion, for strategy development and assessment” (Spangenberg und Omann 2006).
- Finally, there is no optimum for indicators and it is problematic to establish benchmarks (Colantonio 2007).

From a corporate perspective, as defined by the UN [Global Compact \(UNGC\)](#), *social sustainability* is about identifying and managing *business* impacts, both positive and negative, on people¹⁵. It is about understanding and addressing the company’s impacts on its labor force, contractors, suppliers, clients, and on the communities and the society in general. It is also about proactive contributions toward human development and wellbeing now and in the future.

In the context of this paper, in practical terms social sustainability should address activities and impacts 1) within the company, involving for example areas such as human rights, fair labor practices, occupational health and safety, wellness and work-life balance, as well as diversity and gender equality and 2) outside the company, involving for example community engagement and impacts, as well as product responsibility (including product safety), among others.

In the last years, social issues such as income inequality, the future of work and unemployment, gender equality, health have joined the climate change and the economic challenges such as financial markets stability as top priorities on the global business agenda.

New regulations, growing stakeholder influence and changing market dynamics are driving at an increasing rate the internalization of the social sustainability issues in the business strategies, risk assessment and management, operations, reporting etc.

Entrepreneurs and their investors need to be aware of these new dynamics to unlock value creation opportunities and manage risks. They are challenged by governments, investors, clients and customers to identify and quantify the main social sustainability issues and risks, recognize what are their impacts on the company’s business performance, relationships, resources and talent for development. Companies are expected to develop responsive strategies that protect and create value both for shareholders, for their main stakeholders and for the society.

Governments, regulators and stock exchanges and investors continue to play a key role in driving up CSR and social sustainability uptake around the world.

Governmental initiatives driven by the Agenda 2030 are becoming drivers for social sustainability activities in the business sector. For example, ‘Sustainable environment and infrastructure’ is one of the key pillars of the UAE Vision 2021, the government’s long-term strategy for socioeconomic

¹⁵ <https://www.unglobalcompact.org/what-is-gc/our-work/social>

development. The year 2017 was the 'Year of Giving' in the UAE, a government initiative focusing on three pillars – Corporate Social Responsibility, Volunteering, and Serving the Nation. Regulation is driving human rights in companies in India: The recent ratification by India of International Labour Organization (ILO) Conventions 138 and 182 indicates the importance of human rights to the country.

Sustainability reporting continues to be one of the key driving factors for improvement in business ESG and social sustainability performance

Public reporting has direct impact on company's reputation and attractiveness for investors, clients and customers. In Europe, while the full effect of the EU Non-Financial Reporting Directive is not expected to be felt for another year or so, it is possible that awareness of the Directive has raised the reporting rates in some EU countries. Under the Directive, companies that do not disclose their social, environmental and Board diversity policies can be named publicly. This risk of reputational damage may already have convinced some non-reporters to start reporting with more expected to follow suit.

In the emerging markets, historically, new regulation does come out of crises. In emerging markets there is interest in socio-economic impact, which will drive further disclosure regulation around impact assessment and valuation of how companies impact the socio-economic conditions in the communities where they operate and the social and environmental impacts of their products and services. Investors are beginning to understand the business logic that underlines the concept of treating social issues as material. But many companies, especially smaller and MSMEs fail to address social value creation effectively, although these enterprises have great potential as they are well integrated in the communities.

Elsewhere, investors and market regulators are increasingly paying attention to how companies are building and protecting long-term value.

Some of the leading stock exchanges and many from emerging markets, are starting to mandate ESG disclosure from their signatories that requires not only reporting numbers but also better description of the business logic and sustainability behind the numbers. Among the 65 stock exchanges that currently partner with the Sustainable Stock Exchanges (SSE) initiative, this is a trend expected to continue over the long term. As a result, companies that are not already producing sustainability reports should consider doing so, as this is fast becoming a mainstream expectation in most markets around the world According to Principles for Responsible Investment Initiative (PRI), some institutional investors explicitly consider Environmental Social and Governance (ESG) criteria when considering strategies of certain funds. Some investors have specific ESG funds, while other investment strategies look to integrate ESG criteria across their investment portfolio.

Investment strategies may be challenged further to ensure ESG criteria are part of the decision-making process. Fund managers are interacting with staff leading responsible investment initiatives and aiming to ensure that ESG factors are integrated into investment analysis and decision making. (PRI 2017 www.unpri.org/page/prilaunches-esg-integration-guide-for-equity-investors and OECD 2017 <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>)

The Sustainable Stock Exchanges Initiative (SSE) - a collaboration between the Principles for Responsible Investment, UNCTAD, the UNEP Finance Initiative and the UN Global Compact – is a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators, and companies, can enhance corporate transparency – and ultimately performance – on ESG issues and encourage sustainable investment. The SSE reports (SSE. 2017) that stock exchanges are increasingly taking actions that contribute to creating more sustainable capital markets. The SSE now has 60 Partner Exchanges, listing over 30,000 companies and representing a market capitalization of over USD 55 trillion. Eight of the 50 countries examined have implemented a stewardship code that addresses ESG factors; six of these eight are voluntary and two were adopted under a “comply-or-explain” basis. Thirteen countries have government policies in place requiring asset owners to disclose how ESG factors are considered in the investment process. (OECD.2017)

A recent study by UNEP Finance Initiative, UN Global Compact and the PRI, UNEP Inquiry into the Design of a Sustainable Finance System, analyzed fiduciary duty in Australia, Brazil, Canada, Germany, Japan, South Africa and the United Kingdom and concluded that “failing to consider long-term investment value drivers, which include environmental, social and governance issues, in investment practice is a failure of fiduciary duty.” Investors are also paying increasing attention to long-term investment and recognizing the long-term financial implications of environmental and social issues. This recognition is reflected in the development of stewardship codes and initiatives to encourage investors to monitor and engage with companies. (OECD. 2017)

Impact Investment: Impact ventures can originate in many places, but there is largely untapped potential in impact ventures driven by large corporations taking on new opportunities for growth. For example, Cemex’s Patrimonio Hoy home construction program. M-Pesa now reaches more than 90% of households in Kenya and has been credited with lifting 2% of the population there out of extreme poverty. Patrimonio Hoy has saved more than half a million families more than two thirds of the time and one third of the cost it used by families to take to add a room to their homes and enabled them to do it more safely. Peter Bakker, President and CEO, World Business Council for Sustainable Development (WBCSD) summarizes that “By translating social needs and ambitions into innovative business solutions, multinational corporations have a critical role to play in accelerating the SDG agenda and helping to realize its ambitions.”

A Harvard Business School study which tracked the performance of companies over 18 years, found that “high sustainability” companies, those with strong ESG systems and practices in place, outperformed “low sustainability” companies, as measured by stock performance and in real accounting terms.(Eccles G.R., Ioannou I. Serafeim G. (November 2011) “The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance,” Harvard Business School.) In another meta study of 127 studies, published between 1972 and 2002, measuring the relationship between companies’ socially responsible conduct and business performance, almost half of the studies pointed to a positive relationship between corporate social performance and financial performance. (Joshua D. Margolis and James P. Walsh. Misery Loves Companies: Rethinking Social Initiatives by Business Administrative Science Quarterly Vol. 48, No. 2 (June 2003), pp.268-305.) Still, there is more to be done to further define and strengthen the business case for social sustainability and the financial performance of the companies, especially for MSMEs. (OECD. 2017)

Internalization in the business strategy and operations of social sustainability and reporting on social sustainability performance issues by companies is an important fast developing field. “What can be measured can be managed” describes in a nutshell the importance of sustainability reporting, based on well-defined practical social metrics and measurement tools and methodologies, for enabling companies to establish proper systems for social sustainability governance and management. With the works of ILO on development of the ILO Principles and the release of the UN Global Principles on Business and Human Rights and their Reporting Framework, and the updates of the main instruments (including OECD, GC, GRI) the companies are becoming increasingly aware and better equipped with tools to manage, monitor, and report their performance on Human Rights issues. **The challenge is still to further strengthen the qualitative indicators and methods for tracking performance on Human rights and on other social issues.**

According to a 2017 KPMG report, the main next challenge for business is to “come through with meaningful contributions to the global effort to achieve the SDGs” (KPMG.2017). Swedish companies and Nordic companies in general, due to cultural and other reasons, are increasingly interested in demonstrating how they create value in society and the SDGs provide a means for doing so. In 2017 the top 10 countries where a majority of the top 100 companies reference the SDGs in their CR reporting are European or Latin American countries. In Latin America, there has been huge effort on the part of NGOs and industry bodies like the WBCSD to publicize the SDGs as the preeminent framework for designing and implementing sustainability activities. Additionally, thanks to the way the SDGs were designed, many companies have mapped their existing CSR activities onto to SDGs in order to demonstrate how they are contributing to sustainable development. Regulators and industry bodies are also supportive. For

example, The Brazilian Corporate Sustainability Index, an index on the Sao Paulo Stock Exchange, encourages companies to commit to the SDGs and embed them in their management approach. Among the world's largest companies (G250), European companies are leading the way, while US companies lag behind in integrating SDGs in their sustainability and overall business strategy and activities.

KPMG, Ernst and Young, PwC and SustainAbility in their analysis point out that “Human rights is firmly an issue on the global business agenda.” The UN Guiding Principles on Business & Human Rights have established the responsibility of businesses to respect human rights, avoid infringing them and to remedy any negative human rights impacts they are involved with. “Six years after the launch of the Principles, KPMG’s survey shows that a majority of the world’s largest companies now recognize human rights as a business issue. Almost three quarters (73 percent) of N100¹⁶ corporate responsibility reports and nine out of ten (90 percent) G250¹⁷ reports acknowledge the issue...However, only around two thirds of these (62 percent of both the G250 and N100) report that they have a human rights policy in place at their organizations. The human rights policy is the fundamental building block of corporate action on human rights, therefore the lack of such a document at many companies suggests they still have a lot of work to do.” The message is “companies must move from simply reporting human rights risks to identifying, responding to and remediating the impacts. This will require a step change in mindset. What’s more, over the next few years, a significant amount of work is required to further test and explore what good human rights business performance actually looks like. For example, does putting a dollar value on human rights help or harm people, and does it actually help companies understand their human rights performance? What alternative ways are there to measure performance? These questions will have to be answered to ensure continued progress in the field of business and human rights.”

The SDGs and the Agenda 2030 are challenging companies, governments and the other stakeholders to engage in a broad collaborative effort for sustainable development. But most of the existing initiatives that offer sustainability, ESG and CSR instruments, including guiding principles and best practices on corporate governance, or provide “socially- and environmentally-sensitive” financial instruments, are focusing predominantly on the company. They do not offer any sort of holistic, comprehensive approach, that incorporates internal corporate governance solutions and company performance policies together with external ecosystem of fiscal policies, financial mechanisms, procurement policies, and other elements enabling sustainable business development. Currently, insufficient alignment among the diverse CSR initiatives and instruments, combined with siloed mentality and lack of incentives and coordination, both within the companies and externally among their stakeholders in the external “business ecosystem,” are still allowing “business as usual” and continue to limit the collective impacts and progress towards the SDGs.

Social sustainability is characterized often as the least quantifiable part of sustainability. The challenges in defining and measuring social sustainability result from the complexity of the context specific social issues, diversity of legitimate meanings, and a reluctance to engage diverse and local sources of knowledge in both academic and practical business research leading to lack of cross-disciplinary communication.

Another challenge is in the practical implementation of social sustainability is the complexity of interrelations among the various social issues and among the social and the environmental, economic and ethical sustainability aspects of business. The multidimensionality of sustainability has been reiterated by

¹⁶ The **N100** (in the 2017 KPMG survey) refers to a worldwide sample of 4,900 **companies** comprising the top 100 **companies** by revenue in each of the 49 countries researched in this study. These **N100** statistics provide a broad-based snapshot of CR reporting among both large and mid-cap **firms** around the world.

¹⁷ The **G250** (in the 2017 KPMG survey) refers to the world's 250 largest **companies** by revenue based on the Fortune 500 ranking of 2016.

the Rio+20 and the UN Sustainable Development Solutions Network (SDSN) clearly expressed the need for an integrated approach towards sustainability at a systems level. According to the document An Action Agenda for Sustainable Development (SDSN 2013¹⁸), “the challenges addressed by the proposed SDGs¹⁹ are inherently integrated”. Consequently, one of the positive impacts of the SDGs is bringing focus and attention to the social aspects of sustainability and CSR and creating a momentum for collaborative work on social impact and social business performance metrics and tools.

The Human Centered Business Model (HCBM) addresses the above challenges by creating an alternative approach to doing business, one that is based on globally accepted sustainability principles and addresses not only the Human- Centered Enterprise (HCE) but also the “business ecosystem” in which the HCE operates. The HCBM harmonized set of fundamental principles for doing business in a sustainable, socially, environmentally and ethically responsible way, applied to both companies and their “business ecosystem” can scale up the worldwide adoption of and positive outcomes from the international CSR and sustainability initiatives and instruments, can expand the multistakeholder collaboration and multiply the business contribution to the SDGs on both local and global levels.

INTRODUCTION OF THE HUMAN CENTERED BUSINESS MODEL (HCBM)

The Human Centered Business Model (HCBM) project aims to create an innovative and alternative approach to doing business, that is based on key globally accepted sustainability principles and addresses not only the internal systems within the Human- Centered Enterprise (HCE) but also the external context, the “business ecosystem” in which the HCE operates.

The HCBM is centered on human beings and the environment in which we live and brings sustainable value and long-term benefits to the company and its shareholders and to the broader communities. This is achieved first through shifting company’s social and environmental interests from “tertiary” or “external” interests to primary corporate goals that stand alongside the drive for profit. The HCBM approach is based on the idea that there is no trade-off between economic, financial, environmental social and ethical goals, and that supporting the latter will bolster the former.

The HCBM represents in practical terms the concept of integrated sustainability at the company level as it requires that HCEs to put profit on the same priority level as social, environmental and ethical principles. The HCEs are expected to address all main dimensions of sustainability simultaneously: the economic dimension, in terms of ensuring long term economic and financial performance; the Social dimension, by creating value for the society; the Environmental dimension, through a responsible management and re-construction of natural resources; and the so called Ethical/Integrity dimension introduced by the HCBM that represents ethical and legal compliance and impacts of the HCEs.

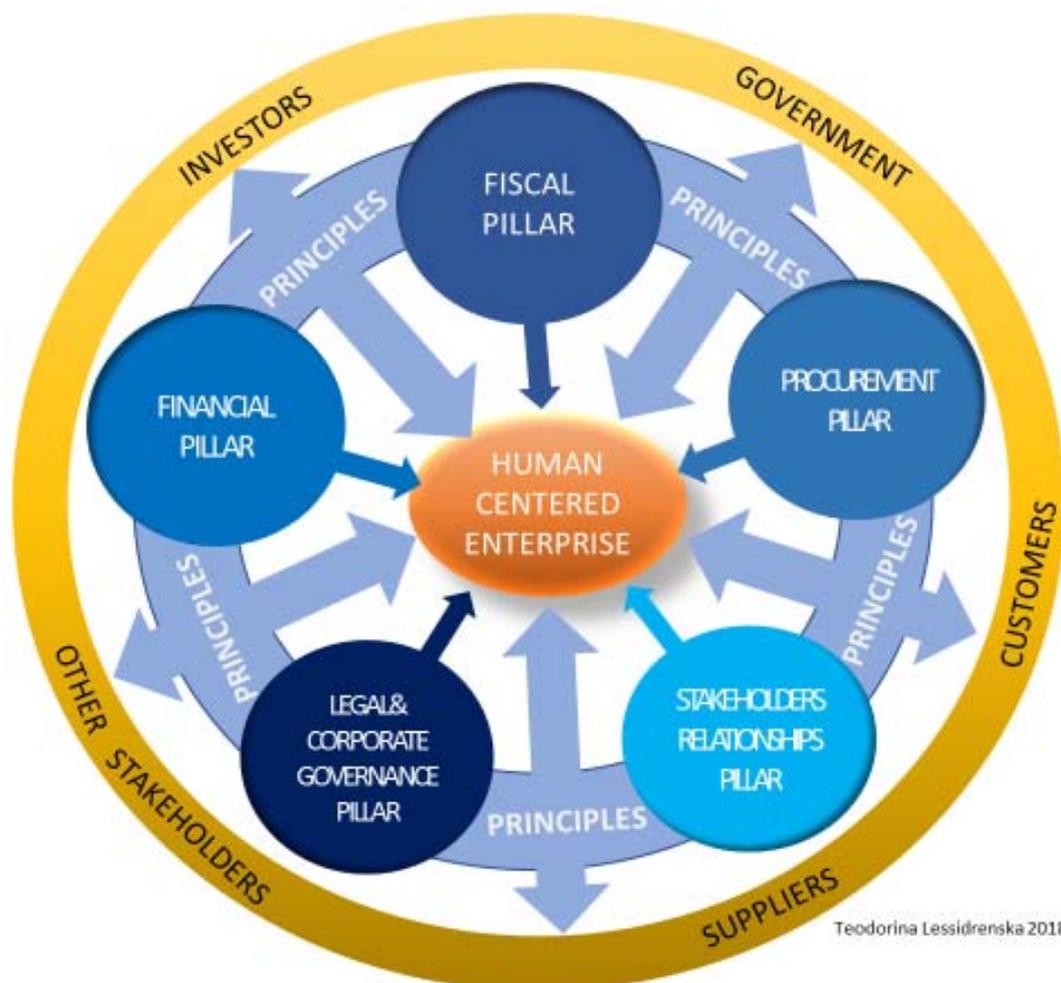
Furthermore, **The HCBM takes a holistic approach, that addresses not only the internal systems within the Human- Centered Enterprise (HCE) but also the external context, by creating an enabling, sustainable and competitive “business ecosystem” that includes fiscal, financial, legal and**

¹⁸ United Nations Sustainable Development Solutions Network (UNSDN) (2013) An action agenda for sustainable development. <http://www.unsdsn.org/files/2013/06/130613-SDSN-An-ActionAgenda-for-Sustainable-Development-FINAL.pdf>

¹⁹ The SDGs cover all social, environmental and developmental issues, in both developed and developing countries. Each of the 17 SDGs contains a number of interconnected targets, which results in a truly cross-cutting approach in implementation of activities, monitoring, evaluation and reporting on progress towards the SDGs. (Leadership Council Sustainable Development Solutions Network, 2015).

regulatory regimes, procurement conditions, and stakeholder relationships based on the HCBM Principles, as presented in Fig. 1. below. In this respect, the HCBM extends the integrated sustainability approach to include the company stakeholders (government, investors, customers, suppliers and other stakeholders) and the external “business ecosystem” and they too are expected to consider and accede to the HCBM Social, Environmental and Ethical/Integrity principles.

Fig. 1.



The HCBM ecosystem presents a complete policy and regulatory framework for sustainable businesses, structured around six pillars:

- (1) **Guiding Principles Pillar** that sets the core social, environmental and ethical/integrity principles that have to be adopted by the Human-Centered Enterprise (HCE) (plus some optional ones to make the model flexible to different economic and social realities), together with corresponding performance indicators;
- (2) **Legal Framework and Corporate Governance Pillar** that focuses on adapting existing corporate governance mechanisms and/or developing new ones, to allow companies to exercise their

businesses in coherence with the guiding principles. This pillar will build on relevant practices from different legal systems;

- (3) **Financial Pillar** that consists of adapted existing financial instruments (like the Green Bonds, social bonds, etc.) or innovative financial mechanisms, developed in order to attract sensitive investors who share the same social and environmental values. Thus, the HCE is expected to be able to survive economically without any assistance from the public sector.
- (4) **Fiscal Pillar** will be “levelling the playing field” by establishing incentives and disincentives (penalties) based on the HCE performance measured by indicators against the targets established for each guiding principle;
- (5) **Procurement Pillar** will develop new or adapt existing corporate and public procurement mechanisms, with an attention to the entire supply chain.
- (6) **Stakeholders relationship Pillar** – the last HCBM pillar aims to identify the stakeholders of the HCEs and to guide the development of collaborative relationships between the enterprises and their stakeholders.

The HCBM differs from all the existing initiatives for doing business in a more sustainable way (e.g. Social Enterprises, Cooperatives, Benefit Corporations, etc.) and from the range of Corporate Social Responsibility practices for the following elements:

- Differently from Social Enterprises the HC Enterprises will have - as common denominator - a “core of principles and corporate objectives” that will create a very strong identity;
- Differently from CSR policies, the HCB Enterprises will embed - in their bylaws - a common set of corporate goals covering economic, social and environmental sustainability;
- Differently from the Benefit Corporations the HCBM is not a new legal form but a coherent “business ecosystem”.

The HCBM defines the HCBM Principles as a fundamental set of values, rules and propositions, that serve as the foundation of the HCBM system of beliefs governing the behavior of the HCEs and accepted by the other stakeholders in the HCBM ecosystem.

The HCBM Principles are result of extensive research and inventory of the global normative regulatory and voluntary sustainability frameworks addressing sustainability business practices. The HCBM Principles are identified among existing relevant economic, social, environmental, ethical and integrity international and regional legal instruments and principles for sustainable development, of CSR policies, and of principles voluntarily adopted by the private sector largely agreed upon by the international community to regulate business conduct.

The initial draft set of **HCBM Principles** is presented in the **HCBM Principles Matrix (Annex I)**, that was developed and shared with HCBM partners in 2017. **Three parallel streams of research continued the work on the HCBM Social, Environmental and Ethical & Integrity Principles in 2018, with the aim to further define the HCBM Principles and their relevance to and linkages with the existing international sustainability instruments, agreements and principles largely agreed upon by the international community and endorsed by the enterprises worldwide. This paper is an outcome from the social sustainability research workstream.**

HCBM SOCIAL SUSTAINABILITY PRINCIPLES

Setting up the Stage

The HCBM Social Sustainability Principles (SSP or SS Principles) are in line with **existing relevant global norms and international legal instruments addressing sustainable development and business, CSR policies, and principles voluntarily adopted by the private sector largely agreed upon by the international community to regulate business conduct.**

The HCBM Principles are serving several purposes, for example:

- Provide a common ethical and practical framework to guide individual and collective efforts in the HCE concerning its activities and impacts in the areas of human rights and labor rights, in accordance with the common human rights and labor rights laws and norms;
- Ensure that governance and systems are set up to guide, monitor, manage and evaluate the HCEs human rights and labor rights performance and impacts;
- Prevent actions that cause harm through due diligence and provide remedy in case harm has been done.

The HCBM Social Sustainability Principles are clustered in groups addressing specific issues, for example:

- a) respect for human rights in its many aspects including respect of human dignity, right to integrity, right to equality, right to privacy, right to freedom, right to work, right to health and non-complicity in HR abuses;
- b) adequate wages and dignified standard of living in its several aspects including wages that guarantee an adequate standard of living for the health and well-being of workers and their family, wages that guarantee the right to security in the event of unemployment, sickness, disability, widowhood, old age;
- c) just and favorable work conditions to ensure a safe and healthy work environment including providing appropriate measures to ensure that pregnant women are not obliged to perform work that will be prejudicial to the health of the mother or the child; guaranteeing maternity leave;
- d) equal treatment and equal employment opportunity including for example, no discrimination for sex, or race or skin color, disability, social origin, religion, or political opinions; equal pay for equal work;
- e) prohibition of child labor, slavery and servitude;
- f) freedom of association and right to collective bargaining including respect the exercise of the right to strike;
- g) respect of leisure and paid leave including parental leave;
- h) employee training;
- i) community impacts;
- j) customer protection, etc.

The accumulated experience in the business sector from implementation of the social principles of the UN Global Compact and the OECD Guidelines, and the Human Rights and ILO Principles and Guidelines, is building a momentum towards systemic integration of social sustainability into the business governance, operations and reporting.

The research on the HCBM principles and this paper present an effort to capture some of the current new social sustainability developments in the context of CSR and sustainable development.

This is done along with the main task of bringing clarity to and better understanding of the meaning of the HCBM social sustainability principles and providing insights about their practical implementation in companies.

In the following presentation of the HCBM SS Principles, special attention is paid to the alignment between the HCBM principles and the seven main international instruments addressing enterprises' social sustainability, identified among the main international sustainability instruments:

- [OECD Guidelines for Multinational Enterprises](#)
- [United Nations Global Compact Principles](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy](#)
- [IFC's Environmental and Social Performance Standards and the World Bank ESF](#)
- [ISO 26000 Guidance Standard on Social Responsibility](#)
- [The Global Reporting Initiative \(GRI\).](#)

The alignment of each HCBM SS Principle with each of the above international main instruments is presented in the text of the paper as part of SS Principles description and in Annex C.

HCBM Principles Respect for Human Rights²⁰

The HCBM Respect for HR Principles are rooted in with the Universal Declaration of Human Rights, the human rights treaties, declarations and conventions addressing: prevention of discrimination, rights of women, rights of the child, rights of older persons, rights of persons with disabilities, right to social welfare, right to work and to fair conditions of employment, rights to health, freedom of association and other HR issues. They summarize the essence of the Foundational and Operational Principles, particularly principles 11,12,13,17, 22 and 23, of the "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework", on the issue of human rights and transnational corporations and other business enterprises.

²⁰ **Human rights** are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. Human rights include:

- The right to life, liberty and security of person
- The right to freedom from torture and slavery
- The right to recognition and equality before the law
- The right to freedom of thought, opinion, expression, conscience and religion
- The right to freedom of peaceful assembly and association
- The right to property
- The right to decent work and education
- The right to rest and leisure
- The right to an adequate standard of living
- ..and many more (UN .Universal Declaration of Human Rights
<http://www.ohchr.org/EN/UDHR/Pages/UDHRIndex.aspx> ; UNOHCHR
<http://www.ohchr.org/EN/Issues/Pages/WhatareHumanRights.aspx>)

States have a duty and responsibility to respect, protect and fulfil human rights, while enterprises have the responsibility to respect human rights within its sphere of influence²¹. **Internationally recognized human rights are relevant for business beyond mere compliance with the law.** The scope of the enterprise's responsibility in this regard shall not depend on the local context in which it is operating. It shall be considered whether the company is causing or contributing to adverse human rights impacts through its own activities within the local context.

To respect human rights, organizations have a responsibility to exercise **due diligence** to identify, prevent and address actual or potential human rights negative impacts resulting from their activities or the activities of those with which they have relationships. Due diligence may also alert an organization to a responsibility to influence the behavior of others, where they may be the cause of human rights violations in which the organization may be implicated. Specific to human rights, a due diligence process should, in a manner that is appropriate to the organization's size and circumstances, include the following components:

- a human rights policy for the organization that gives meaningful guidance to those within the organization and those closely linked to the organization;
- means of assessing how existing and proposed activities may affect human rights;
- means of integrating the human rights policy throughout the organization;
- means of tracking performance over time, to be able to make necessary adjustments in priorities and approach; and
- actions to address the negative impacts of its decisions and activities.

The enterprise shall address the two elements of **complicity**²²: (1) An act or omission (failure to act) by an enterprise that helps, facilitates, legitimizes, assists, or encourages another entity to carry out human rights abuses; (2) Knowledge on the part of the enterprise about its act or failure to act would facilitate

²¹ According to ISO 26000, the organization's sphere of influence includes relationships within and beyond an organization's value chain. However, not all of an organization's value chain necessarily falls within its sphere of influence. It can include the formal and informal associations in which it participates, as well as peer organizations or competitors. An organization is responsible for the impacts of decisions and activities over which it has formal and/or de facto control. (de facto control refers to situations where one organization has the ability to dictate the decisions and activities of another party, even where it does not have the legal or formal authority to do so). Such impacts can be extensive. In addition to being responsible for its own decisions and activities, an organization may, in some situations, have the ability to affect the behavior of organizations/parties with which it has relationships. Such situations are considered to fall within an organization's sphere of influence.

²² **Complicity** is associated with the concept of aiding and abetting an illegal act or omission. While their boundaries are imprecise and evolving, three forms of complicity can be described.

- Direct complicity - occurs when an organization knowingly assists in a violation of human rights.
- Beneficial complicity - involves an organization or subsidiaries benefiting directly from human rights abuses committed by someone else. Examples include an organization tolerating action by security forces to suppress a peaceful protest against its decisions and activities or use of repressive measures while guarding its facilities, or an organization benefiting economically from suppliers' abuse of fundamental rights at work.
- Silent complicity - can involve the failure by an organization to raise with the appropriate authorities the question of systematic or continuous human rights violations, such as not speaking out against systematic discrimination in employment law against particular groups. (adapted from ILO; ISO 2600; UDHR; GRI; etc.)

such abuses of human rights. An enterprise can become aware of, prevent and address risks of complicity by integrating the common features of legal and societal benchmarks into its due diligence processes.

Example of an act of complicity by a company (2): complaint has been filed in a US court against a company for allegedly hiring or otherwise directing paramilitary security forces that used extreme violence and murdered, tortured, unlawfully detained or otherwise silenced trade union leaders of the union representing workers at the company’s facilities in a third country

Knowledge about an act of complicity by another entity (1): An oil company is being sued in the USA for alleged complicity in serious abuses committed by foreign government forces in the building of a natural gas pipeline. The list of alleged abuses include rape and forced labour.

In order to resolve grievances and disputes over human rights impacts of its decisions and activities, the enterprise should establish a **grievance mechanism** for those who believe their human rights have been abused to bring this to the attention of the organization and seek redress. To discharge its responsibility to respect human rights, the organization should also establish, or otherwise ensure the availability of, **remedy mechanisms** for its own use and that of its stakeholders.

The opportunities to support human rights will often be greatest among the enterprise’s own operations and employees. Additionally, the enterprise will have opportunities to work with its suppliers, peers or other organizations and the broader society. In some cases, the enterprise may wish to increase their influence through collaboration with other organizations and individuals. Assessment of the opportunities for action and for greater influence will depend on the particular circumstances, some specific to the organization and some specific to the context in which it is operating. (ISO 26000.2011; UN GP Reporting Framework.2015)

The HCBM considers the latest guidelines and practical approaches for addressing HR by companies. The expectation on HCEs is to respect human rights and if their products or services are linked to human rights abuses, they have a responsibility to take reasonable steps to try to change that situation.

The two HCBM principles, addressing the fundamental overarching HR responsibilities of HCEs are presented in the HCBM Group Respect for Human Rights

Table 1

| HCBM Social Sustainability Principles Group SS-1 : RESPECT FOR HUMAN RIGHTS (A) | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|---|---|------|------|------|-----|-----|----------|-----|
| SS-1.1. Essential IR | SS-1.1. Enterprises shall respect human rights, particularly, the right to human dignity, the right to integrity, the right to equality, the right to privacy, the right to freedom, the right to work, the right to health | X | X | X | X | X | X | X |
| SS-1.2. Essential IR | SS-1.2. Enterprises shall make sure that they are not complicit in human rights abuses, whether in issues involving internal stakeholders (such as employees) or external stakeholders (such as suppliers) | X | X | X | X | X | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; X=addressed indirectly

Proposed HCBM HR principles:

SS-1.1. Enterprises shall respect human rights, particularly, the right to human dignity, the right to integrity, the right to equality, the right to privacy, the right to freedom, the right to work, the right to health – Essential Principle of Immediate Realization

SS-1.2. Enterprises shall make sure that they are not complicit in human rights abuses, whether in issues involving internal stakeholders (such as employees) or external stakeholders (such as suppliers) – Essential Principle of Immediate Realization

Both SS.1.1. and SS.1.2. are policy-shaping principles that represent general fundamental expectations and are widely used by companies worldwide. Both are proposed as Principles for Immediate Realization.

“The benefits and opportunities for companies that are recognized as respecting human rights include: ✓ Improved risk management with less chance of business disruptions, public campaigns and criticism, litigation, reputational harm, and harm to employee retention and recruitment; ✓ Greater access to business opportunities with governments, financiers and business customers and buyers, who increasingly recognize the reduced risk to themselves when working with a company that effectively manages risks to human rights; ✓ Positive recognition, including from socially responsible investors and civil society organizations, of the company’s improving human rights performance and its efforts to address challenges; ✓ Improved relationships with workers, communities and other stakeholders in societies, resulting in greater trust and a stronger social licence to operate; ✓ Improved ability to preserve their reputation when negative impacts occur, given better public understanding of their overall efforts to avoid such incidents; ✓ Improved ability to recruit the next generation of young leaders, who are increasingly focused on companies’ performance in this area; ✓ A comparative advantage with a growing number of stock exchanges and public and private financial institutions scrutinizing companies’ non-financial performance, including with regard to human rights. (the text is from [UN Guiding Principles Reporting Framework with Implementation Guidance](#), 2015)

HCBM Principles Adequate Wages and Dignified Family Living

The significant role of employment in human development is universally accepted. The creation of jobs, as well as wages and other compensation paid for work performed, are among an organization's most important economic and social contributions. Meaningful and productive work is an essential element in human development; standards of living are improved through full and secure employment. Its absence is a primary cause of social problems. (ILO.2008. Social Justice Declaration)

The majority of human rights of workers are addressed by the **International Labour Organization (ILO)**. The ILO Declaration on Fundamental Principles and Rights at Work commits all its member States to four categories of principles and rights: freedom of association and the right to collective bargaining; the elimination of compulsory labour; the abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These are covered by the eight core conventions of the ILO.

The preamble to the [Constitution of the International Labor Organization](#) identifies the provision of an **adequate living wage as one of the conditions for universal and lasting peace based on social justice**.

The [Universal Declaration of Human Rights](#) recognizes the **right to just remuneration that ensures an**

existence worthy of human dignity as a fundamental human right²³ and in Article 25 clarifies: “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.”

As there is no universally accepted amount that defines adequate wage, the enterprise should provide wages and other forms of remuneration at minimum in accordance with national laws, regulations or collective agreements. An enterprise should pay wages at least adequate for the needs of workers and their families. In doing so, it should consider the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups. It should also consider economic factors, including requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment. In determining wages and working

Measures shall be taken by the enterprises to ensure that part-time workers receive the same protection as that accorded to comparable full-time workers with respect to: (a) the right to organize, the right to bargain collectively and the right to act as workers' representatives; (b) occupational safety and health; and (c) discrimination in employment and occupation. Part-time workers should not, solely because they work part time, receive a basic wage which, calculated proportionately on an hourly, performance-related, or piece-rate basis, is lower than the basic wage of comparable full-time workers (ILO C.175 Part-Time Work Convention).

conditions that reflect these considerations, an enterprise should bargain collectively with its workers or their representatives in trade unions, where they so wish, in accordance with national systems for collective bargaining. (adapted from ILO; ISO 2600; UDHR; etc.)

Relevant to this principle is the broader area of **work conditions**, which in addition to wages, includes other forms of compensation, working time, rest periods, holidays, disciplinary and dismissal practices, maternity protection, access to medical services. Conditions of work greatly affect the quality of life of workers and their families and economic and social development. In this respect, it is recommended that enterprises give fair and appropriate consideration to the quality of conditions of work, provide decent conditions of work with regard to wages, hours of work, weekly rest, holidays, health and safety, maternity protection and ability to combine work with family responsibilities. Provide conditions of work for all workers that permit, to the greatest extent possible, work-life balance and are comparable with those offered by similar employers in the locality concerned. Wherever possible, the enterprise should allow observance of national or religious traditions and customs.

Proposed HCBM Adequate Wages and Dignified Family Living Principles:

Principle SS-2.1. Business shall provide wages that guarantee an adequate standard of living for the worker and his/her family (remuneration that ensures dignified life for the worker and the family including health, food, education, housing etc.) is an Essential Principle of Progressive Realization – it has a specific narrow scope, and it lacks consensus on definitions and how to be achieved; there is dependency from many factors and conditions impacting the ability of the enterprise to meet the expectations under this principle; its implementation requires significant investments and need to establish specific corporate culture.

²³ Article 23 states: “Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.” (ILO. http://www.claiminghumanrights.org/udhr_article_23.html)

Based on our research on trends and issues of importance for companies to consider in regard with wages, we propose a second principle to be included in the HCBM Matrix: **SS-2.2. Contribution to quality of life in the employee's families**. It is proposed as an **Optional Principle** as this is a new fast evolving area where metrics are still in testing phase, implementation takes time and resources and companies are encouraged to experiment depending on their capacity and level of preparedness and to share good practices.

Table 2

| HCBM Social Sustainability Principles Group SS-2 : ADEQUATE WAGES AND DIGNIFIED FAMILY LIVING (B) | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|--|---|------|------|------|-----|-----|----------|-----|
| SS-2.1. Essential PR | SS-2.1. Business shall provide wages that guarantee an adequate standard of living for the worker and his/her family (remuneration that ensures dignified life for the worker and the family including health, food, education, housing etc.) | X | X | X | X | X | X | X |
| SSP-2.2. Optional | SS-2.2. Contribution to quality of life in the employee's families | X | | X | X | | X | |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; =addressed indirectly

HCBM Principles Healthy and Safe Work Environment

Health and safety at work concerns the promotion and maintenance of physical, mental and social well-being of workers through: prevention of harm to health caused by working conditions, protection of workers from risks to health and the adaptation of the occupational environment to the physiological and psychological needs of workers.

Accidental and chronic pollution and other workplace hazards that are harmful for workers and have impacts on communities and the environment. Health and safety concerns arise over dangerous equipment, processes, practices and substances (chemical, physical and biological). For example, "Use of chemicals at work" is defined as any work activity which may expose a worker to a chemical, including production, handling storage, and transport of chemicals. Also includes the disposal and treatment of waste chemicals and the maintenance of equipment and containers for chemicals. There must be systems and specific criteria for the classification of all chemicals according to the type and degree of their intrinsic health and physical hazards.

Healthy workplace -According to the definition by WHO (WHO. 2010. WHO Healthy Workplace Framework and Model: Background and Supporting Literature and Practices by Joan Burton. http://www.who.int/occupational_health/healthy_workplace_framework.pdf), healthy workplace is one in which workers and managers collaborate to use a continual improvement process to protect and promote the health, safety and well-being of all workers and the sustainability of the workplace by considering the following, based on identified needs:

- health and safety concerns in the physical work environment;
- health, safety and well-being concerns in the psychosocial work environment including organization of work and workplace culture;
- personal health resources in the workplace; and • ways of participating in the community to improve the health of workers, their families and other members of the community.

Enterprises are expected to address the occupational health and safety issues through setting up policies, monitoring and risk analysis systems, provision of necessary safety equipment, continuing training of their employee, H&S audits and certifications, etc. For example, in the mining sector, employers must take all measures to minimize the risks to safety and health in mines under their control, and (a) ensure that the mine is designed, constructed and provided with electrical, mechanical and other equipment, including a communication system, to provide conditions for safe operation and a healthy working environment; (b) take steps to maintain the stability of the ground in areas to which persons have access in the context of their work; and (c) regularly inspect the working environment to identify the various hazards to which the workers may be exposed. In ports, bodies employing port workers should ensure that all port workers are properly instructed in the hazards of their occupations and the precautions that are necessary to avoid accidents. They have a duty to provide the workers with any personal protective

According to ISO 26000 the enterprises should take the following actions concerning occupational health and safety:

- develop, implement and maintain an occupational health and safety policy based on the principle that strong safety and health standards and organizational performance are mutually supportive and reinforcing;
- understand and apply principles of health and safety management, including the hierarchy of controls: elimination, substitution, engineering controls, administrative controls, work procedures and personal protective equipment;
- analyze and control the health and safety risks involved in its activities;
- communicate the requirement that workers should follow all safe practices at all times and ensure that workers follow the proper procedures;
- provide the safety equipment needed, including personal protective equipment, for the prevention of occupational injuries, diseases and accidents, as well as for dealing with emergencies;
- record and investigate all health and safety incidents and problems in order to minimize or eliminate them;
- address the specific ways in which occupational safety and health (OSH) risks differently affect women (such as those who are pregnant, have recently given birth or are breastfeeding) and men, or workers in particular circumstances such as people with disabilities, inexperienced or younger workers;
- provide equal health and safety protection for part-time and temporary workers, as well as subcontracted workers;
- strive to eliminate psychosocial hazards in the workplace, which contribute or lead to stress and illness;
- provide adequate training to all personnel on all relevant matters;
- respect the principle that workplace health and safety measures should not involve monetary expenditures by workers; and
- base its health, safety and environment systems on the participation of the workers concerned and recognize and respect the rights of workers”

equipment and protective clothing and any life-saving appliances. Port workers must also be informed of legal requirements relating to their protection.

Workers shall have the right and the duty at any workplace to participate in ensuring safe working conditions to the extent of their control over the equipment and methods of work and to express views on the working procedures adopted as they may affect safety and health.

Favorable working conditions²⁴ are aspects of the work environment that can contribute to maintaining and enhancing employees’ health, while ensuring that productivity is sustained and improved. For example, research by National Research Centre for the Working Environment (Det Nationale Forskningscenter for Arbejdsmiljø), in Denmark shows that favorable working conditions are created by positive work factors including for example the work environment, leadership style, teamwork, motivation, personal resources and job satisfaction, and how they influence employees’ health and productivity²⁵.

²⁵ The study has identified the following most important work environment factors which lead to better health among employees and, consequently, to better labour productivity and company results:

Proposed Healthy and Safe Work Environment Principles:

Principle SS-3-1. Respect/comply with labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment is proposed for Essential Immediate Realization because it is fundamental, policy-shaping principle;

Principle SS-3-2. Right to a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment. Essential Progressive Realization (with incentives to be applied immediately) – this is a principle of utmost importance but might require time and investment to set up the systems ensuring full implementation;

Principle SS-3.3. Favorable and healthy conditions of work is proposed for Essential Progressive Realization (with incentives to be implemented immediately) – the subject of favorable working conditions is still an evolving field, metrics and systems are in process of testing and companies are encouraged to create a culture supported by policies and systems that create, support and maintain favorable working environment.

Table 3

| HCBM Social Sustainability Principles Group SS-3 : HEALTHY AND SAFE WORK ENVIRONMENT (C) | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|---|---|------|------|------|-----|-----|----------|-----|
| SS-3.1. Essential IR | SS-3.1. Respect/comply with labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | X | X | X | X | X | X | X |
| SS-3.2. Essential PI | SS-3.2. Right to a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | X | X | X | X | X | X | X |
| SS-3.3. Essential PI | SS-3.3. Favorable and healthy conditions of work | X | X | X | X | | | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional =Optional Realization; =addressed indirectly

- maintaining a high degree of influence in the work performed;
- having an active job – this means having a combination of high demands and a large degree of influence, reward and recognition for the work performed;
- receiving adequate social support from colleagues and executives;
- good resources such as influence, social support and acknowledgement in their work – this leads to increased motivation and commitment among employees, in turn resulting in better health, well-being and results for the organisation;
- team spirit and trust in the competencies of the team – especially when there is a high degree of mutual dependence in performing tasks or carrying out projects within the team;
- fairness, trust and employees’ perception of support in the workplace – these can contribute to better health and improved job performance;
- leadership style – in particular, transformational leadership, where the manager expresses a common vision for the future, this stimulates employees intellectually, presents a role model for employees, and has a positive impact on their well-being and work results;
- personal resources such as self-confidence and self-respect – these factors correlate positively with health and well-being. However, the study shows that high self-confidence can sometimes be unhealthy if the employee has a low degree of influence, as the person will continue trying to obtain something which is not possible. (National Research Centre for the Working Environment. 2007)

HCBM Principles Equal Treatment and Equal Employment Opportunities

In general terms, **equality at work** means equal opportunities for all individuals to apply and develop fully the knowledge, skills and competencies that are relevant to the employment activities they wish to pursue.

Discrimination in respect of employment and occupation is any distinction, exclusion or preference made based on race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. The terms "employment" and "occupation" include access to vocational training, access to employment and to particular occupations, and terms and conditions of employment. (ILO. Discrimination (Employment and Occupation) Convention, 1958 (No. 111) The **elimination of discrimination regarding employment and occupation** is one of the fundamental rights at work defined by The International Labor Organization (ILO) (ILO. 1998. Declaration on Fundamental Principles and Rights at Work)

Enterprise should confirm that its employment policies are free from discrimination based on race, color, gender, religion, national extraction, social origin, political opinion, age, or disability. Emerging prohibited grounds also include marital or family status, personal relationships, and health status such as HIV/AIDS status. These conditions are in line with the general principle that hiring policies and practices, earnings, employment conditions, access to training and promotion, and termination of employment should be based only on the requirements of the job. For peasants and owners of small or family enterprises, especially the women and ethnic groups, equal access to land (including by inheritance), training, technology and capital is key. (adapted from ILO; ISO 2600; UDHR; CEDAW; etc.)

The following are adapted from the ISO 26000 examples of vulnerable groups:

- Women and girls are frequently denied access to resources and opportunities on equal terms with men and boys. Women have the right to enjoy all human rights without discrimination, including in education, employment and economic and social activities.
- People with disabilities are often discriminated, in part because of misperceptions about their skills and abilities. An organization should contribute to ensuring that men and women with disabilities are accorded dignity, autonomy and full participation in society.
- Indigenous peoples can be considered a vulnerable group because they have experienced systemic discrimination that has included colonization, dispossession from their lands, separate status from other citizens, and violations of their human rights. Indigenous peoples enjoy collective rights, and individuals belonging to indigenous peoples share universal human rights, in particular the right to equal treatment and opportunity. The collective rights include: self-determination (which means the right to determine their identity, their political status and the way they want to develop); access to and management of traditional land, water and resources; maintaining and enjoying their customs, culture, language and traditional knowledge free from discrimination; and managing their cultural and intellectual property. An organization should recognize and respect the rights of indigenous peoples when carrying out its decisions and activities.
- Migrants, migrant workers and their families may also be vulnerable owing to their foreign or regional origin, particularly if they are irregular or undocumented migrants.
- People discriminated against on the basis of descent, including caste. This form of discrimination is based on a history of rights abuse justified by the wrongful notion that some people are considered unclean or less worthy because of the group into which they are born.
- People discriminated against on the basis of race. People are discriminated against because of their race, cultural identity and ethnic origin. Racism is often present in regions with a history of slavery or oppression of one racial group by another.
- Other vulnerable groups include, for example, the elderly, the displaced, the poor, illiterate people, people living with HIV/AIDS and minority and religious groups.

Enterprises should equalize opportunities for persons with disabilities and should eliminate discrimination on the basis of disability. Dismissal on the grounds of maternity is prohibited. Maternity leave should be guaranteed. (Convention on the Elimination of all forms of Discrimination against women (CEDAW), art.11; Convention on the Rights of Persons with Disabilities Art.4)

Gender equality - The word [gender](#) describes the socially-constructed roles and responsibilities that societies consider appropriate for men and women. [Gender equality](#) means that men and women have equal power and equal opportunities for financial independence, education, and personal development. In the business context, enterprises should ensure: women are allowed access to job opportunities and resources, elimination of sexual harassment at the workplace, building gender-balanced leadership teams, **protecting the rights of pregnant women²⁶, ensure equal pay for equal work**, promotion of women empowerment and building women' leadership competencies, etc.

Equal pay for equal work is a concept of labor rights, meaning that individuals in the same workplace should receive equal pay. As most commonly the concept is used in the context of gender discrimination and gender pay gap, recently it has become a hot topic in the global debate about gender equality. However, equal pay for equal work goes beyond just gender and addresses the unequal treatment of people based on sexuality, height, weight, accent, or race in the workplace. In many countries, governments have taken action to legally protect people from gender discrimination in the workplace and in the wider society²⁷. In the absence of legislation, companies are expected to take into account the Universal Declaration for Human Rights, the ILO Conventions (**ILO.1951. Equal Remuneration Convention No100**), and other conventions and agreements, such as for example the [African Charter on Human and People's Rights](#). For more on Equal Employment Opportunities Principles see **Annex D**.

Proposed Equal Treatment and Equal Employment Opportunities Principles are presented below and in table 4:

SS-4.1. Elimination of discrimination in respect of employment and occupation. Essential, Immediate Realization – general and fundamental policy-shaping, defines the company's culture and values, a policy base that provides a foundation for more specific actions;

SS-4.2. Equal pay for equal work/work for equal value. Essential, Progressive Realization (with incentives to be applied immediately) - specific focus, many factors impact ability to implement this principle, require the company's culture and governance to step up first;

SS-4.3. Enterprises shall promote equal opportunities between men and women: Positive Action. Essential, Immediate Realization – specific focus but one of the top priorities on the business agenda today, gives competitive advantage;

²⁶ The aim of maternity protection is to protect the health of mothers and their babies, and to minimize (and ultimately eradicate) the difficulties and disadvantages that working women face as a result of giving birth. According to the ILO Maternity Protection Convention, 2000 (No. 183) and the accompanying Maternity Protection Recommendation, 2000 (No. 191), the ILO Workers with Family Responsibilities Convention, 1981 (No.156) and the related Recommendation No. 165, maternity protection includes: maternity leave around childbirth; health protection at work for pregnant and breastfeeding women; cash and medical benefits; employment protection and non-discrimination; and breastfeeding support after returning to work. It also includes a number of work-family balance policies and practices at the workplace, including a range of flexible working arrangements; paternity and parental leave; and childcare support.

²⁷ In the USA, the [Equal Pay Act of 1963](#) states that it is illegal to pay men and women working in the same place different salaries for similar work. The right for equal pay for equal work/work for equal value is protected legally in the EU ([Equal Treatment Directive 2006/54/EC](#)), in the UK ([Equality Act 2010](#)), in Iceland, Canada, Australia and Taiwan.

SS-4.4. Equal Opportunities. Business shall contribute to promote equal opportunities for persons with disabilities. Essential, Progressive Realization – specific focus, many factors impact ability to implement this principle, requires investments;

SS-4.5. Special protection for vulnerable workers: a. minors; b. pregnant women; and c. persons with disabilities - for Essential Progressive Realization.

Table 4

| HCBM Social Sustainability Principles Group SS-4 : EQUAL TREATMENT AND EQUAL EMPLOYMENT | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|--|---|------|------|------|-----|-----|----------|-----|
| SS-4.1. Essential IR | SS-4.1. Elimination of discrimination in respect of employment and occupation. | X | X | X | X | X | X | X |
| SS-4.2. Essential PR | SS-4.2. Equal pay for equal work/work for equal value. | X | X | X | | | X | |
| SS-4.3. Essential IR | SS-4.3. Enterprises shall promote equal Opportunities between men and women: Positive Action | X | X | X | | X | X | X |
| SS-4.4. Essential PR | SS-4.4. Equal Opportunities. Business shall contribute to promote equal opportunities for persons with disabilities | X | X | X | | | X | X |
| SS-4.5. Essential PR | SS-4.5. Special protection for vulnerable workers: minors, pregnant women, persons with disabilities | X | X | X | | | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; -addressed indirectly

HCBM Principle Prohibition on Child Labor, Slavery and Servitude

ILO defines “child labour” as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

A **slave** is a person owned by someone and **slavery** is the state of being under the control of someone where a person is forced to work for another (UN; ILO). According to the EU Charter of Fundamental Human Rights **Servitude** is 'human exploitation falling short of slavery'

According to the ILO forced labor refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities. **Forced labor²⁸, contemporary forms of slavery²⁹, debt bondage and human trafficking³⁰** are closely related terms though not identical in a

²⁸ **Forced or compulsory labor** is all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. (ILO Forced Labour Convention, 1930 (No. 29))

²⁹ A **slave** is considered as a property of another as the one controlling them purchases them or owns them from their birth. (**Slavery Law and Legal Definition | USLegal, Inc.** <https://definitions.uslegal.com/s/slavery/>)

³⁰ **Human trafficking** is the recruitment, transportation, transfer, harboring, or receipt of persons by improper means (such as force, abduction, fraud, or coercion) for an improper purpose including forced labor or sexual exploitation. (UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, summary Web page at <http://www.unodc.org/unodc/en/treaties/CTOC/index.html>)

legal sense. Most situations of slavery or human trafficking are however covered by ILO's definition of forced labor. (ILO. http://www.ilo.org/global/topics/forced-labour/news/WCMS_237569/lang--en/index.htm)

An organization should not engage in or benefit from any use of forced or compulsory labor. No work or service should be exacted from any person under the threat of any penalty or when the work is not conducted voluntarily. An organization should not engage or benefit from prison labor, unless the prisoners have been convicted in a court of law and their labor is under the supervision and control of a public authority. Further, prison labor should not be used by private organizations unless performed on a voluntary basis, as evidenced by, among other things, fair and decent conditions of employment. Other common forms of forced labor include human trafficking for the purpose of forced labor, coercion in employment, forced labor linked to exploitative labor contract systems, and debt-induced forced labor, also known as 'debt-bondage' or 'bonded labor'. The victims are most likely from groups subject to discrimination or performing work on an informal or precarious basis. This can include women and girls forced into prostitution, migrants trapped in debt bondage, and sweatshop or farm workers, among other groups. Due diligence is expected of an organization in order to prevent and combat all forms of forced or compulsory labor within its activities. (adapted from ILO; ISO 2600; UDHR; CEDAW; GRI; etc.)

An enterprise has duty to take immediate measures to secure elimination of the worst forms of child labor. 'Worst forms of child labor comprises: (1) all forms of involuntary servitude, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict; and (2) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

The Proposed HCBM Prohibition on Child Labor, Slavery and Servitude Principles are listed in Table 5 and below:

SS-5.1. Prohibition of any form of child labor, including recruitment and use of child soldiers. Essential Principle of Immediate Realisation – fundamental, policy shaping, global acceptance.

SS-5.2. Prohibition of forced labor, slavery and human trafficking. Essential Principle of Immediate Realization – fundamental, policy shaping, global acceptance.

Table 5

| HCBM Social Sustainability Principles Aspect SS-5 : PROHIBITION ON CHILD LABOR, SLAVERY AND | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|--|--|------|------|------|-----|-----|----------|-----|
| SS-5.1. Essential IR | SS-5.1. Prohibition of any form of child labor, including recruitment and use of child soldiers. | X | X | X | X | X | X | X |
| SS-5.2. Essential IR | SS-5.2. Prohibition of forced labor, slavery and human trafficking | X | X | X | X | X | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; =addressed indirectly

The HCBM takes into account the latest guidelines and practical approaches for addressing fundamental principles and rights at work by companies. The expectation on HCEs is to respect human and labor rights and if their products or services are linked to child labor or/and forced labor rights abuses, they have a responsibility to take reasonable steps to try to change that situation, such as work with supplier for a change of their practices or change supplier.

HCBM Principles Collective Rights

The ILO has identified the fundamental rights at work, including the freedom of association and effective recognition of the right to collective bargaining, in the Declaration on Fundamental Principles and Rights at Work and a number of conventions.

(ILO. [Declaration on Fundamental Principles and Rights at Work](#), 1998; ILO. C087 - [Freedom of Association and Protection of the Right to Organise Convention](#), 1948 (No. 87) *Convention concerning Freedom of Association and Protection of the Right to Organise (Entry into force: 04 Jul 1950)*; ILO. [C98 Right to Organise and Collective Bargaining Convention](#), 1949; ILO. [C135 - Workers' Representatives Convention](#), 1971 (No. 135))

Strike action, also called labor strike, labour strike, or simply strike, is a work stoppage caused by the mass refusal of employees to work. A strike usually takes place in response to employee grievances. The right to strike is not set out explicitly in ILO Conventions and Recommendations³¹ (it is mentioned in Convention No. 87 and No. 98 without specific provisions), but it is addressed in the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR). It has been challenged by the International Organization of Employers since the late 1980s. However, the government representatives of the European Union, Latin America, the Caribbean and Nordic countries have embedded their support of the right to strike at the ILO with other existing international human rights treaty obligations.

Workers and employers, without distinction whatsoever, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. Representative organizations formed or joined by workers should be recognized for purposes of collective bargaining. Terms and conditions of employment may be fixed by voluntary collective negotiation where workers so choose. Workers' representatives should be given appropriate facilities that will enable them to do their work effectively and allow them to perform their role without interference. Collective agreements should include provisions for the settlement of disputes. Workers' representatives should be provided with information required for meaningful negotiations (ILO). The International Covenant on Economic, Social and Cultural Rights, art.8.c recognizes the right to strike, provided that it is exercised in conformity with the laws of the particular country.

Proposed HCBM principles Collective Rights are presented in Table 6 and in the text below:

SS-6.1. Freedom of association and Right to Collective Bargaining. Essential Progressive Realization (with incentives to be applied immediately) - fundamental policy-shaping, defines the company's culture and values, but the ability of a company to follow on this principle is influenced by many factors –competition in terms of cost of labor, also legal, cultural and other factors;

³¹ However, two resolutions of the International Labour Conference itself — which provide guidelines for ILO policy — in one way or another emphasized recognition of the right to strike in member States. The “Resolution concerning the Abolition of Anti-Trade Union Legislation in the States Members of the International Labour Organisation”, adopted in 1957, called for the adoption of “laws ... ensuring the effective and unrestricted exercise of trade union rights, including the right to strike, by the workers ” (ILO, 1957, p. 783). Similarly, the “Resolution concerning Trade Union Rights and Their Relation to Civil Liberties”, adopted in 1970, invited the Governing Body to instruct the Director-General to take action in a number of ways “with a view to considering further action to ensure full and universal respect for trade union rights in their broadest sense”, with particular attention to be paid, inter alia, to the “right to strike ” (ILO, 1970, pp. 735-736).

SS-6.2. Enterprises shall respect the exercise of the right to strike – Essential Progressive Realization (for Immediate Realization if required by the national law) – the ability of a company to follow on this principle is influenced by many factors –sector and size, also legal, cultural and other factors.

Table 6

| Social Sustainability Principles Group SS-6 : COLLECTIVE RIGHTS (F) | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|--|---|------|------|------|-----|-----|----------|-----|
| SS 6.1. Essential PR | SS-6.1. Freedom of association and Right to Collective Bargaining | X | X | X | X | X | X | X |
| SS-6.2. Essential PR | SS-6.2. Enterprises shall respect the exercise of the right to strike | X | X | | X | | | |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; =addressed indirectly

HCBM Principles Leisure and Paid Leave

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay. The **right “to rest and leisure”**, including reasonable limitation of working hours and periodic holidays with pay” is enshrined in the Universal Declaration of Human Rights (Art.24). Many of these aspects are addressed by national laws and regulations or by legally binding agreements between those to whom work is performed (employer/contractor) and those who perform the work (employee/home workers, etc.). The situation with contracted labor, particularly live-in domestic workers, is critical as they are expected to be available 27/7³².

An important first step for companies in this aspect is respect for the right of workers to adhere to normal or agreed working hours established in laws, regulations or collective agreements. The companies are expected also to:

- respect the family responsibilities of workers by providing parental leave and, when possible, childcare and other facilities that can help workers achieve a proper work-life balance; and
- compensate workers for overtime in accordance with laws, regulations or collective agreements³³.

Based on regulations or collective agreements, enterprises should provide all workers, at a minimum, with rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays. (ICESCR, Art. 7)

³² The ILO research shows that amongst domestic workers worldwide, more than half have no legal right to weekly limits on working hours, their working hours are often less predictable than those of other workers, they are expected to work long hours, more than 60 hours per week in certain countries. Domestic workers are also often excluded from legislation regulating the right to rest and less than half of domestic workers in the world are legally entitled to weekly rest and annual leave. Not even an uninterrupted nightly rest is guaranteed for live-in domestic workers, especially those with care responsibilities for children, elders, sick or disabled family members, whose sleep is often interrupted to provide unscheduled care in addition to their daily tasks.

³³ According to the ILO, when requesting workers to work overtime, an organization should take into account the interests, safety and well-being of the workers concerned and any hazard inherent in the work. An organization should comply with laws and regulations prohibiting mandatory and non-compensated overtime, and always respect the basic human rights of workers concerning forced labor

The proposed HCBM Leisure and Paid Leave Principle is presented below and in table 7:

SS-7.1. Enterprises shall respect leisure and paid leave including maternal leave for mothers. Essential, Progressive Realization (when there are no requirements by the law) – being of critical importance for the health and wellbeing of the workers and their families, this principle should be supported and implemented with careful evaluation of specific conditions on national level and existing good practices.

Table 7

| Social Sustainability Principles Aspect SS-7 : LEISURE AND PAID LEAVE (L) | | OECD Guidelin | UNGC | UN GP | ILO Principles | IFC Standards* | ISO26000 | GRI |
|---|--|---------------|------|-------|----------------|----------------|----------|-----|
| SS-7.1. Essential PR | SSP-7.1. Enterprises shall respect leisure and paid leave including maternal leave for mothers | X | X | X | | | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; =addressed indirectly

The listed above seven groups of HCBM Social Sustainability Principles are presented in the HCBM Matrix (2017). Based on our research on the existing globally used guidelines, tools and good practices and based on existing reports and our own analysis of the stakeholder expectations and companies’ experience in measuring different aspects of social sustainability, we propose adjustments in the current Matrix by adding 3 groups of SS Principles: SSP-8 Employee Training, SSP-9 Communities and SSP-10 Customers.

HCBM Principles Employee Training, Lifelong Learning and Skills Development

The human development and training in the workplace include an organization’s approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination. (ISO 26000)

According to ISO 26000, **employability** refers to the experiences, competencies and qualifications that increase an individual's capacity to secure and retain decent work.

Organizations can use workplace policy and initiatives to further human development by addressing important social concerns, such as fighting discrimination, promoting health and wellbeing and improving the diversity of their workforces. They can also use workplace policy and initiatives to increase the capacity and employability of individuals.

There are growing expectations for both governments and companies to address the challenges of job security and employability of in regard with the fast spreading robotization and dramatic transition to a future of work with less jobs and more people. The companies should prepare to meet the expectations and challenges resulting from fast moving trends, such as: talent deficit in specific sectors and disappearance of jobs in other sectors; job satisfaction and happiness at the workplace impacts on talent retention and employee loyalty; expanded role of job training and work-based learning; need for radical changes in the educational system and learning methods; expansion of job mobility; etc. Some of the actions a company can take and have an impact include for example:

- Participate in and expand work-based learning activities to promote successful transitions from school to work and improve the quality of skills development of potential and current employees;
- Promote job retention and re-employment through retraining programs in response to structural changes;
- Foster the participation of individuals from disadvantaged groups – low-skilled, youth, migrants - in life-long learning and employability programmes by addressing barriers to participation;
- Foster a better use of existing skills by promoting innovation and the introduction of high-performance work practices;
- Support job mobility through better skills recognition and training and re-training strategies for employee facing job loss and jobseekers;
- provide all workers at all stages of their work experience with access to skills development, training and apprenticeships, and opportunities for career advancement, on an equal and non-discriminatory basis;
- ensure that, when necessary, workers being made redundant are helped to access assistance for new employment, training and counselling;
- establish joint labour-management programmes that promote health and well-being.

The Social Sustainability HCBM principles, addressing the Employee Training, Education and Lifelong Learning responsibilities of HCEs are listed below and in Table 8, and their elaboration is noted:

SS-8.1.1. Training and Education. Essential Immediate Realization – policy-shaping and operational aspects are well established and applied by companies worldwide;

SS-8.1.2. Policies and actions for improvement of employability of the human resources. Optional – this is a new area where companies are encouraged to take action.

Table 8

| Social Sustainability Principles Group SS-8 : SSP - 8: EMPLOYEE TRAINING, LIFELONG LEARNING and SKILLS DEVELOPMENT | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|--|---|------|------|------|-----|-----|----------|-----|
| SS 8.1. Essential IR | SS-8.1. The enterprise should provide training to its employees to improve their skills, should encourage lifelong learning and assist career retraining resulting from termination of employment or retirement | X | | X | X | X | X | X |
| SS-8.2. Essential PR | SSP-8.1.2. The enterprise should take action to improve the employability of its human resources | X | | | X | X | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; =addressed indirectly

HCBM Principles Positive Community Impact

Community is the residential or other social settlements located in a geographic area that is in physical proximity to an organization's sites or within an organization's areas of impact. The area and the community members affected by an organization's impacts will depend upon the context and especially upon the size and nature of those impacts.

Community involvement and community development are both integral parts of sustainable development. Community involvement goes beyond identifying and engaging stakeholders regarding the impacts of an organization's activities. An organization's community involvement should arise out of recognition that the organization is a stakeholder in the community, sharing common interests with the

community and should include support for and building a relationship with the community. An organization's contribution to community development can help to promote higher levels of wellbeing in the community.

Issues of community development to which an organization can contribute include creating employment through expanding and diversifying economic activities and technological development. It can also contribute through social investments in wealth and income creation through local economic development initiatives; expanding education and skills development programmes; promoting and preserving culture and arts; and providing and/or promoting community health services. Community development may include institutional strengthening of the community, its groups and collective forums, cultural, social and environmental programmes and local networks involving multiple institutions. While the involvement of a company in community development might include philanthropic activities, philanthropic activities alone are only a small fraction of company's engagement with the community and they do not achieve the objective of integrating social responsibility towards the communities into the organization. (ISO 26000)

The HCBM Communities Principles, addressing the community responsibilities of HCEs are listed below and presented in Table 9 where their elaboration is noted:

SS-9.1. The company should aim for positive community impact from its operations.

SS-9.2. Impact on quality of life in the community.

Table 9

| Social Sustainability Principles Aspect SS-9 : POSITIVE COMMUNITY IMPACT | | OECD Guidelin | UNGC | UN Guidelin | ILO Principle | IFC Standard | ISO26000 | GRI |
|--|---|---------------|------|-------------|---------------|--------------|----------|-----|
| SS-9.1. Essential PR | SS-9.1. The company should aim for positive community impact from its operations and should avoid negative impacts on the communities | X | | X | X | X | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; X=addressed indirectly

HCBM Principles Customer Protection

Consumer and Product Responsibility are related to, among other matters, fair marketing practices, protection of health and safety, sustainable consumption, dispute resolution and redress, data and privacy protection, access to essential products and services, addressing the needs of vulnerable and disadvantaged consumers, and education. The UN Guidelines for Consumer Protection provide fundamental information on consumer issues and sustainable consumption. (United Nations. 1999. United Nations Guidelines for Consumer Protection)

Protection of consumers' health and safety involves the provision of products and services that are safe and that do not carry unacceptable risk of harm when used or consumed. The protection should cover both the intended use and foreseeable misuse. Products and services should be safe, regardless of whether legal safety requirements are in place. **Safety** includes anticipation of potential risks to avoid harm or danger. As all risks cannot be foreseen or eliminated, measures to protect safety should include mechanisms for product withdrawal and recall.

The three HCBM Consumers/Product Responsibility Principles, addressing the responsibilities of HCEs to the consumers of their products and services are presented below and listed in Table 10, where their elaboration is noted:

SS-10.1. The company must ensure protection of its customers' health and safety. Essential Immediate Realization.

SS-10.2. The company must meet the requirements for labeling and marketing. Essential Immediate Realization.

Table 10

| HCBM Social Sustainability Principles Group SS-10 : CUSTOMER PROTECTION | | OECD | UNGC | UNGP | ILO | IFC | ISO26000 | GRI |
|--|---|------|------|------|-----|-----|----------|-----|
| SS-10.1. Essential PR | SS-10.1. The company must ensure protection of its customers' health and safety | X | | X | | X | X | X |
| SS-10.2. Essential PR | SS-10.2. The company must meet the requirements for labeling and marketing | X | | | | | X | X |
| SS-10.3. Optional | SS-10.3. The company must protect its customers' privacy and data | X | | | | | X | X |

Essential IR= Essential Immediate Realization; Essential PR= Essential Progressive Realization; Optional=Optional Realization; X - addressed indirectly

Recommendation re Overarching HCBM Principles

All four categories HCBM sustainability principles should develop common approach in addressing the following key aspects, which are globally accepted and widely used by enterprises and stakeholders worldwide:

- stakeholder engagement;
- governance;
- management;
- disclosure and reporting;
- due diligence;
- compliance.

Our recommendation is these aspects to be discussed and developed as integral elements of the HCBM Principles and Indicators in the next phase of the HCBM. The next phase of the HCBM project will include pilot tests of the HCBM by the country teams working on the practical implementation of the HCBM in selected countries combined with research work by the research teams aiming at further refinement of the proposed HCBM Sustainability Principles and Indicators.

Recommendations Concerning Next Steps in the HCBM Principles Research

Recommendation re implementation of the HCBM Social Principles by SMEs

- Special attention should be drawn on raising SMEs' awareness on Human and Labor Rights and their specific support requirements as to this regard.
- Foster co-operation of businesses and their representatives in the adoption of CSR and social sustainability strategies.
- Encourage governments for development of regulation specifically tailored to the SME sector, including special incentives for adoption of HR Principles, for addressing gender, child labor and

forced labor imbalances, healthy and safe working environment, and removing gender prejudice within enterprises.

- To encourage socially responsible investment and reinforcing respective business transparency by fostering the elaboration of “triple-bottom line” annual reports among companies.

Recommendations re research continuation

Recommendations concerning the Social Sustainability Pillars:

Continue the research and analysis to define and present the alignment between the HCBM Social Sustainability Principles and the main international sustainability instruments and initiatives relevant to HCBM, for example the World Bank Group’s Human Capital Project and Human Capital Index (HCI), and relevant tools and initiatives by the OECD;

Research on the innovative HCBM Social Sustainability Principles to expand the collection of innovative good practices of companies addressing specific labour rights and community impacts in the private sector, including for example: Adequate Wages and Dignified Family Living; Equal Treatment and Equal Employment Opportunities (equal opportunities between men and women; equal opportunities for persons with disabilities; special protection for vulnerable workers); Leisure and Paid Leave; Employee Training, Lifelong Learning and Skills Development; Impact on Communities;

Analysis of collected best practices, company cases and amount of data collected from UNGC COP, GRI Reports, Integrated Reports, SRI and Investment Analyst Reports on companies, and other resources with the goal to propose corresponding initial HCBM Social Performance Targets for the Social Sustainability Principles and Indicators. The HCBM Indicators will be used by the HCEs and their stakeholders to measure performance progress towards corresponding Performance Targets.

The next stage of the HCBM research should focus on:

Alignment of the HCBM Principles with the research work done on the other five HCBM Pillars, especially with the Financial, Legal, Fiscal and Procurement Pillars.

Further prioritization and improvement of the HCBM Principles and Indicators consultations with companies, labor and government representatives and HCBM partners.

Continuing work on alignment of the HCBM Sustainability Principles and Indicators and the HCBM Pillars with the main international sustainability instruments and initiatives relevant to HCBM, for example the World Bank Group’s Social and Environmental Framework (SEF), and other relevant international tools and instruments by multilateral institutions, governments and global multistakeholder initiatives.

HCBM SOCIAL SUSTAINABILITY INDICATORS

One of the objectives of this paper is to propose Social Sustainability Performance Indicators (SS) for each of the HCBM Social Sustainability Principles (SSP), that can be used by the Human Centered Enterprises (HCEs) to measure and report on their social sustainability performance.

Driven by need for corporate transparency and credible communications, by demands for reporting on the issues of sustainability, as well as for constructive engagement of companies with their stakeholders on how to address their environmental, social, economic, ethical and governance expectations, the corporate sustainability reporting has evolved in all business sectors worldwide.

Sustainability reporting helps organizations to consider their impacts on a range of sustainability issues defined by the international reporting frameworks and through companies' stakeholder consultations. By enabling companies to measure, understand and communicate their economic, social, environmental, ethical and governance performance, and then set goals, the sustainability indicators are of critical importance to manage change more effectively. Sustainability reporting aims to provide the enterprise and its stakeholders with a holistic view of the enterprise's activities and performance. Its main goals are:

- 1) to increase internally the understanding of enterprise's environmental, social economic, governance and ethical performance and to enable proper management and improvement in the environmental, social economic, governance and ethical (sustainability) performance areas;
- 2) to communicate and build externally understanding of the quality of the enterprise's sustainability strategy, management and performance that facilitates investment decisions, and more broadly, allows governments and other stakeholders to assess an enterprise's contribution to social and economic development.

(UN Global Compact, GRI. 2016)

Sustainability performance indicators (SPI) are used to measure and manage a company's performance and to monitor and report on future progress. The HCBM has grouped the HCBM SPIs in four categories, each covering either the economic, social, environmental or ethical/integrity aspects of sustainability³⁴.

- **Economic sustainability performance indicators (ES)**: company turnover, cash flow, profit, return on investment, sales, , market share, etc.
- **Social sustainability performance indicators (SS)**: human rights, labor practices, and broader issues affecting consumers, community, and other stakeholders in society.
- **Environmental sustainability performance indicators (ESI)**: greenhouse gas emissions, water consumption, waste output, etc.
- **Integrity/Ethics performance indicators (IS)**: anticorruption, etc.

As noted in the HCBM literature review and principles research, enterprises' *social* sustainability is characterized often as the least quantifiable part of sustainability. The challenges in defining and measuring social sustainability result from the complexity of the context specific social issues, diversity of legitimate meanings, and a reluctance to engage diverse and local sources of knowledge in both academic and practical business research leading to lack of cross-disciplinary communication.

However, during the last 10+ years, growing interest in the social sustainability field and the social aspects of corporate performance resulted in some agreement on several social issues of importance for the stakeholders globally. With the release of the first Guidelines on Sustainability Reporting at the World Summit for Sustainable Development in 2001 in Johannesburg, South Africa, the Global Reporting

³⁴ A large team of consultants is charged with the task to propose indicators for the HCBM Social, Environmental and Integrity Principles. The work is done in three parallel workstreams.

Initiative (GRI) delivered for the first time a global multi-stakeholder agreement and acceptance by governments, the UN and all major stakeholder groups, on social sustainability indicators with measurement protocols developed through a global multi-stakeholder process.

Currently there is an emerging body of work led by the GRI and the UN Global Compact on how business may measure their contributions to SDGs, including the social dimension of sustainability, as well as work by the Sustainability Accounting Standards Board (SASB), the World Bank Group and IFC, the International Integrated Reporting Council (IIRC), the World Business Council for Sustainable Development (WBCSD), and other international organizations-led and private initiatives.

The Social Sustainability Indicators (SS) proposed in this paper have been selected after an extensive review of the main international instruments and other sources:

- legal and public policy frameworks set at international and national level, guidelines that set sustainability norms and principles for companies that guides their sustainability reporting practices;
- requirements set, and due diligence performed by the financial sector, the private sector, public authorities and consumers' organizations;
- reporting frameworks addressing the needs of specific stakeholders;
- the GRI Sustainability Reporting Standards;
- and after review of good practices of companies in Europe, USA, Canada and Brazil, leaders in sustainability reporting and social sustainability.

Our objective has been to identify for the HCBM pilot phase an initial set of well tested social indicators with maximum acceptance globally across maximum variety of sectors and types stakeholders. Our selection of proposed indicators for the HCBM Social Sustainability Principles is based on the findings from our research showing that the Global Reporting Initiative (GRI) is the international instrument for sustainability reporting used by the largest number of enterprises globally and most-widely used by a spectrum of large corporations and smaller enterprises; it is also the only existing Sustainability Reporting Standard and the only one so far providing a framework with indicators (disclosures) and practical technical guidance in all dimensions of sustainability for development of sustainability reports.

This paper illustrates how the HCBM Social Sustainability Principles can be tracked - in some cases by using GRI indicators and measuring protocols and in other cases - by indicators from other sources. It provides a starting point for the necessary multi-stakeholder consultations and pilot testing that will further define and refine the HCBM Social Sustainability Performance Indicators.

The enclosed below **Table 11** aligns the proposed in this paper HCBM Social Indicators (SS) and HCBM Social Sustainability Principles (SSP). **Table 11** presents the ten groups SS Principles, described in detail in the previous chapters of this paper, each including one or more principles. There are also three groups of additional new SS Principles proposed for discussion and further development – these are marked Q, written in red and located at the bottom in Table 11. For each individual principle are assigned one or more Social Sustainability Indicators (SS) completed with short outlines of their measurement protocols.

At this stage, for the HCBM it is premature to set targets in regard with the HCBM principles. These will be set through extensive consultation with industry through multi-stakeholder process during the implementation of the pilot projects.

Table 11

HCBM Social Sustainability Principles and Proposed Indicators Table

NOTE: The principles added to the initial HCBM Matrix as well as their indicators are in red

| # | SS Principles (SSP) | SS Indicators (SS) | SS Indicators Metrics/Measurement Protocol | SS Indicators Source/References |
|---|--|---|--|---|
| Group SSP-1 : RESPECT FOR HUMAN RIGHTS (A) | | | | |
| SSP-1.1. | SSP-1.1. Enterprises shall respect human rights, particularly, the right to human dignity, the right to integrity, the right to equality, the right to privacy, the right to freedom, the right to work, the right to health. | SS-1.1.1.1. (GRI Disclosure 412-1/G4-HR9) Operations that have been subject to human rights reviews or impact assessments | SS-1.1.1.1. a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. | SS-1.1.1.4. GRI 412 Human Rights Assessment; SS-1.1.1.3. GRI 410 ; SS-1.1.1.1. and SS 1.1.1.2. GRI 412; SS-1.1.1.5. GRI 411; SS - 1.1.1.6. GRI 103; UNGP 16; UNGP Reporting Framework A1, OECD - 1,3,4,5; UNGC Criteria 3 and 6 |
| | | SS-1.1.1.2. (GRI Disclosure 412-2) Employee training on human rights policies or procedures | SS-1.1.1.2. a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations. | |

| | | |
|-----------------|--|---|
| SSP-1.1. | SS-1.1.1.3. (GRI410-1/G4-HR7) Security HR training | SS-1.1.1.3. a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Whether training requirements also apply to third-party organizations providing security personnel. |
| | SS-1.1.1.4. (GRI 412-3 Human Rights Assessment/G4-HR1) Significant contracts and investment agreements that include HR clauses | SS-1.1.1.4. a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for 'significant investment agreements'. |
| | SS-1.1.1.5.(GRI Disclosure 411-1) Incidents of violations involving rights of indigenous peoples | SS-1.1.1.5. a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action. |
| | SS-1.1.1.6. (GRI 103 Management Approach) HR Policies and Commitments; HR operational guidance notes; HR compliance mechanism; HR risk assessment mechanism, HR performance evaluations, etc. | |

| | | | | |
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| SSP-1.2. | SSP-1.2. Enterprises shall make sure that they are not complicit in human rights abuses, whether in issues involving internal stakeholders (such as employees) or external stakeholders (such as suppliers) | SS-1.2.1.1. (GRI 414-1/G4-HR10) New suppliers that were screened using social (human rights) criteria | SS-1.2.1.1. a. Percentage of new suppliers that were screened using social criteria. | SS-1.2.1. 1.and 2.GRI 414 Supplier Social Assessment |
| | | SS-1.2.1.2.(GRI 414-2/G4-HR11) Negative significant actual and potential social impacts in the supply chain and actions taken | SS-1.2.1.2. a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why. | |

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| SSP-1.2. | | | | |
| | | SS-1.2.1.3. (GRI Disclosure 411-1/G4-HR8) Incidents of violations involving rights of indigenous peoples | SS-1.1.1.3. a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action. | SS-1.2.1.3.GRI 411-1 SS-1.2.1.4. G4-HR12 SS-1.2.2.1. OECD 3B; UNGP Reporting Framework A2.5. SS-1.2.2.2. UNGP 17; UNGP Reporting Framework C3.1.; OECD 1D&E and OECD 3C&D; UNGC Criterion 4&7 |
| | | SS-1.2.1.4. (G4-HR12) HR Grievance Mechanisms | SS-1.2.1.4.Number of grievances about HR impacts filed, addressed, and resolved through formal grievance mechanisms | |
| | | SS-1.2.2.1. (UNGP Reporting Framework A2.5) Actions taken to change and improve company's approach to address HR abuses and issues | SS-1.2.2.1. Changes in policies, process, practices and approach in management company's HR impact | |

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| | | SS-1.2.2.2. (UNGP 17 and UNGP Reporting Framework C3.1.) Assessing HR impacts and demonstrating ongoing due diligence | SS-1.2.2.2. Show how the HR issues are evolving and demonstrate systematic approach in addressing them through ongoing due diligence | |
| Group SSP-2 : ADEQUATE WAGES AND DIGNIFIED FAMILY LIVING (B) | | | | |
| SSP-2.1. | SSP-2.1. The enterprise shall provide wages that guarantee an adequate standard of living for the worker and his/her family (remuneration that ensures dignified life for the worker and the family including health, food, education, housing etc.) | SS-2.1.1.1. (GRI Disclosure 202-1) Ratios of standard entry level wage by gender compared to local minimum wage | SS-2.1.1.1. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for 'significant locations of operation'. | SS-2.1.1. GRI 202: Market Presence |

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| SSP-2.2. | | SS-2.1.1.2 (GRI Disclosure 401-1)New employee hires and employee turnover | SS-2.1.1.2.a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region. | |
| | SSP-2.2. Contribution to quality of life in the employee's families | SS-2.2.2.1. (inspired by (OECD Research and discussions) Impact on employee families' quality of life | SS-2.2.2.1. SS-3.1.3.1. Experiment with innovative approaches to measure and present the impact of your company on the employee families' quality of life including: access to health, education, child care, family recreation and vacation, housing; community life, quality of life satisfaction, security, etc. | OECD; Sustainability Reports and Integrated Reports by MNEs and other enterprises |
| Group SSP-3 : HEALTHY AND SAFE WORK ENVIRONMENT (C) | | | | |
| SSP-3.1. | SSP-3.1. Respect/comply with labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | SS-3.2.1.1. (GRI Disclosure 403-4/G4-LA8) Health and safety topics covered in formal agreements with trade unions | SS-3.2.1.1. a. Whether formal agreements (either local or global) with trade unions cover health and safety. b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements. | SS-3.1.1.GRI 403 (SDGs #8 - Target 8.8; OECD; ISO 26000-6.6. and 6.4.6.) |
| SSP-3.2. | SSP-3.2. Right to a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | SS-3.2.1.1. (GRI Disclosure 403-1/G4-LA5) Workers representation in formal joint management–worker health and safety committees | SS-3.2.1.1. a. The level at which each formal joint management-worker health and safety committee typically operates within the organization. b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees. | SS-3.2.1.1. -2.GRI 403 (SDGs #8 - Target 8.8; OECD; ISO 26000-6.6. and 6.4.6.) |

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| | | SS-3.2.1.2. (GRI Disclosure 403-3/G4-LA7) Workers with high incidence or high risk of diseases related to their occupation | SS-3.2.1.2. a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases. | |
| SSP-3.3. | SSP-3.3. Favorable and healthy conditions of work | SS-3.3.1.1. (GRI Disclosure 403-2/G4-LA6) Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | SS-3.3.1.1. a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by: i. region; ii. gender. b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: i. region; ii. gender. c. The system of rules applied in recording and reporting accident statistics | SS-3.3.1.1.GRI 403 (SDGs #8 - Target 8.8; ISO 26000-6.6. and 6.4.6.) |
| SSP-3.3. | | SS-3.3.2.1. (OECD Guidelines for MNEs 4. (2002)) a) Observe standards of employment and industrial relations; b) Take adequate steps to ensure occupational health and safety in operations | SS-3.3.2.1.Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management System | SS-3.3.2.1. OECD Guidelines for MNEs 4. (2002)/GRI (2002) |
| | | SS-3.3.3.1. (UNCTAD 2008) Cost of employee health and safety | SS-3.3.3.1. Cost of employee health and safety as part of the total annual expenditures and as part of the total annual revenues | UNCTAD 2008 Report |
| | | SS-3.3.3.2. Cost of occupational accidents, injuries and illness | SS-3.3.3.2. Work days lost due to occupational accidents, injuries and illness/annually | |

| Group SSP-4 : EQUAL TREATMENT AND EQUAL EMPLOYMENT OPPORTUNITIES (D) | | | | |
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| SSP-4.1. | SSP-4.1. Elimination of discrimination in respect of employment and occupation. | SS-4.1.1.1.(GRI Disclosure 405-1/G4-LA12) Diversity of governance bodies and employees | SS-4.1.1.1. a. Percentage of individuals within the organization’s governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). | SS-4.1.1.1. GRI 405 (SDG-8; ILO; OECD; ISO 26000 - 6.3.7.; 6.3.10; 6.4; 6.4.3.) SS-4.1.1.2. GRI 406 (SDG-8; ILO; OECD; ISO 26000 - 6.3.; 6.3.6.; 6.3.7.; 6.3.10; 6.4.3.) SS-4.1.1.3. GRI-102-24 (SDG-5) SS-4.1.1.4.GRI-G4-HR3 SS-4.1.1.5. GRI G4-LA9 |
| | | SS-4.1.1.2. (GRI Disclosure 406-1/G4-HR3) Incidents of discrimination and corrective actions taken | SS-4.1.1.2. a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action. | |
| | | SS-4.1.1.3.(GRI 102-24) Nominating and selecting governance bodies | SS-4.1.1.3. Nominating and selecting the highest governance body | |
| | | SS-4.1.1.4. (GRI G4-HR3) Policies against discrimination | SS-4.1.1.4. Description of (global) policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring. | |
| SSP-4.I. | | | | |

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| | | SS-4.1.1.5. (GRI G4-LA9) Policies re equal opportunities | SS-4.1.1.5 Description of equal opportunity policies or programmes as well as monitoring systems to ensure compliance and results of monitoring. Equal opportunities policies may address also workplace harassment and affirmative action relative to historical patterns of discrimination. | |
| SSP-4.1. | | SS-4.1.1.6. GRI Disclosure 102-8 Information on employees and other workers | SS-4.1.1.6. The reporting organization shall report the following information: a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. A n explanation of how the data have been compiled, including any assumptions made. | SS-4.1.1.6. GRI Disclosure 102-8 |
| SSP-4.2. | SSP-4.2. Equal pay for equal work/work for equal value | SS-4.2.1.1. (GRI Disclosure 405-2/G4-LA13) Ratio of basic salary and remuneration of women to men | SS-4.2.1.1.a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for ‘significant locations of operation’. | SS-4.2.1.1. GRI 405 (SDG-5 and 8 and 10; ILO; OECD; ISO 26000 - 6.3.7.; 6.3.10; 6.4.; 6.4.3.) |

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| SSP-4.3. | SSP-4.3. Enterprises shall promote equal opportunities between men and women: Positive Action | SS-4.3.1.1. (GRI Standard Disclosure 202-1/ | SS-4.3.1.1. Ratios of standard entry level wage by gender compared to local minimum wage | SS-4.3.1.1. GRI 202 (SDG-1; SDGs-5; OECD; ILO; |
| SSP-4.4. | SSP-4.4. Enterprise shall contribute to and promote equal opportunities for persons with disabilities | SS-4.4.1.1. GRI Disclosure 404-1 Average hours of training per year per employee | SS-4.4.1.1. a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category. | SS-4.4.1.1 GRI 404-1 |
| SSP-4.4. | | SS-4.4.1.2. GRI Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs | SS-4.4.1.2. a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. | |
| SSP-4.4. | | SS-4.4.1.3. GRI Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews | SS-4.4.1.3. a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period. | |
| SSP-4.5. | SSP-4.5. Special protection for vulnerable workers: minors, pregnant women, persons with disabilities | See SS-4.5. 1.1. Number of vulnerable workers receiving performance and career development review and assistance | SS-4.5.1.1. a. Number of vulnerable workers: minors, pregnant women, persons with disabilities; b. Percentage of vulnerable workers receiving performance and career development review and assistance | .Adapted from GRI 404-3 |

| Group SSP-5 : PROHIBITION ON CHILD LABOR, SLAVERY AND SERVITUDE (E) | | | | |
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| SSP-5.1. | SSP-5.1. Prohibition of any form of child labor, including recruitment and use of child soldiers. | SS-5.1.1.1.(GRI Disclosure 408-1/G4-HR5) Operations and suppliers at significant risk for incidents of child labor | SS-5.1.1.1. a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor. | SS-5.1.1.1. GRI 408-1 (SS-5.1.1.2. GRI G3-HR6 |
| | | SS-5.1.1.2. GRI G3-HR6 Policies addressing Child Labor | SS-5.1.1.2. Description of policy excluding child labor as defined by ILO Convention 138 and extend to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring | |
| SSP-5.2. | SSP-5.2. Prohibition of forced labor, slavery and human trafficking | SS-5.2.1.1. (GRI Disclosure 409-1/G4-HR6) Operations and suppliers at significant risk for incidents of forced or compulsory labor | SS-5.2.1.1.a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. | SS-5.2.1.1.GRI 409-1/G3-HR7; G4-HR6 SS-5.2.1.2.GRI G3-HR7 |
| | | SS-5.2.1.2. GRI G3-HR7 Policies addressing prohibition of forced labor, slavery and human trafficking | SS-5.2.1.2. Description of policy to prevent forced and compulsory labor, slavery and human trafficking and extend to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. | |

| Group SSP-6 : COLLECTIVE RIGHTS (F) | | | | |
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| SSP-6.1. | SSP-6.1. Freedom of association and Right to Collective Bargaining | SS-6.1.1.1.(GRI Disclosure 402-1/G4-LA4) Minimum notice periods regarding operational changes | SS-6.1.1.1. a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements. | SS-6.1.1.1. GRI 402 SS-6.1.1.2.GRI 407 SS-6.1.1.3. GRI G3-LA3 SS-6.1.1.4.GRI G4-HR4 |
| | | SS-6.1.1.2.(GRI Disclosure 407-1) Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | SS-6.1.1.2. a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining. | |
| SSP-6.1. | SS-6.1.1.3. (GRI G3-LA3) Employees covered by collective bargaining agreements | SS-6.1.1.3. Percentage employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically OR percentage employees covered by collective bargaining agreements broken down by country/region. | | |
| | SS-6.1.1.4. (G4-HR4) Policy on freedom of association | SS-6.1.1.4. Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/perprogrammes to address this issue. | | |
| SSP-6.2. | SSP-6.2. Enterprises shall respect the exercise of the right to strike | SS-6.2.1. 1. Policies addressing the employees' right to strike | SS-6.2.1.1. Evidence of policies or other governance tools proving company's respect for the exercise of the right to strike | ILO |

| Group SSP-7 : LEISURE AND PAID LEAVE (L) | | | | |
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| SSP-7.1. | SSP-7.1. Enterprises shall respect leisure and paid leave including maternal leave for mothers | SS-7.1.1.1. (GRI Disclosure 401-2) Benefits provided to full-time employees that are not provided to temporary or part-time employees | SS-7.1.1.1. a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'. | GRI-401 |
| | | SS-7.1.1.2. (GRI Disclosure 401-3) Parental leave | SS-7.1.1.2. a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender. | |
| Group SSP - 8: EMPLOYEE TRAINING, LIFELONG LEARNING and SKILLS DEVELOPMENT | | | | |
| SSP-8.1. | SSP-8.1.1. The enterprise should provide training to its employees to improve their skills, should encourage lifelong learning and assist career ending resulting from termination of employment or retirement | SS-8.1.1. 1..(GRI Disclosure 404-1) Average hours of training per year per employee | SS-8.1.1.1. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.401 | GRI 404; ILO Tripartite Declaration Employment Par 19; Training Par 38 and 39; ILO Tripartite Declaration Employment, Par 16, Par 33,34,35; |

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| SSP-8.1. | | SS-8.1.1.2. (GRI Disclosure 404-2) Programs for upgrading employee skills and transition assistance programs | SS-8.1.1.2. a. Type and scope of programs implemented, and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. | |
| | | SS-8.1.1.3. (GRI Disclosure 404-3) Percentage of employees receiving regular performance and career development reviews | SS-8.1.1.3. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period. | |
| | | SS-8.1.2.1. (Ethos Indicators, 2011, Brazil) Investment in education and training | SS-8.1.2.1. Investment in education and training as : a) percentage of total revenue; b. total operational costs, c. total personnel expenses. | SS-8.1.2.1. Ethos Indicators, 2011 |
| | | SS-8.1.3.1. (UNCTAD, 2008) Employee training - hours | SS-8.1.3.1. Average hours of training per year, per employee broken down by employee category | SS-8.1.3. UNCTAD Report 2008 |
| | | SS-8.1.3.2. Employee expenditure | SS-8.1.3.2. Expenditure on employee training per year per employee broken down by employee category | |
| | | SSP-8.1.2. The enterprise should take action to improve the employability of its human resources | SS-8.1.2.1. (adapted from ISO 2600; EU Political Strategy Center, WEF and other sources) Policies and actions for improvement of employability of the human resources | SS-8.1.2.1. Policies and actions, including annual expenditures per action, for improvement of employability of the human resources |
| Group SSP-9 : POSITIVE COMMUNITY IMPACT | | | | |
| SSP-9.1. | SSP-9.1. The enterprise should aim for positive community impact from its operations | SS-9.1.1.1. GRI Disclosure 202-2 Proportion of senior management hired from the local community | SS-9.1.1.1. a. Percentage of senior management at significant locations of operation that are hired from the local community. b. The definition used for 'senior management'. c. The organization's geographical definition of 'local'. d. The definition used for 'significant locations of operation'. | SS-9.1.1.1. GRI 202-2 SS-9.1.1.2. GRI 204-1 SS-9.1.1.3. 413-1 SS-9.1.1.4. GRI 413-2 SS-9.1.2.1. UNCTAD 2008 SS-9.1.2.2. UNCTAD 2008 |

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| SSP-9.1. | SS-9.1.1.2. GRI Disclosure 204-1 Proportion of spending on local suppliers | SS-9.1.1.2. a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'. |
| | SS-9.1.1.3. GRI Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs | SS-9.1.1.3. a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. |
| | SS-9.1.1.4. GRI Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities | SS-9.1.1.4. a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations. |
| | SS-9.1.2.1. Local purchasing (UNCTAD 2008) | SS-3.1.2.1. Percentage of local purchasing as part of annual total purchased services and goods |
| | SS-9.1.2.2. Contributions to the local community and Civil Society (UNCTAD 2008) | SS-3.1.2.2. Percentage of contributions from the annual total revenue; in-kind contributions total value and list by categories and recipients |

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| SSP-9.2. | SSP-9.2. Impact on Quality of Life in the Community | SS-3.1.3.1. (inspired by (OECD Research and discussions) Impact on quality of life in the community | SS-3.1.3.1. Experiment with innovative approaches to measure and present the impact of your company on the quality of life in the community, including: health, environment, poverty, education, housing, mobility, public space, culture and recreation, satisfaction, security | OECD Research and discussions |
| Group SSP-10: CUSTOMERS PROTECTION | | | | |
| SSP-10.1. | SSP-10.1. The enterprise must ensure protection of its customers' health and safety | SS-10.1.1. GRI Disclosure 416-1 Assessment of the health and safety impacts of product and service categories | SS-10.1.1.1. a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement. | SS-10.1.1. GRI 416-1 SS-10.1.2. GRI 416-2 |
| | | SS-10.1.2. GRI Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | SS-10.1.1.2. a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. | |
| SSP-10.2. | SSP-10.2. The enterprise must meet the requirements for labeling and marketing | SS-10.2.1.1. GRI Disclosure 417-1 Requirements for product and service information and labeling | SS-10.2.1.1. a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures. | SS-10.2.1.1. GRI 417-1 |

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| SSP-10.3. | SSP-10.3. The enterprise must protect its customers' privacy and data | SS-10.3.1.1. GRI Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | SS-10.3.1.1. a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient. | SS-10.3.1.1. GRI 418-1 |
| PROPOSED ADDITIONAL NEW GROUPS SS PRINCIPLES (Q) | | | | |
| Proposed Group Q1: SOCIOECONOMIC COMPLIANCE | | | | |
| Q1.1. The enterprise should comply with laws and regulations in the socioeconomic area (example) | Q1.1.1. GRI Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area | Q1.1.1. a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred. | | GRI Standard |
| | Q1.1.2. GRI Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling and marketing | Q1.1.2. a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. | | |

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| | | | c. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. d. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. | |
| Proposed Group Q2: STAKEHOLDER ENGAGEMENT ON SOCIAL ASPECTS | | | | |
| Q2.1. The enterprise shall identify its stakeholders and should have an approach for stakeholder engagement (example) | Q2.1.1. GRI Disclosure 102-40, 102-41, 201-43 Identified Stakeholders and approach to stakeholder engagement | Q2.1.1. 102-40 a. A list of stakeholder groups engaged by the organization. 102-41 a. The basis for identifying and selecting stakeholders with whom to engage. 102-43 The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. | | GRI 102 |
| Q2.2. The enterprise should follow up on the topics and concerns raised by stakeholders (example) | Q2.2.1. GRI Disclosure 102-44 Key topics and concerns raised | Q2.2.1. Key topics and concerns that have been raised through stakeholder engagement | | GRI-102-44 |
| Proposed Group Q3: MANAGEMENT AND GOVERNANCE OF SOCIAL ASPECTS | | | | |
| Q3.1. The enterprise must establish governance, reporting and management systems for the social sustainability aspects of its operations (example) | Q3.1. 1. GRI Management approach disclosures (this section references GRI 103) | Q3.1.1. When reporting its management approach for human rights assessment, the reporting organization can also explain: <ul style="list-style-type: none"> its strategies for extending applicable policies and procedures to external parties, such as joint ventures and subsidiaries; the use of human rights criteria or clauses in contracts, etc. | | GRI Standard |

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|--|--|---|---|--|
| | | <p>Q3.1.2. GRI Disclosure 402-1 Minimum notice periods regarding operational changes</p> | <p>Q3.1.2. a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p> | |
| | | <p>Q3.1.3. GRI Disclosure 102 45-56 SS reporting system and process, parameters and content</p> | <p>Q3.1.3. See GRI Disclosure 102 45-56 for further adaptation of measurement protocol</p> | |
| | | <p>Q3.1.4. GRI Disclosure 414-2 Negative social impacts in the supply chain and actions taken</p> | <p>Q3.1.4. a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.</p> | |

ANNEXES

Annex 1: IMPLEMENTATION of HCBM SS PRINCIPLES by MSMEs, SMEs and MULTI-NATIONAL ENTERPRISES (MNEs)

Governments play essential role in shaping up socially responsible SME sector by maintaining high quality regulatory standards for SMEs. While regulatory reporting requirements may need to adapt to SMEs, de-regulation and lowering the regulatory standards for SMEs is not the answer and will only fuel further fragmentation of the labour market.

The other major factor for socially responsible SMEs is the way MNEs handle their business conduct with the supply chains. It is required that MNEs fully comply with the OECD standards and best practices for responsible business conduct in the supply chain. Both governments and MNEs should encourage social dialogue and promote sector-level agreements covering SMEs towards establishing higher standards on wages, benefits, skills and training, including for the deployment of new technologies.

MNEs should ensure contractual agreements with their suppliers that reduce and mitigate the risks for low quality and precarious jobs in SMEs due to price discrimination or lack of resource. Transition frameworks and collective insurance funds need to be set up and co-administered by social partners that support workers and communities affected by lay-offs, outsourcing or off-shoring, and bring them back into quality employment. Ensure the basic labour rights of SME workers – who are more exposed to job precariousness and labour right violation – are fully respected, including decent work, freedom of association and collective bargaining and to social protection. (TUAC.2018)¹

The MSMEs are the major engine of job creation across OECD economies. Yet, the majority of the MSME sector is lagging behind in creating quality jobs and in addressing the sustainable development challenges. It is well acknowledged that the large enterprises and MNEs have strong influence on the MSMEs sustainability performance through their supply chain relationships. However, it is important to underline also the key role governments play in the transition to a sustainable MSMEs sector.

The Trade Union Advisory Committee (TUAC) to the OECD is an interface for trade unions with the OECD. In its Policy considerations issued at the OECD SME Ministerial in Mexico City, February 2018, TUAC states that “Small- and medium size enterprises policies (SMEs) can contribute decisively to inclusive and green growth and quality job creation” and that “governments need to design and implement the right regulatory framework and the right macroeconomic policies for the SMEs’ potential to be unleashed.”

This chapter addresses the challenges and solutions of pursuing socially sustainable objectives for Micro, Small and Medium enterprises (MSMEs), with the identification of some case studies.

MSMEs, SMEs and Social Sustainability

Most larger business enterprises are still at an early stage of their journey to implement the Guiding Principles, while MNEs/TNCs have more experience through leverage and support to SMEs in their supply chains, particularly in the garment, footwear, mining, oil and gas sectors. Good practices, tools and initiatives by MNEs/TNCs concerning implementation of the Guiding Principles in their supply chains should be promoted, as well as initiatives supported by governments, inter-governmental organizations and business associations. (UN Working Group on Business and Human Rights. 2017)

A 2017 global report of the UN Working Group on business and human rights found a low level of awareness by SMEs globally of the Guiding Principles and identified the need for more accessible and user-friendly information and practical tools which are tailored to the realities faced by SMEs. A main challenge is that awareness of the Guiding Principles remains low even among the government agencies and business/industry associations that support SMEs.

The development of national action plans on business and human rights offers an opportunity to raise awareness of the Guiding Principles, to clarify that they apply to all enterprises, and to stress the importance of also bringing on board MSMEs.

Our research of SME cases on the practical implementation of human rights in European enterprises shows that although small enterprises may have less capacity to perform human rights due diligence, as compared to larger companies, simple steps can be taken to respect human rights

CASE STUDY: Studiosus is a German tourism tour operator which specializes in modern study tour journeys. Studiosus has 320 employees in Germany and works with 570 tour guides in travel destinations all around the world. A cross-functional ‘social compatibility committee’ consisting of representatives from the tourism, marketing, public relations, tour guide and management systems departments and top management is responsible for key decisions in relation to Studiosus’ sustainability management.

In 2011, an NGO study on the potential human rights impacts of the tourism sector was published. Studiosus’ quality and sustainability manager used this overview to develop a self-assessment excel template to understand more about Studiosus’ potential human rights impact in each of its operating countries. The assessment was sent to country and procurement teams. The country managers were encouraged to use existing meetings and conferences for confidential face-to-face conversations with local service providers to obtain relevant information. A short conversation guide was developed to support them in this process.

The evaluation of the self-assessment highlighted the following areas for potential human rights impacts throughout Studiosus’ operating countries: ■ Working conditions in transport and accommodation sector (busses and hotels) ■ Child labour/child protection ■ Protection of minorities against discrimination ■ Protection of privacy ■ Impacts on livelihood of local communities (especially food and water and community involvement)

In view of the outcomes of the human rights self-assessment, Studiosus’ social compatibility committee decided to review and update key processes to mitigate some of the potential impacts identified. This concerned the cooperation with local service providers, program conceptualization, and the information provided to customers. A range of internal discussion rounds with other relevant departments informed the review process. Simultaneously, the human rights topic was integrated in existing training formats for employees and annual seminars for Studiosus’ tour guides. The review process resulted in an updated sustainability matrix with human rights related measures for each company division (e.g. transport, accommodation, tour guides, travel destination) updated on a regular basis. Exemplary measures introduced in the past years included: ■ Cross-functional working groups to integrate social clauses in contracts with services providers ■ Regular updates of customer catalogues to include human rights related information ■ Establishment of a human rights alert e-mail address ■ Development of a Supplier Code of Conduct ■ Development of a Studiosus Tour Guides’ Code of Conduct for encounters on travel ■ Development of a Code of Conduct regarding appropriate behavior when photographing

A 2016 ILO report³⁵ on **decent wages in Global Supply Chains** (GSCs) shows decent work deficits in such areas as occupational health, wages, and working time. All of these deficits impact the employment relationship and the protections employment can offer and have contributed to the undermining of labour rights, particularly freedom of association and collective bargaining. Informality, non-standard forms of employment and the use of intermediaries are common.

The presence of child labour and forced labour in some GSCs is acute in the lower segments of the chain. Migrant workers and homeworkers are found in many GSCs and may face various forms of discrimination and limited or no legal protection (ILO. 2016)

The presence of anti-discrimination legislation is a strong prerequisite for **equal opportunities practices in the SME sector**. In general, equal opportunities practices have remained voluntary for the private sector in many countries. Research (ILO.2003) shows that equal opportunities policies and practices is lower among SMEs than among larger firms, especially in the case when the policies are voluntary. In contrast, the formal policies are very common among large firms, whether the policies are voluntary or not.

According to a [2015 research by the Equality and Human Rights Commission in the UK](#)³⁶, larger SMEs in the UK are more likely to want to do more on equality and see it as an important priority - twenty per cent of SMEs with 100-249 staff want to do more compared with 7 per cent of all SMEs. SMEs in the Retail and Wholesale sector are less likely (73%) to feel that they need to do more than they currently do on equality compared with 60 per cent of all SMEs. SMEs are most likely to have in place policies related to equality at the workplace, human rights policies, and to have assessed their human rights impacts when asked by a client to whom they supply goods or services. Overall, the main challenges for SMEs and especially MMES are low awareness of what the law requires and limited attention to the effectiveness of their equality policy and procedures. In many developing countries where the business awareness on these issues is low, that could mean that SMEs are missing out on the benefits of a diverse and inclusive workforce.

CASE STUDY “Stormberg AS”: “Stormberg AS”, a small Norwegian wholesaler, follows a CSR approach aiming at recruiting persons who otherwise would have difficulties with entering the labour market. At least 25 % of their employees should be recruited from persons who are disadvantaged at the labour market. Presently, almost 30 % of the employees are former prisoners, school drop outs and people with a drug abuse problem. Stormberg collaborates in this respect with an organization, “Way Back”, helping prisoners and former prisoners with their rehabilitation. The company benefits from very loyal employees, resulting in very low personnel fluctuation and absenteeism. Only four people have left the company since it was established in 1998. (CSR and Competitiveness - European SMEs’ Good Practice - Consolidated European Report)

The challenges concerning **safe and healthy work conditions in the SME sector** are a combination of high costs for implementation of health and safety measures (particularly insurances and protection measures in the event of work-related injury), lack of awareness, lack of training, lack of legislation and enforcement if existing legislation, as well as behavioral issues.

³⁵ ILO 2016. ‘Report of the Committee on Decent Work in Global Supply Chains: Resolution and Conclusions Submitted for Adoption by the Conference’. Geneva: International Labour Office. http://www.ilo.org/ilc/ILCSessions/105/reports/provisional-records/WCMS_489115/lang--en/index.htm.

³⁶ Equality and Human Rights Commission, Mark Winterbotham, Katie Oldfield, Gill Stewart, Helen Rossiter and IFF Research. 2015. Fairness, dignity and respect in small and medium-sized enterprise workplaces: a summary for advice providers. London. October 2015.

CASE STUDY “LR Gebäudereinigung”: The German medium-sized cleaning company “LR Gebäudereinigung”, among others, provides cost-free German classes for its employees with migration background to improve their language skills or organizes a workshop on environmental issues held annually for trainees. The trainees can create an own concept for environmental protection in the context of their workplace. Through this measure the young employees develop creativity and get inspired to improve and ensure their responsible behavior at work. Good ideas had been considered by the management and became standards of the firm’s environmental policy. (CSR and Competitiveness - European SMEs’ Good Practice - Consolidated European Report)

Thirty-four developing countries lack an employment injury insurance system and approximately 60 per cent of the world’s labour force, the majority employed in SMEs, has ineffective protection in the event of a work-related injury or illness (ILO 2014³⁷). In June 2015 the German Ministry of Employment and Social Affairs (BMAS) and the German Ministry for Economic Cooperation and Development (BMZ) created a workplace injury and disease prevention and protection fund - the Vision Zero Fund (VZF)³⁸ – currently hosted within the framework of the ILO’s “sustainable supply chains initiative”. The VZF aims to achieve zero fatal and severe work-related injuries and diseases by improving occupational safety and health practices and conditions in sectors that link to GSCs. It aims to strengthen institutional frameworks such as labor inspectorates and employment injury insurance schemes in countries linked to such GSCs.

The world loses more than four per cent of annual GDP because of work-related injuries and diseases. A 2014 survey of 30 SMEs from different sectors in India observes that minor accidents, ergonomics problems, old and outdated machinery, and lack of awareness are among the leading health and safety problems in SMEs. The survey collected a set of Health and Safety Practices recommendations that summarize the minimum necessary actions that could lead to improvement in the working conditions in SMEs ([Saf Health Work](#)):

- Encouragement by employers to use proper protection equipment when required, even during small operations; regular counseling and audits at regular intervals by the officials and adopting and maintaining the standard operating procedures for every operation carried out in the unit.
- Adequate inspection and testing of electrical installations and equipment.
- Proper housekeeping, such as removal of metal scrap to avoid any accidents.
- Units that deal in chemical operations have recommendations about bulk storage as a possible safety issue.
- In working sites, the safety and environmental policy must be written down and maintained regularly.
- Some individual units cannot afford Safety Officers; the complex consisting of many MSMEs can together fund a safety officer, to be made mandatory as per law.
- Ergonomics suggestions given by the executives must be taken into consideration for safe working in the unit. The important ones are taking care to see that the working posture of the employees is proper and comfortable; a proper workplace with adequate lighting should be provided.

³⁷ ILO 2014. [World Social Protection Report 2014/15: Building Economic Recovery, Inclusive Development and Social Justice](#). Geneva: ILO.

³⁸ The VZF targets specific sectors and countries. The initial focus of VZF projects is on the garment and agri-food value chains. Current pilot countries include Ethiopia, [Madagascar](#) and [Myanmar](#) and operations in Lao PDR and Tunisia will start in 2018. The VZF projects contribute to the [Global Action for Prevention on Occupational Safety and Health](#) (OSH-GAP) Flagship Programme and the [ILO Programme of Action 2017-2021](#) on Decent Work in Global Supply Chains.

- Behavior-based safety (BBS) trainings³⁹ for employee and management.
- Organization of outside help and mutual aid such as agreements with the local police, fire department, and hospitals.

The findings from the survey are matched with secondary data collected from reports from organizations such as World Health Organization, Ministry of MSMEs, electronic data bases such as Science Direct, Wiley and Open Access Journals showing that these simple measures are key for the health and safety in the SMEs in all sectors and countries, especially in developing countries.

Cases of **child labor in MMSEs**, especially in small farms in Africa, Asia and Latin America, show that enforcement of the law, as well as sustainable economic development strategies implemented on national and local levels that look at ways to address cultural and economic aspects of the problem, are key to the elimination of child labor.

The government of Indonesia has a strong legal and policy framework on child labor. Under national labor law, 15 is the standard minimum age for employment, and children ages 13 to 15 may perform only light work that is not dangerous and does not interfere with their schooling. Children under 18 are prohibited from performing hazardous work, including any work in environments “with harmful chemical substances.” However, the Human Rights Watch shows available evidence that demonstrates that thousands of children under 18 years old work in hazardous conditions on tobacco farms in Indonesia, exposed to nicotine, toxic pesticides, extreme heat, and other dangers. (HRW. 2016).

CASE STUDY “Skretting AS” : The Norwegian medium-sized fish feed producer “Skretting AS” realizes a considerable reduction of sickness absence by goal-oriented measures like individual follow-up, training during work hours, emphasis on diet and nutrition etc. Employees find it meaningful to work at a company that is responsible and value based.

CASE STUDY “MELBUD”: The medium-sized Polish construction company “MELBUD” with a substantial workforce-oriented CSR approach assesses its socially responsible acting as undoubtedly helpful in running the company. Because of these efforts, it is possible to considerably reduce fluctuation and migration of staff. Despite a mass emigration of Polish construction workers - especially after the accession to the EU - and a strong competition on the regional labour market, the company does not have to be afraid to lose its human resources, although this is a common problem among other companies operating in this industry. Owing to implemented systems of incentives, the employees have a feeling of professional stabilization, they identify themselves with the company and this results in a better atmosphere, a more serious approach to the tasks to be fulfilled and higher engagement. The effects of this policy are not immediate, however, and can only be observed about 2 - 3 years after employment of a new person.

In the UK the Modern Slavery Act passed in March 2015. It aims to prevent the use of forced labor and child labor in the UK and abroad by making larger enterprises accountable for the practices of their

³⁹ Behavior-based safety (BBS) focuses on the identification and modification of critical safety behaviors, and emphasizes how such behaviors are linked to workplace injuries and losses. Communication has consistently been identified as a key element of safety program effectiveness, safety behavior change, safety training effectiveness, and safety culture/climate. Research indicates that BBS has reduced accident rates by 40–75% within 6–12 months of its implementation. BBS training is found to facilitate a growing number of safe behaviors, help reduce the number of unsafe behaviors, and assist in decreasing the number of unsafe conditions in the organization. A well-planned and implemented behavioral safety system such as BBS can instill workforce stewardship of safety systems and lead to fewer accidents, incidents, near-misses, and property damage; acceptance of the safety systems; and increased reporting of defects, near-misses, and accidents ([Saf Health Work](#). 2015 Mar; 6(1): 46–55).

suppliers. Recent criminal cases have revealed forced and child labor taking place currently within the operations of UK firms. The SMEs are seen as equally responsible for fostering modern slavery conditions as their larger counterparts. Despite this, only a very small percentage of UK companies are taking proactive steps to tackle the issues. Of the SMEs surveyed in 2015 and 2016⁴⁰ one in ten has ensured all their UK workers are in receipt of minimum wage. Only 5% of businesses have ever mapped their supply chains, in the attempt to uncover modern slavery, and just 4% have provided training to staff or suppliers on how to spot the signs of possible slavery among suppliers (Chartered Institute of Procurement and Supply.2016 <https://www.cips.org/en-sg/news/news/uk-smes-overwhelmingly-unaware-of-the-modern-slavery-acts-impact-on-them-cips-research-finds/>) Based on the survey, the UK Chartered Institute of Procurement and Supply summarizes simple first steps a MMES can take in addressing the modern day slavery issues:

- Inform yourself – do your research on the legislation and understand what is being asked of your organizations;
- Identify key risks areas and vulnerability;
- understanding, prioritizing and dealing with risk;
- Develop and include policy and governance procedures – Assign a champion/s to lead and implement ethical and sustainable procurement policies and procedures and gain senior management buy-in;
- Develop a statement;
- Engage and train staff – Use your champion/s to educate the business at the right level. Procurement teams require a thorough understanding, as do stakeholders that have direct supplier relationships;
- Report on your activities – Monitor your progress and carry-out a review and continuous improvement cycle to ensure you are addressing all the issues in the most effective way;
- Learn from others – Talk to your peers and research published guidance and case studies that can feed into your commitment to continuous improvement.

The collective rights of employees in SMEs is an overlooked aspect strongly influenced by national legislation, type industry, size of labor force, cultural and other factors. An example of a good practice by an SME in Spain:

CASE STUDY “Euroquímica de Bufi & Planas S.A.”:

Being active in the Spanish chemical sector, “Euroquímica de Bufi & Planas S.A.” offers its employees to become stockholder of the company and, consequently, the right to participate in the enterprise’s general assemblies and meetings and in the enterprise’s profits. Furthermore, the enterprise is active in internal promotion policies based on fairness and merits, whereby the social advantages provided by the enterprise are the same for the whole staff. The company also offers a continuous labor training policy for the staff. These training activities can be internal (based on an established annual plan) or external-to-the-enterprise. Euroquímica has also elaborated a training plan for employees’ descendants (between 16 and 18 years) interested in carrying out a summer internship. As far as remuneration issues are concerned, Euroquímica follows a punctual payment policy, whereby extra payments (i.e. Christmas and holidays remuneration) are paid in advance to the local practices, so workers may benefit from this money earlier.

⁴⁰ The survey was conducted by YouGov for CIPS between 07/12/15 and 21/12/15 among 263 UM companies, all of which had annual turnover below £36m.

CASE STUDY “denkstatt GmbH”: The small Austrian consulting company “denkstatt GmbH” has launched an internal project to support the health of its employees, consisting of a multitude of individual actions. The company provides the employees with biological fruits and milk free of charge, and one or two employees cook about 3 times a week a healthy meal for all during their working time. Furthermore, the enterprise offers a substantial sports programme (football, swimming, badminton, running, riding a bicycle etc.). In addition, the employees have the possibility to regenerate in the framework of a “powernap” (a short recreation sleep of 20 minutes). The working rooms with a lot of foliage plants have a homelike, pleasant atmosphere.

On the issues of **work-life balance and dignified family living**, enterprises that face labor shortages generally place greater importance on their human resources management than those that do not. In most of the industrialized countries in some sectors such as IT sector, the SMEs are showing great progress in providing work-life balance to their employees. When it comes to managing work-family balance, SMEs in the IT sector as well as specific service sectors, have less hierarchical management structures making implementation of simple measures more feasible. A study conducted by the Centre for Families, Work and Well-Being at the University of Guelph in Canada in 2000 revealed that more than 80% of SMEs have adopted at least one flexible work time measure to facilitate the harmonization of professional and personal responsibilities. This is understandable in the context of labor shortages and a scarcity of skilled human resources which forces organizations to improve the quality of the workplace, not only to recruit but to retain their employees.

However, in other sectors, such as in the food and agriculture, textile, footwear and garment production, in mining, and in the retail sector, especially in the developing countries, the MMES are lagging in addressing the needs for dignified family living, work and life balance for their employees. The several company cases and other resources provided show good practices from SMEs in Europe and other parts of the world and tools for addressing **work-life balance and dignified family living in MMSEs**.

Social Sustainability Principles and Multi-National Enterprises (MNEs)

This section of the paper will help illustrate how large corporations have applied through their business values, policies, and practices some of the HCBM Social Principles, often in combination in an integrated approach with other HCBM Principles.

The MNEs have long been under scrutiny from governments, activists and NGOs and communities where they operate for negative social impacts and environmental degradation. Their operations bring a range of new social issues to communities of operation in combination with benefits from jobs, business and supply chain opportunities to meet the needs of the corporate workers and operations.

With the rise in the use of Corporate Social Responsibility (CSR) and sustainability reporting that encompasses social, environmental, governance and ethical issues, alongside national laws and multilateral treaties, conventions, linked to greater social awareness with the means to action and litigation, the MNEs across all sectors have begun to address environment, social, economic, integrity and ethical issues in a more organized way in a framework of activities throughout the company. These activities in general include stakeholder relations and engagement, linked to sustainability strategy, governance, policies and action, and supported by an overall company Code of Ethics.

The selected companies begin to illustrate some of the Social Principles of a Human Centered Business Model (HCBM). Company sustainability policies and CSR reporting addresses human rights, labor rights and health and safety at the workplace in the context of the operational site and in the context of the supply chain. Social well-being and development issues, such as health and education are addressed alongside local economic issues of skills development for hire of local workers, to purchase of local content and procurement of materials, goods and food from the community.

This section presents specific good practices relevant to different HCBM Social Principles, extracted from more detailed company cases. The cases presented in Annex E look at 4 high ranking European companies as assessed in the CHRB's 2017 scoresheets in order to identify examples of good practise on human rights (**Inditex, Spain, apparel; Adidas, Germany, apparel; Unilever, UK, agricultural products; Marks & Spencer, UK, agricultural products and apparel**), in addition there are cases of two French companies: **Total, oil and gas company (presented in Annex F); and Michelin, tire company (presented in Annex G)**, one Swedish company, **H&M, apparel (Annex H)**, one Swiss (**Nestle, food and drink**), as well as US/UK (Ford Motor Company UK), Brazilian (**Natura, cosmetics**) and other multinational companies. Particular attention is paid for the human rights activities of each company and the performance indicators used for measurement that are relevant to the implementation of the HCBM and the HCBM SSP. These case studies and the good practice materials are not an endorsement or critic of the Company, but rather a means to illustrate how some companies are practicing key principles of the Human Centered Business Model.

Respect for Human Rights

Total is a global integrated energy producer and provider, a leading international oil and gas company, and the world's second-ranked solar energy operator with SunPower, with activities in more than 130 countries. The company states the following in the [Human Rights - Briefing Paper - July 2016](#) : "Respect for Human Rights is one of our three key business principles." The Company also states that respect for Human Rights in our activities is paramount to maintain the degree of trust we need – inside and outside our Group – to develop our projects. The Chief Executive Officer, Patrick Pouyanne, states that its 'In our [Human Rights Guide](#), we identified three focal Human areas – the workplace, local communities and security. In their [Code of Conduct](#), the Group commits to respect three main internationally recognized Human Rights standards and in particular :

- The key conventions of International Labor Organization (ILO)
- The voluntary Principles on security and Human Rights (The "Voluntary Principles")
- The United Nations Guiding Principles on Business and Human Rights (The "Guiding Principles")

Total has created a Human Rights Coordination Committee, organized by the Ethics Committee Chairman. A discussion forum that meets quarterly, its members include representatives of the Public Affairs, Corporate Legal Affairs, Corporate Communications, Security, Civil Society Engagement, Human Resources Departments and Branch Representatives. The meetings mainly address international activities, human rights tools and resources under development and the expressed expectations of civil society. (see [Communication on Progress \(COP\) - UN Global Compact](#))

In June 2013, the Group developed a strategic Human Rights Roadmap and action plan, validated by the Group's executive committee, with the objective to systematically embed respect for Human Rights into the company's risk and impact management processes, for example, in the mergers & acquisitions, social performance, security, procurement, training and human resources processes. This roadmap has been updated for 2016-2018 (see [Registration Document 2016](#))

The main human rights policies, directives and rules are the following :

- Compliance Policy and Program (Internal document)
- Safety Golden Rules (see [TOTAL's Golden rules - 2015](#))
- Purchasing Fundamental Business Principles
- Societal Policy (Internal Document)
- Rules of Procedures of the Board of Directors

Respect for human rights is one of the Total's priority business principles, alongside integrity (preventing corruption and fraud and anti-competitive practices) and HSE standards.

“ We recognize that it is not enough to simply put in place policies. Beyond our policies are structures and initiatives which we continue to undertake to ensure that the policies are implemented across our business activities...Our approach to embedding respect for Human Rights is based on four pillars :

1. Written policies and commitments
2. Awareness raising and training
3. A dedicated organization to listen and advise
4. Evaluations to assess the effectiveness of our initiatives “ (Total, [Human Rights - Briefing Paper - July 2016](#))

The German multinational Siemens, the largest industrial manufacturing company in Europe, collaborates with some 90,000 suppliers in about 150 countries. Siemens’ trademark supply chain program “Sustainability in the Supply Chain” is based on a holistic approach that comprises the steps “Prevent – Detect – Respond” and concentrates on minimizing risks. The Code of Conduct for Siemens Suppliers is primarily based on the principles of the UN Global Compact and the International Labor Organization, but it is also reflected in our Business Conduct Guidelines, which are binding for all employees.

(<https://www.siemens.com/global/en/home/company/sustainability/sustainablesupplychain.html>)

According to Siemens’ Code of Conduct “an integrated approach to supplier management creates the conditions for the overall optimization of the value chain. It safeguards our global competitiveness and guarantees that our wide-ranging aspirations regarding sustainability are met. Our requirements are therefore embedded in unified, mandatory procurement processes. A key part of this for us involves ensuring that our suppliers agree with the principles of the Code of Conduct. The Code of Conduct defines Siemens sustainability standards and principles for Siemens Suppliers and Third Party Intermediaries, who are obliged to comply with its provisions”, as follows:

“Legal compliance -to comply with the laws of the applicable legal systems.

Prohibition of corruption and bribery - to tolerate no form of and not to engage directly or indirectly in any form of corruption or bribery and not to grant, offer or promise anything of value to a government official or to a counterparty in the private sector to influence official action or obtain an improper advantage.

Fair competition, anti-trust laws and intellectual property rights - to act in accordance with national and international competition laws and not to participate in price fixing, market or customer allocation, market sharing or bid rigging with competitors; ° to respect the intellectual property rights of others.

Conflicts of interest - to avoid all conflicts of interest that may adversely influence business relationships.

Respect for the basic human rights of employees

- ° to promote equal opportunities for and treatment of its employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
- ° to respect the personal dignity, privacy and rights of each individual;
- ° to refuse to employ or make anyone work against his will;
- ° to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- ° to prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;

- to provide fair remuneration and to guarantee the applicable national statutory minimum wage; ◦ to comply with the maximum number of working hours laid down in the applicable laws;
- to recognize, as far as legally possible, the right of free association of employees and to neither favor nor discriminate against members of employee organizations or trade unions.

Prohibition of child labor - to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.

Health and safety of employees

- to take responsibility for the health and safety of its employees;
- to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases;
- to provide training and ensure that employees are educated in health and safety issues;
- to set up or use a reasonable occupational health & safety management system1).

Environmental protection

- to act in accordance with the applicable statutory and international standards regarding environmental protection;
- to minimize environmental pollution and make continuous improvements in environmental protection;
- to set up or use a reasonable environmental management system1).

Supply chain - to use reasonable efforts to promote among its supplier's compliance with this Code of Conduct; ◦ to comply with the principles of nondiscrimination with regard to supplier selection and treatment.

Conflict Minerals - to take reasonable efforts to avoid in its products the use of raw materials which directly or indirectly finance armed groups who violate human rights." (Siemens, Code of Conduct)

Siemens evaluate and review adherence to the Code of Conduct at regular intervals as part of an overall Supplier Management Process, which comprises the following three levels:

- Supplier Selection and Qualification
- Supplier Evaluation
- Supplier Development"

Siemens check compliance with the duties and principles of the Code of Conduct with the aid of:

- Risk-based Approach
- Sustainability Self-Assessments
- Incident-Driven Inspection
- Supplier Quality Audits
- External Sustainability Audits

By involving Siemens suppliers, employees and external audit experts, detection modules are used to perform a risk assessment of all suppliers. Siemens carries out audits at the suppliers' sites and covers most of the purchasing volume in higher risk countries through supplier assessments.

"With our regular audits and in continuous dialog with our suppliers, we work together for a sustainable and increasingly transparent supply chain." (Siemens, Code of Conduct)

Adequate Wages and Dignified Family Living

Inditex, gives a good example on implementation of this principle and the Living Wage (in the supply chain) Indicator. Inditex's Code of Conduct for Manufacturers and Suppliers establishes that a decent wage should always be sufficient to meet at least the basic needs of workers and their families and any other which can be considered as reasonable additional needs. According to the Inditex's Annual Report 2015, the Company has worked in conjunction with IndustriALL Global Union, the University of Northumbria and Cambridge University's Centre for Business and Public Sector Ethics to develop an assessment methodology to drive the payment of living wages throughout Inditex's supply chain. Moreover, the commitment of manufacturers and suppliers to paying a living wage is enshrined in the Global Framework Agreement signed with IndustriALL. It is also part to the [ACT group](#). The Company works with its suppliers to improve living wage practices through promoting collective bargaining, responsible purchasing practices, improved working methods and systems, collaboration with other stakeholders, and supporting campaigns. The Company's Annual Report indicates that there have been progresses on wages within Inditex's supply chain, in particular in Asia and America' and shows a graph with the evolution of compliance with the Code of Conduct in active factories on matters of wages, representing 72,4% in 2014 and 74,2% in 2015.

H&M is addressing the issue of long **Working Hours (in the supply chain):** The Company has a full policy on working hours for suppliers. H&M updated its Code of Conduct in February 2016 and replaced it with its Sustainability Commitment. Signing the Sustainability Commitment is mandatory for any supplier or business partner before entering a business relationship with the Company. The Company states in the Sustainability Commitment the following: 'Working hours in a week, as well as overtime hours, shall comply with national law, ILO Conventions or collective agreement, whichever affords the greater protection for workers, and be defined in contracts. In any event, employees shall not on a regular basis be required to work in excess of 48 hours per week and should be provided with at least one day off for every 7-day period. The total hours in any 7-day period shall not exceed 60 hours. Overtime shall be voluntary, not exceed 12 hours per week and shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.'. However, in the H&M reports there is no explicitly mentioning of respect for minimum breaks. The Company also reports work carried out as part of its 'Fair Living Wage roadmap' and in [a document in response to Human Rights Watch](#). However, it seems that reduction in overtime is related to the change in purchasing practices rather than work carried out by suppliers.

Equal Treatment and Equal Employment Opportunities

Inditex, the Spanish Apparel multinational addresses the Women's rights (in the supply chain) in its Code of Conduct for Manufacturers and Suppliers: "Manufacturers and suppliers shall not apply any type of discriminatory practice with regards the recruitment, compensation, access to training, promotion, termination of the employment agreement or retirement, based on race, caste, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation and/or union membership or political affiliation". Inditex engages with the [Shaki Health programme](#) to create good practices in health, hygiene, nutrition, menstrual and reproductive health with St. John's Medical School, and participation in the [Freedom Fund](#) to raise awareness and implement coordinated activities to combat employment schemes such as the sumangali practice.

Prohibition on Child Labour, Slavery and Servitude

In its 2015 Annual report, Inditex reports that over 90% of suppliers in each of the different regions where Inditex has suppliers comply with the company's Code of Conduct requirements on **child labour**.

The CHRB notes that however, this does not guarantee that there is no risk (90% compliance, not 100%), and the company does not report operations or suppliers considered to have significant risk. Besides, the company does not report measures taken to contribute to the effective abolition of child labour.

The same 2015 Inditex Report shows that over 90% of suppliers in each of the different regions where Inditex has suppliers comply with the company's Code of Conduct requirements on **forced labor**. Once again, the CHRB notes that this does not guarantee that there is no risk (90% compliance, not 100%), and the company does not report operations or suppliers considered to have significant risk. Besides, the company does not report measures taken to contribute to the elimination of all forms of forced or compulsory labour.

Michelin undertakes to ensure labor conditions and relationships respecting human dignity, and to ensure that these labor conditions are safe and in compliance with ILO norms and local laws and regulations. In its reports Michelin **states firm positions on elimination of child labor and forced labor:**

“The Group is fundamentally opposed to child and forced labor, in full compliance with the principles of the International Labor Organization.

The Group is fundamentally opposed to child and forced labor, in full compliance with the principles of the International Labor Organization.”

Collective Rights

Total explains his approach to collective rights according to the Section in the GRI Index about Freedom of Association and Collective Bargaining. (see [Global Reporting Initiative \(GRI\) - Sustainable Performance](#)): Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach. The General Secretary of IndustriALL Global Union, Jyrki Raina, states for the [Global agreement signed between Total and IndustriALL - 2015](#) , that “ We applaud Total for its commitment to better rights and conditions for workers. IndustriALL’s agreement with Total makes it clear that trade union rights and freedoms must be upheld across the company’s operations and throughout its global supply chain. Total promises to act in strict neutrality in its relations with unions and is prepared to terminate contracts with suppliers if they breach the agreement. It sends a strong message to Total’s suppliers and provides new levels of protection for workers”.

H&M ensures Freedom of association and collective bargaining in its supply chain. The Company states in the Sustainability Commitment the following: 'All workers, without exception or distinction, have the right to join or form a trade union of their own choosing and to bargain collectively. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under national law, the employer encourages and does not hinder the development of parallel means for independent and free association and bargaining.'

The Inditex’ Code of Conduct for Manufacturers and Suppliers states that they “shall ensure that their employees, without distinction, have the right of association, union membership and collective bargaining. No retaliation may arise from the exercise of such right and no remuneration or payment whatsoever may be offered to the employees in order to hinder the exercise of such a right. Likewise, they shall adopt an open and collaborative attitude towards the activities of Trade Unions. Workers’ representatives shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace. Where the rights to Freedom of Association and Collective Bargaining are restricted under law, the appropriate channels to ensure a reasonable and independent exercise of such rights must be designed”. All candidate suppliers are pre-evaluated so that only suppliers that respect the Code of Conduct

are qualified to receive orders. The Annual Report shows a chart with the percentage compliance with the Code of Conduct standards, including respect for freedom of association and collective bargaining, by geographical region. Additionally, the company engages in different programmes and projects in cooperation with IndustriALL representatives, local trade unions suppliers and workers in order to improve suppliers' practices in relation with freedom of association and collective bargaining.

Michelin has pledged to uphold the ten fundamental principles of the United Nations Global Compact and complies with the OECD Guidelines for Multinational Enterprises. It recognizes the Universal Declaration of Human Rights and the conventions of the International Labor Organization, particularly in relation to freedom of association and protection of the right to organize (see section 6.1.5), the elimination of discrimination in employment and occupation (see section 6.1.6 b), and the abolition of forced labor and effective abolition of child labor.

Leisure and Paid Leave

Ford Motor Company UK offers generous support and benefits including assigning each woman a specific HR associate for the duration of her pregnancy and leave. They currently offer 52 weeks maternity leave for all employees and 100 per cent maternity pay for the entire 52 week period (providing employees have 26 weeks service after the 15th week before the expected week of childbirth). Ford's rationale was to attract more female employees, in recognition that 70 per cent of car purchasing decisions are influenced by women, and that women's skills are under used in the labour market. The outcome has been high satisfaction levels among staff and a 98 per cent rate of return of women from maternity leave.

Training

Nestle, Switzerland

Europe is in the midst of a youth unemployment crisis as one in four young Europeans (5.6 million people in total) aged 18 to 25 are unemployed. The International Labor Organization estimates that youth unemployment across Europe, the Middle East, North Africa, and Developed Economies reached 18.1% in 2012. A lack of vocational and educational training schemes, unprepared job applicants, and a stagnant European economy are all to blame.

Concerned with these trends, Nestlé created the 'Nestlé Needs YOUth' program in late 2013, with the aim of hiring 10,000 young people and 10,000 trainees or apprentices below 30 years of age in Europe by 2016. Furthermore, as part of the program, Nestlé joined forces during 2014 with 200 other companies to form 'Alliance for YOUth', which mobilizes companies to commit to developing programs to provide meaningful work experiences, generate jobs, and offer training opportunities for more than 100,000 youth across Europe. In light of the program's success in Europe and its relevance worldwide, the company is expanding this program globally. The expansion started in Mexico, reaching by October 2015 all the countries in Zone Americas, including the USA. (WBCSD)

Communities

Vale, Brazil

Some of the largest operations of Vale in Brazil are in remote areas and lack a structured network of local suppliers. To address this gap, Vale's Local Content Department has initiated the *Inove* program. Its goal is to support the development of local small and medium enterprises (SMEs) and provide their managers

and workers with the relevant skills to meet Vale's procurement needs and build a positive legacy in the regions where Vale operates. 500 SMEs supported; More than 4,000 people trained.

Natura, Brazil

In order to help maintain the biodiversity of the Amazon forest, Natura also fosters social biodiversity. This concept allows the region's communities to benefit financially from being suppliers of Natura's raw materials. Natura provides incentives for local communities to preserve the forest, and then Natura and the communities share the benefits. These practices are embodied in Natura's *Ekos* brand, which the company launched in 2000.

The *Ekos* line is produced using raw materials from the rainforest, including cacao, guarana, Brazil nuts, and less-known products like andiroba and copuassu. Natura uses rainforest communities' knowledge of local plants and their various properties to create its products, essentially transforming their traditional knowledge into modern technology. By relying on these communities to source raw materials, Natura is investing in and incentivizing them to protect the forests where they live.

Consumers

Coca-Cola, USA

The Coca-Cola Food Safety Conference in Shanghai represented a landmark event for the Company's Global Food Safety Program and for the entire food and beverage industry. It involved capability building at all steps in the supply chain, including suppliers and sub-suppliers, and it embraced sharing knowledge and raising the food safety competence for those both within and external to the Coca-Cola System. The conference was set up to build capability in the areas of Global Good Agricultural Practices (Global GAP), Good Manufacturing Practices (GMP), Food Safety Knowledge Network (FSKN), Hazard Analysis and Critical Control Points (HACCP), Risk Assessment, ISO 22000:20056 and PAS 220:20087, and implementing and auditing management systems.

Key elements and achievements in Coca-Cola's Global Food Safety Program:

- The evaluation of the food safety capability needs through the assessment of our suppliers and sub-suppliers;
- The comparison and alignment of these food safety needs with those from the global food industry;
- The partnering with key suppliers, customers, academia and external organisations for the design and delivery of training modules;
- The training of representatives of all steps of our supply chain during four days in English and Chinese simultaneously;
- The evaluation of the food safety knowledge of attendees before and after the training;
- The sharing of the individual assessment results with attendees;
- The digital capturing of all presentations in both English and Chinese languages » Ensuring the sustainability of the efforts through the open availability of training materials on the internet as well as sharing the overall results and learning with the industry.

Factors that contributed to the success included:

- The strong commitment of The Coca-Cola Company Quality and Product Integrity Top Management to this program and the conference;
- The Coca-Cola Company's promise not to treat food safety as a competitive advantage;

- The collaboration with organisations such as Michigan State University (MSU) and The Global Food Safety Initiative (GFSI) which both pave the road and lead the global efforts for food safety improvement in the food supply chain.

According to Coca-Cola, fair marketing, factual and unbiased information and labeling and fair contractual practices provide information about products and services in a manner that can be understood by consumers. This allows consumers to make informed decisions about consumption and purchases and to compare the characteristics of different products and services.

Coca-Cola recognizes that consumers play an important role in sustainable development by taking ethical, social, economic and environmental factors into account based on accurate information in making their choices and purchasing decisions. Sustainable consumption is consumption of products and resources at rates consistent with sustainable development, it also encompasses a concern for animal welfare, respecting the physical integrity of animals and avoiding cruelty. Coca-Cola states that an organization's role in sustainable consumption arises from the products and services it offers, their life cycles and value chains, and the nature of the information it provides to consumers.

According to Coca-Cola's GFSI, consumer data protection and privacy are intended to safeguard consumers' rights of privacy by limiting the types of information gathered and the ways in which such information is obtained, used and secured.

Groupe Credit Agricole (France)

Crédit Agricole S.A. has created a compliance system for all its French subsidiaries based on the principles and obligations set out by the French Data Protection Authority (CNIL) on the protection of personal data belonging to employees, customers or any related third party.

In order to conform to the CNIL's preliminary requirements, Crédit Agricole S.A. has implemented a mutual discussion forum with Group entities so it can suggest reporting and authorization request templates. A system of exchange has also been set up for Crédit Agricole's network of Regional Banks. As a general rule, any new information or application system must, from the outset, make provision for personal data protection and banking secrecy measures pertaining to customers or, more generally, related third parties.

Annex 2: ADDITIONAL PAPERS and MATERIALS DEVELOPED by THE HCBM SUSTAINABILITY PRINCIPLES RESEARCH and NOTED IN THIS PAPER

The HCBM Social Sustainability research has produced a number of papers and materials, many of which have been mentioned in this paper. These materials are organized in nine additional annexes available separately from this paper, listed below as follows:

- A. Annex A: HCBM Social Sustainability Principles Research – Literature Review and Bibliography**
- B. Annex B: Main International Sustainability Instruments Level II (Table)**
- C. Annex C: Alignment HCBM SS Principles and Main International Instruments (Excel Workbook)**
- D. Annex D: HCBM Brief Equal Employment Opportunity**
- E. Annex E: HCBM Guiding Principles: Four Social Sustainability Case Studies**
- F. Annex F: HCBM Social Sustainability Principles Case Study - TOTAL (France)**
- G. Annex G: HCBM Social Sustainability Principles Case Study - MICHELIN (France)**
- H. Annex H: HCBM Social Sustainability Principles Case Study – H&M (Sweden)**
- I. Annex I: HCBM Guiding Principles Matrix draft October 2017**

Annex 3: HCBM SOCIAL SUSTAINABILITY RESEARCH BIBLIOGRAPHY

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UN Convention on Rights of Older Persons

United Nations Principles for Older Persons.

UN Conventions on Rights of Persons with Disabilities

Optional Protocol to the Convention on the Rights of Persons with Disabilities;

Declaration on the Rights of Mentally Retarded Persons;

Declaration on the Rights of Disabled Persons;

Principles for the protection of persons with mental illness and the improvement of mental health care;

Standard Rules on the Equalization of Opportunities for Persons with Disabilities.

UN Conventions on Social Welfare, Progress and Development

Declaration on Social Progress and Development;

Universal Declaration on the Eradication of Hunger and Malnutrition;

Declaration on the Use of Scientific and Technological Progress in the Interests of Peace and for the Benefit of Mankind;

Declaration on the Right of Peoples to Peace;

[Declaration on the Right to Development;](#)

[Universal Declaration on the Human Genome and Human Rights;](#)

[Universal Declaration on Cultural Diversity.](#)

UN Conventions on Promotion and Protection of Human Rights

[Principles relating to the status of national institutions \(The Paris Principles\);](#)

[Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms;](#)

[United Nations Declaration on Human Rights Education and Training.](#)

UN Convention on Right to Health

[Declaration of Commitment on HIV/AIDS.](#)

UN Convention on Right to Work and to fair Conditions of Employment

[Employment Policy Convention, 1964 \(No. 122\).](#)

UN Conventions on Freedom of Association

[Freedom of Association and Protection of the Right to Organise Convention, 1948 \(No. 87\);](#)

[Right to Organise and Collective Bargaining Convention, 1949 \(No. 98\).](#)

UN Conventions on Slavery and Slavery-like Practices and Forced Labor

[Slavery Convention;](#)

[Protocol amending the Slavery Convention signed at Geneva on 25 September 1926;](#)
[Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery;](#)

[Forced Labour Convention, 1930 \(No. 29\);](#)

[Protocol of 2014 to the Forced Labour Convention, 1930;](#)

[Abolition of Forced Labour Convention, 1957 \(No. 105\);](#)

[Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others.](#)

[Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime.](#)

UN Convention on the Rights of Migrants

[Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime.](#)

UN Conventions on Statelessness, Asylum and Refugees

[Convention on the Reduction of Statelessness](#)

[Convention relating to the Status of Stateless Persons](#)

[Convention relating to the Status of Refugees](#)

[Protocol relating to the Status of Refugees](#)

[Declaration on the Human Rights of Individuals who are not nationals of the country in which they live](#)

Other Documents Linked to the UN Conventions

African Union. 1981. The African Charter on Human and Peoples' Rights (also known as the Banjul Charter <http://www.achpr.org/instruments/achpr/> and http://www.achpr.org/files/instruments/achpr/banjul_charter.pdf;

ILAB NA Agreement between Canada, the USA and the Mexican States on Labor and Cooperation <https://www.dol.gov/ilab/reports/pdf/naalc.htm> ;

Indicators for HR Guide

<http://www.ohchr.org/EN/NewsEvents/Pages/IndicatorsessentialtoolsinrealizationofHR.aspx>

http://www.ohchr.org/Documents/Publications/Human_rights_indicators_en.pdf

[UN OHCHR Guiding Principles for Business and Human Rights](#)

UN OHCHR. 2011. United Nations Guiding Principles on Business and Human Rights - Implementing the United Nations “Protect, Respect and Remedy” Framework.

http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

UN OCHR. 2011. Applications of the U.N. “Protect, Respect and Remedy” Framework.

<https://www.business-humanrights.org/sites/default/files/media/documents/applications-of-framework-jun-2011.pdf>

Ruggie, John. 2008. “[PROMOTION AND PROTECTION OF ALL HUMAN RIGHTS, CIVIL, POLITICAL, ECONOMIC, SOCIAL AND CULTURAL RIGHTS, INCLUDING THE RIGHT TO DEVELOPMENT](#) Protect, Respect and Remedy: a Framework for Business and Human Rights”, Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises. John Ruggie. <https://www.business-humanrights.org/sites/default/files/reports-and-materials/Ruggie-report-7-Apr-2008.pdf>

Reports and documents on the UN “Protect, Respect and Remedy” framework on business and HR:

<https://www.business-humanrights.org/en/un-secretary-generals-special-representative-on-business-human-rights/reports-to-un-human-rights-council/2008>

HR Guides for business:

http://www.ohchr.org/Documents/Publications/DevelopHumanRightsPolicy_en.pdf ;

<http://www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf>

International Labor Organization (ILO)

ILO. 2017. *Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration)*, 5th Edition (March 2017) http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf

Alfred Wiskirchen and Christian Hess. 2001. *EMPLOYERS' HANDBOOK ON ILO STANDARDS-RELATED ACTIVITIES, ILO Bureau for Employers' Activities (ACT/EMP)* Geneva: International Labour Office. http://www.ilo.org/public/libdoc/ilo/2001/101B09_325_engl.pdf

ILO. 2016. "Code of practice on safety and health in ports (Revised 2016)", Meeting of Experts to Adopt a Revised Code of Practice on Safety and Health in Ports, Geneva, 2016, Published by INTERNATIONAL LABOUR ORGANIZATION Sectoral Policies Department. http://www.ilo.org/sector/activities/sectoral-meetings/WCMS_546257/lang--en/index.htm

ILO Resources for business available on the following topics (see <http://www.ilo.org/empent/areas/business-helpdesk/tools-resources/lang--en/index.htm>):

[Child labour](#)

[Collective bargaining](#)

[Discrimination and Equality](#)

[Employment promotion](#)

[Forced labour](#)

[Freedom of association and the right to organize](#)

[Occupational safety and health \(OSH\)](#)

[Security of Employment](#)

[Wages and Benefits](#)

[Working time](#)

Multi and Cooperazione Italiana, 2007. "SD through GC - A Booklet to Accompany Training The Labour Dimension of CSR: from Principles to Practice", International Instruments and Corporate Social Responsibility, http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/instructionalmaterial/wcms_101247.pdf

UN World Tourism Organization (UNWTO)

UNWTO. **Global Code of Ethics for Tourism** <http://ethics.unwto.org/content/global-code-ethics-tourism>

UNWTO. 2011. Private Sector Commitment to the UNWTO Global Code of Ethics for Tourism. <http://www2.unwto.org/content/corporate-social-responsibility-initiatives>

The World Bank Group (WB)

The World Bank Group's new [Environmental and Social Framework \(ESF\)](#) will go live on Internet in October 2018. It consists of the following documents:

[World Bank's Vision for Sustainable Development;](#)

[World Bank's Environmental and Social Policy for Investment Project Financing \(IPF\);](#)

[World Bank's Environmental and Social Standards \(ESS\);](#)

[World Bank Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups](#)

International Bank for Reconstruction and Development (IBRD)/World Bank 2017. [The World Bank Environmental and Social Framework. \(full\).](#)

<http://documents.worldbank.org/curated/en/383011492423734099/pdf/114278-WP-REVISED-PUBLIC-Environmental-and-Social-Framework.pdf>

[World Bank Environmental and Social Safeguard Policies \(replaced by the WBG Environmental and Social Framework launched on 1 October 2018\) .](#) <http://www.worldbank.org/en/projects-operations/environmental-and-social-policies>

WB Safeguard Policies and Procedures (replaced by the WBG Environmental and Social Framework launched on 1 October 2018) relevant to the HCBM include:

Operational Manual OP 4.03 - Performance Standards for Private Sector Activities (Policies).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1566&ver=current>

Operational Manual BP 4.03 - Performance Standards for Private Sector Activities (Procedures).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1614&ver=current>

Operational Manual OP 4.00 - Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects (Policies).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1564&ver=current>

Operational Manual BP 4.00 - Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects (Procedures).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1610&ver=current>

Operational Manual OP 4.10 - Indigenous Peoples (Policies).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1570&ver=current>

Operational Manual BP 4.10 - Indigenous Peoples (Procedures).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1582&ver=current>

Operational Manual OP 4.12 - Involuntary Resettlement (Policies).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1572&ver=current>

Operational Manual BP 4.12 - Involuntary Resettlement (Procedures).

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=1584&ver=current>

Reports and documents of the WB Social Safeguards are available at:

<http://blogs.worldbank.org/category/tags/social-safeguards>

World Bank; Organisation for Economic Co-operation and Development. 2016. *Integrating Human Rights into Development: Donor Approaches, Experiences and Challenges*, Third Ed.. Washington, DC: World Bank. <https://openknowledge.worldbank.org/bitstream/handle/10986/25859/111914-WP-IntegratingHumanRightsIntoDevelopmentThirdEdition-PUBLIC.pdf?sequence=1&isAllowed=y>

McInerney-Lankford, Siobhan; Sano, Hans-Otto. 2010. *Human Rights Indicators in Development: An Introduction*. World Bank Study. Washington DC: World Bank. <file:///F:/My%20Documents/WB%202017/SS%20contract%20MN/research%20HCBM%20SSP%20and%20HRP/products%20in%20progress%20and%20tools/lit%20review%20bibliography/WB%20study%20HR%20indicators%20in%20development%20projects.pdf>

The World Bank. 2012. *Social Protection and Labor Strategy 2012-2022 - Resilience, Equity and Opportunity*. <file:///F:/My%20Documents/WB%202017/SS%20contract%20MN/research%20HCBM%20SSP%20and%20HRP/products%20in%20progress%20and%20tools/lit%20review%20bibliography/WB%20study%20HR%20indicators%20in%20development%20projects.pdf>

Other World Bank Policy Notes and Documents are also available at http://web.worldbank.org/archive/website01536/WEB/0_CON-6.HTM

International Finance Corporation (IFC)

IFC Policies, Standards and Guidelines are available at: http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_loe_sf_update-implementation

Below are selected documents relevant to HCBM and SSP:

[Sustainability Policy](#)

[Environmental and Social Performance Standards](#)

[Environmental, Health, and Safety Guidelines](#)

[Environmental and Social Review Procedures Manual](#)

[Access to Information Policy](#)

[Corporate Governance Methodology](#)

[Corporate Governance Development Framework](#)

[Environmental and Social Categorization](#)

[IFC SF Updated – Fact Sheet](#)

Annex A: [Summary of Key Challenge](#) in the Sustainability Policy and Performance Standards

[The Business Case for Sustainability \(IFC/2012\)](#)

IFC Performance Standards - relevant to SSP and HCBM:

[PS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS \(2012\)](#)

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps1

PS 2: LABOR AND WORKING CONDITIONS (2012)

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps2

PS4: COMMUNITY HEALTH, SAFETY, AND SECURITY (2012)

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps4

PS5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT (2012)

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps5

PS7: INDIGENOUS PEOPLES (2012)

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps7

PS8: CULTURAL HERITAGE (2012)

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps8

Other IFC Resources:

IFC/WB Group. 2016. *Environmental and Social Review Procedures Manual*

http://www.ifc.org/wps/wcm/connect/d0db8c41-cfb0-45e9-b66a-522c88f270a5/ESRP_Oct2016.pdf?MOD=AJPERES

IFC. EH&S Guidelines

http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/EHS-Guidelines/

In addition to the listed above key IFC documents linked to SSP, the following resources will be also of interest, together with other resources recommended to corporate clients on IFC website:

What's the Business Case for Sustainability? (July 2012)

Understanding IFC's Environmental and Social Review Process [PDF]

Find out more about the 2009-2011 Review and Update of the Sustainability Framework Performance Standards Community of Learning

Partnership Lets Work. <https://letswork.org/> and <https://www.letswork.org/wp-content/uploads/2014/08/Lets-Work-Brochure-2014-FINAL.pdf>

Partnership on Harmonized Indicators for Private Sector Operations (HIPSO).

<https://indicators.ifipartnership.org/>

Inclusive business - G20 Global Platform on Inclusive Business.

http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Inclusive+Business

Development Impact

http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Development+Impact/

Organization for Economic Cooperation and Development (OECD)

OECD. 2011. *OECD Guidelines for Multinational Enterprises*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264115415-en>

OECD. 2016. *The Framework for Policy Coherence for Sustainable Development*. SG/PCD(2016)1. [http://www.oecd.org/pcd/Framework_Generic%20Module_PCD\(2016\)1.pdf](http://www.oecd.org/pcd/Framework_Generic%20Module_PCD(2016)1.pdf)

OECD. 2018. “Gender for sustainable development AN INTEGRATED POLICY AGENDA”, Policy Brief. March 2018. <http://www.oecd.org/greengrowth/Gender-for-sustainable-development.pdf>

OECD. 2017. *The Pursuit of Gender Equality: An Uphill Battle*. OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264281318-en> also https://read.oecd-ilibrary.org/social-issues-migration-health/the-pursuit-of-gender-equality_9789264281318-en#page243

OECD. 2018. *OECD DAC BLENDED FINANCE PRINCIPLES for Unlocking Commercial Finance for the Sustainable Development Goals*. OECD Publishing, Paris. <http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/OECD-Blended-Finance-Principles.pdf>

OECD. “OECD Guidelines for MNE Responsible Conduct Matters”. Brochure. http://mneguidelines.oecd.org/MNEguidelines_RBCmatters.pdf

OECD. 2015. OECD Principles of Corporate Governance. <http://www.oecd.org/corporate/principles-corporate-governance.htm>

OECD. 2017. Methodology for Assessing the Implementation of the G20/OECD Principles of Corporate Governance. OECD Publishing Paris. https://www.oecd-ilibrary.org/governance/methodology-for-assessing-the-implementation-of-the-g20-oecd-principles-of-corporate-governance_9789264269965-en

CG of state owned enterprises: <http://www.oecd.org/daf/ca/guidelines-corporate-governance-soes.htm>

Corporate governance, value creation and growth: The bridge between finance and enterprise <http://www.oecd.org/daf/ca/corporategovernancevaluecreationandgrowththebridgebetweenfinanceandenterprise.htm>

Other OECD Resources:

OECD and blended finance: <http://www.oecd.org/development/financing-sustainable-development/development-finance-topics/blended-finance.htm> ;

Principles: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/OECD-Blended-Finance-Principles.pdf>

OECD Social Impact Investment Initiative documents:
[Social Impact Investment](#)

[Private sector engagement in development co-operation
Financing for sustainable development](#)

Gender Equality at <http://www.oecd.org/gender/data/> ;
Employment: <http://www.oecd.org/gender/data/employment/> ;
Entrepreneurship <http://www.oecd.org/gender/data/entrepreneurship/#d.en.387805> ;

OECD Programme on Local Economic and Employment Development (LEED)
<http://www.oecd.org/employment/leed/>

OECD Social Economy workstream linked to LEED: <http://www.oecd.org/cfe/leed/social-economy.htm>
OECD Better Life Initiative (see <http://www.oecd.org/statistics/better-life-initiative.htm>):

[Guidelines on Measuring the Quality of the Working Environment](#)
[Guidelines on Measuring Trust](#)
[Guidelines on Measuring Subjective Well-being](#)
[Guidelines for Micro Statistics on Household Wealth](#)
[Framework for Statistics on the Distribution of Household Income, Consumption and Wealth](#)
[Measuring Business Impacts on People's Well-being](#)
Quality of jobs: measuring national scale <http://www.oecd.org/sdd/labour-stats/Job-quality-OECD.pdf>

OECD frameworks for:

- a) job quality measurement <https://www.oecd-ilibrary.org/docserver/5jrp02kpw1mr-en.pdf?expires=1522864762&id=id&accname=guest&checksum=891034A978A46ED5104C58288EB2FCBD>;
- b) and for enhancing job quality in emerging economies: https://read.oecd-ilibrary.org/employment/oecd-employment-outlook-2015_empl_outlook-2015-en#page213

Business and well-being workshop, 2017 results at:
<http://www.hec.edu/Knowledge/Point-of-View/Measuring-Business-Impact-on-Well-being-Utopia-or-the-Only-Way-to-Survive>

[Framework for measuring well-being in Latin America and the Caribbean:](#)
<http://www.oecd.org/statistics/oecd-workshop-on-measuring-business-impacts-on-peoples-well-being.htm> with more info

OECD and SMEs (documents below linked, also see: <http://www.oecd.org/industry/smes/>):

[OECD Bologna Process on SME & Entrepreneurship Policies](#)

[OECD Studies on SMEs and Entrepreneurship](#)

[OECD SME and Entrepreneurship Papers](#)

[Observer roundtable on SMEs](#)

[Declaration on Strengthening SMEs and Entrepreneurship](#)

[The Missing Entrepreneurs 2017](#)

[Small, Medium, Strong. Trends in SME Performance and Business Conditions](#)

[Policy brief on women's entrepreneurship](#)

[G20/OECD High-level Principles on SME Financing](#)

[New Approaches to SME and Entrepreneurship Financing](#)
[Intellectual Assets and Innovation: The SME Dimension](#)
[Skills Development and Training in SMEs](#)
[OECD Studies on SMEs and Entrepreneurship: Mexico](#)
[SME and Entrepreneurship Policy in Canada](#)
[SME and Entrepreneurship Policy in Italy](#)
[SME and Entrepreneurship Policy in Israel](#)
[Financing approaches for tourism SMEs and entrepreneurs](#)
[The Geography of Firm Dynamics](#)
[OECD Framework for the Evaluation of SME and Entrepreneurship Policies](#)
[Entrepreneurship at a Glance 2017](#)
[Taxation of SMEs in OECD and G20 Countries](#)

III. Social Sustainability Codes, Frameworks, Standards, Instruments Linked to UN Initiatives

UN Global Compact (UNGC)

UN GC. 2014. *Guide to Corporate Sustainability – Shaping the Future*. (The UNGC 10 Principles) New York: Unated Nations.

https://www.unglobalcompact.org/docs/publications/UN_Global_Compact_Guide_to_Corporate_Sustainability.pdf

UN GC and DNV.GL. *Impact. Transforming Business Changing the World*.
<file:///C:/Users/Dell/Downloads/6d527e0c71f14fe9a4f1d6e06437d20f.pdf>

UN GC and Deloitte. 2010. *UN Global Compact Management Model: Framework for Implementation – Human Rights, Labor, Environment, Anti-corruption*.
https://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2010_06_17/UN_Global_Compact_Management_Model.pdf

UN GC. 2016. *White Paper - The UN Global Compact Ten Principles and the Sustainable Development Goals: Connecting, Crucially*.
https://www.unglobalcompact.org/docs/about_the_gc/White_Paper_Principles_SDGs.pdf

UNGC. 2017. *Making Global Goals Local Business 2017 (UNGA)*
<https://www.unglobalcompact.org/docs/publications/MGGLB-2017-UNGA.pdf>

GC Network Netherlands and Business and HR Initiative. 2010. *How to do Business with Respect for Human Rights – A Guidance Tool for Companies*.
https://www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/how_to_business_with_respect_for_human_rights_gcn_netherlands_june2010.pdf

UNGC, OHCHR, Castan Centre for Human Rights Law and International Business Leaders Forum. 2008. *Human Rights Translated: A Business Reference Guide*
http://www2.ohchr.org/english/issues/globalization/business/docs/Human_Rights_Translated_web.pdf

GC and BSR. 2015. *Supply Chain Sustainability: A Practical Guide for Continuous Improvement (Second Edition)*. https://www.unglobalcompact.org/docs/issues_doc/supply_chain/SupplyChainRep_spread.pdf

UN GC. Support Your SME Supplier.
https://www.unglobalcompact.org/docs/issues_doc/supply_chain/SMEsinSupplyChain.pdf

UN GC. 2014. *A Guide to Traceability: A Practical Approach to Advance Sustainability in Global Supply Chains*.
https://www.unglobalcompact.org/docs/issues_doc/supply_chain/Traceability/Guide_to_Traceability.pdf

UNGC. 2015. *Five Steps towards Managing the Human Rights Impacts of your Business*
http://www.globalcompact.de/wAssets/docs/Menschenrechte/Publikationen/5_steps_towards_managing_the_human_rights_impacts_of_your_business.pdf

ILO and UNGC. 2013. *Occupation Safety and Health in the Supply Chain*.
https://www.unglobalcompact.org/docs/issues_doc/labour/tools_guidance_materials/Occupational_Safety_Health_in_the_Supply_Chain.pdf

UNGC and BSR. 2011. *Supply Chain Sustainability: A Practical Guide for Continuous Improvement for Small and Medium Enterprises*
https://www.unglobalcompact.org/docs/issues_doc/supply_chain/Supply_Chain_Practical_Guide_SMEs.pdf

CG Business-focused guides and tools are available at
<https://www.unglobalcompact.org/library>

UNGC Platform for smaller companies on Labor issues: <https://www.unglobalcompact.org/take-action/action-platforms/decent-work-supply-chains>

UNGC Learning tool on business and HR (Web-based modules on the UN “Protect, Respect and Remedy” Framework): <http://human-rights-and-business-learning-tool.unglobalcompact.org/>

The Human Rights Matrix: (Business Leaders Initiative on Human Rights/Global Business Initiative on Human Rights/Credit 360, updated 2010) <http://www.policyproject.com/matrix/topics.cfm>

Guide to Human Rights Impact Assessment and Management (Interactive online tool by UNGC/International Finance Corporation/ International Business Leaders Forum, updated 2010)
https://www.unglobalcompact.org/docs/issues_doc/human_rights/GuidetoHRIAM.pdf

UN Conference on Trade and Development (UNCTAD)

UN Conference on Trade and Development (UNCTAD). 2014. “Best Practice Guidance for Policymakers and Stock Exchanges on Sustainability Reporting Initiatives”. Geneva: UNCTAD
http://unctad.org/en/PublicationsLibrary/diaeed2013d6_en.pdf

UNCTAD. 2008. *UNCTAD Review 2008 on CSR indicators used for CSR reporting*
http://unctad.org/en/docs/c2isarcrp2_en.pdf

UNCTAD. 2008. *UNCTAD Guidance on indicators for reporting*
http://unctad.org/en/docs/iteteb20076_en.pdf?user=46 with methodology for selection of core indicators and proposed indicators plus links to sources for each indicator

UNCTAD. 2013. *UNCTAD Best practices Stock Exchanges reporting guidelines*
http://unctad.org/meetings/en/SessionalDocuments/ciisard67_en.pdf

UN Principles for Responsible Investment (UN PRI)

UN PRI. 2017. *UN PRI Report 2017 SHIFTING PERCEPTIONS: ESG, CREDIT RISK AND RATINGS*
<https://www.unpri.org/download?ac=256>

UNPRI. 2016. *PRI final evaluation report re principles to impact*. https://10.unpri.org/wp-content/uploads/2016/04/PRI-final-report_-single-pages.pdf

PRI. 2016. *PRI Global regulation on SRI GLOBAL GUIDE TO RESPONSIBLE INVESTMENT REGULATION, 2016* <https://www.unpri.org/download?ac=325>

PRI. 2015. *PRI Coping Shifting Changing Report*. <https://www.unpri.org/esg-issues/corporate-and-investor-strategies-for-managing-market-short-termism/2715.article>

PRI. 2013. *PRI Capacity building and state of play report 2013-2017*
file:///C:/Users/Dell/Downloads/Capacity_Building_2013.pdf

Novethic. 2017. *Novethic Impact investment strategies, innovation, measurement report 2017*
http://www.novethic.com/fileadmin/user_upload/tx_ausynovethicetudes/pdf_complets/Report_impact_investing-EN.pdf

UN PRI. Stock Exchanges and Gender Equality: <https://www.unpri.org/Uploads/g/z/q/How-stock-exchanges-can-advance-gender-equality.pdf>

Sustainable Stock Exchanges Initiative (SSE)

SSE. 2017. *Sustainable Stock Exchange Initiative report 'How stock exchanges can grow green finance'*
<http://www.sseinitiative.org/wp-content/uploads/2017/11/SSE-Green-Finance-Guidance-.pdf>

SSE. 2015. *SSE Model on reporting ESG info to investors – guide for Stock Exchanges 2015*
<http://www.sseinitiative.org/wp-content/uploads/2015/09/SSE-Model-Guidance-on-Reporting-ESG.pdf>

Black Rock. 2018. *Black Rock Stewardship engagement priorities 2018*.
<https://www.blackrock.com/corporate/literature/publication/blk-stewardship-2018-priorities-final.pdf>

Chartered Prof Accountants Canada Starters Guide to SR
<file:///C:/Users/Dell/Downloads/A%20Starters%20Guide%20to%20Sustainability%20Reporting.pdf>

EY. 2016. *EY Study on SR Value*. [http://www.ey.com/Publication/vwLUAssets/EY_-_Value_of_sustainability_reporting/\\$FILE/EY-Value-of-Sustainability-Reporting.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_Value_of_sustainability_reporting/$FILE/EY-Value-of-Sustainability-Reporting.pdf)

SSE. 2016. *SSE 2016 Report on Progress*. <http://www.sseinitiative.org/wp-content/uploads/2012/03/SSE-Report-on-Progress-2016.pdf>

Canada SE. 2014. *A primer for disclosure on ESG 2014*. <https://www.tsx.com/resource/en/73>

German SE and sustainability: https://deutsche-boerse.com/blob/2532142/a71236438144a54a1f3db97f85f9ae03/data/communicating-sustainability_en.pdf

Sustainable Stock Exchanges – see publications on social and sustainability performance requirements and other resources at <http://www.sseinitiative.org/data/publications/>

IV. Social Sustainability Frameworks, Codes, Standards, Instruments Linked to International Initiatives

International Organization for Standardization (ISO)

ISO. 2014. *10 Good Things for SMEs*. Geneva: ISO. <https://www.iso.org/iso-and-smes.html>

ISO. 2016. *ISO37101 Sustainable development in communities*. Geneva: ISO. https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/iso_37101_sustainable_development_in_communities.pdf

ISO 26000: <https://www.iso.org/iso-26000-social-responsibility.html>

The Global Reporting Initiative (GRI)

GRI Secretariat. 2016. “*CONSOLIDATED SET OF GRI STANDARDS*”. This Standard is issued by the Global Sustainability Standards Board (GSSB). October, 2016

GRI Social Standards - The 300 series of the GRI Standards include topic-specific Standards used to report information on an organization’s material impacts related to environmental topics:

[GRI 401: Employment 2016 \(PDF 0.2MB\)](#)

[GRI 402: Labor/Management Relations 2016 \(PDF 0.2MB\)](#)

[GRI 403: Occupational Health and Safety 2016 \(PDF 0.2MB\)](#)

[GRI 404: Training and Education 2016 \(PDF 0.2MB\)](#)

[GRI 405: Diversity and Equal Opportunity 2016 \(PDF 0.1MB\)](#)

[GRI 406: Non-discrimination 2016 \(PDF 0.1MB\)](#)

[GRI 407: Freedom of Association and Collective Bargaining 2016 \(PDF 0.1MB\)](#)

[GRI 408: Child Labor 2016 \(PDF 0.1MB\)](#)

[GRI 409: Forced or Compulsory Labor 2016 \(PDF 0.1MB\)](#)

[GRI 410: Security Practices 2016 \(PDF 0.2MB\)](#)

[GRI 411: Rights of Indigenous Peoples 2016 \(PDF 0.1MB\)](#)

[GRI 412: Human Rights Assessment 2016 \(PDF 0.2MB\)](#)

[GRI 413: Local Communities 2016 \(PDF 0.2MB\)](#)

[GRI 414: Supplier Social Assessment 2016 \(PDF 0.2MB\)](#)

[GRI 415: Public Policy 2016 \(PDF 0.1MB\)](#)

[GRI 416: Customer Health and Safety 2016 \(PDF 0.1MB\)](#)

[GRI 417: Marketing and Labeling 2016 \(PDF 0.2MB\)](#)

[GRI 418: Customer Privacy 2016 \(PDF 0.2MB\)](#)

[GRI 419: Socioeconomic Compliance 2016 \(PDF 0.1MB\)](#)

GRI Secretariat. 2017. [Linking GRI Standards and the EU Directive on non-financial and diversity disclosure](#), GRI, Global Sustainability Board, February, 2017.

SDG Compass, GRI, WBCSD, [Linking the SDGs and GRI](#), January 2017.

UNEP, Global Reporting Initiative, KPMG and Centre for Corporate Governance in Africa – University of Stellenbosch Business School. 2016. *Carrots and Sticks: Global trends in sustainability reporting regulation and policy* <http://www.sseinitiative.org/wp-content/uploads/2016/05/Carrots-Sticks-2016.pdf>

UNEP, Global Reporting Initiative, KPMG and Centre for Corporate Governance in Africa – University of Stellenbosch Business School. 2013. *Carrots and Sticks: Sustainability Reporting Policies Worldwide – Today's Best Practice, Tomorrow's Trends*. <https://www.globalreporting.org/resourcelibrary/Carrots-and-Sticks.pdf>

Harvard Kennedy School. 2015. *CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE EFFORTS BY NATIONAL GOVERNMENTS AND STOCK EXCHANGES*. The Hauser Institute for Civil Society, Initiative for Responsible Investment. Boston. USA. http://iri.hks.harvard.edu/files/iri/files/corporate_social_responsibility_disclosure_3-27-15.pdf

International Integrated Reporting Council (IIRC)

IIRC IR concept, framework and tools: <https://integratedreporting.org/>

World Federation of Exchanges (WFE)

WFE. 2015. *2015 Report by World Federation of Stock Exchanges -* <file:///C:/Users/Dell/Downloads/Exchanges%20&%3B%20ESG%20Initiatives%20%E2%80%93%20SWG%20Report%20&%3B%20Survey.pdf>

WFE. 2017. *2017 Report on sustainability disclosure by SEs* <http://www.corporateknights.com/reports/2017-world-stock-exchanges/sustainable-stock-exchange-report-released-15064884/>

World Economic Forum (WEF)

WEF. 2017. *Advancing Human-Centred Economic Progress in the Fourth Industrial Revolution, G20/T20 Policy Brief – May 2017.*

http://www3.weforum.org/docs/WEF_Advancing_Human_Centred_Economic_Progress_WP_2017.pdf

WEF and SCHWAB FOUNDATION FOR SOCIAL ENTREPRENEURSHIP. 2016. *Social Innovation A Guide to Achieving Corporate and Societal Value. Insight Report Prepared in collaboration with Oliver Wyman.* Geneva: WEF. http://www3.weforum.org/docs/WEF_Social_Innovation_Guide.pdf

WEF. 2016. *The Future of Jobs Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution, Executive Summary.*

http://www3.weforum.org/docs/WEF_FOJ_Executive_Summary_Jobs.pdf

WEF. 2016. *The Industry Gender Gap Women and Work in the Fourth Industrial Revolution Executive Summary.* http://www3.weforum.org/docs/WEF_FOJ_Executive_Summary_GenderGap.pdf

WEF. 2017. *The Future of Jobs and Skills in Africa Preparing the Region for the Fourth Industrial Revolution Executive Summary.* http://www3.weforum.org/docs/WEF_EGW_FOJ_Africa.pdf

Interfaith Center for Corporate Responsibility (ICCR)

ICCR. 2011. ICCR's Social Sustainability Resource Guide: Building Sustainable Communities Through Multi-Party Collaboration. <https://berkeleycenter.georgetown.edu/publications/iccr-s-social-sustainability-resource-guide-building-sustainable-communities-through-multi-party-collaboration>

V. Private Sector Practices, Cases and Tools Addressing Social Sustainability and the Social Sustainability Principles for Human Rights

BeBetter : Tools and services on business and well being: <http://www.oecd.org/statistics/BBetter-Corporate.pdf> and <http://www.bbetter.biz/>

WBCSD, [WBCSD Business Hub](https://sdghub.com/tools-resources/), [SDG Tools and Resources](https://sdghub.com/tools-resources/) <https://sdghub.com/tools-resources/>
Business and SD Commission 2017 report: http://report.businesscommission.org/uploads/BetterBiz-BetterWorld_170215_012417.pdf

IFAC information for SMEs <https://www.ifac.org/publications-resources/good-practice-checklist-small-business> and <https://www.ifac.org/global-knowledge-gateway/sustainability/discussion/sustainability-imperative-small-business>

SustainAbility on evaluating progress towards SDGs: <http://s10458.pcdn.co/wp-content/uploads/2017/03/gss-evaluating-progress-towards-the-sustainable-development-goals.pdf>

Oxfam on business and SDGs: https://www.oxfam.org/sites/www.oxfam.org/files/dp-raising-the-bar-business-sdgs-130217-en_0.pdf

DEVEX tools helping business to work on SDGs: <https://www.devex.com/news/5-tools-to-help-businesses-tackle-the-sdgs-87118>

One Report on reporting on SDGs: <https://one-report.com/2017/11/10/sustainable-development-goals-reporting/> gives examples of companies and indicators

University of Cambridge guide with business cases and indicators: <https://www.cisl.cam.ac.uk/publications/publication-pdfs/towards-a-sustainable-economy>

ESG impact on financial performance aggregated study 2015: <https://www.tandfonline.com/doi/pdf/10.1080/20430795.2015.1118917>

Choosing ESG indicators by asset analysts for investment clients, to measure ESG performance of companies: https://www.novethic.com/fileadmin/user_upload/tx_ausynovethicetudes/pdf_complets/2013_ESG_indicators_study.pdf

Accenture - Cases companies leaders SDGs https://www.accenture.com/t20180404T213323Z_w_us-en/acnmedia/PDF-74/Accenture-Transforming-Partnerships-for-the-SDGs-UNGC-Accenture-Strategy.pdf#zoom=50

The UN GC-Accenture Strategy CEO Study 2016 Agenda 2030: A Window of Opportunity https://www.accenture.com/t20161216T041642Z_w_us-en/acnmedia/Accenture/next-gen-2/insight-ungc-ceo-study-page/Accenture-UN-Global-Compact-Accenture-Strategy-CEO-Study-2016.pdf#zoom=50

Novethic. 2013. Overview of ESG Rating Agencies September 2013. https://www.novethic.com/fileadmin/user_upload/tx_ausynovethicetudes/pdf_complets/2013_overview_ESG_rating_agencies.pdf

IFC. SME Toolkit: http://www.smetoolkit.org/#manage_and_access_finance

SMEs Set Their Sights on Sustainability - Case Studies of Small and Medium-sized Enterprises (SMEs) from the UK, US and Canada; A CICA, AICPA, CIMA publication, September 2011 https://www.cimaglobal.com/Documents/Thought_leadership_docs/Sustainability%20and%20Climate%20Change/Sustainability-Case-Studies-Final.pdf

Nicholas F., Sandra R., Kenneth W. 2013. CGMA Tools: Ten key elements to sustainable business practices in SMEs, Chartered Professional Accountants of Canada, the American Institute of CPAs and Chartered Institute of Management Accountants <https://www.cgma.org/Resources/Tools/DownloadableDocuments/ten-key-elements-to-sustainable-business-practices-in-SMEs.pdf>

Thomson Reuters Foundation and Morrison & Foerster LLP. May 2013. Which Legal Structure is Right for my Social Enterprise? A Guide to Establishing a Social Enterprise in the United States.

Venturi P and Zandonai F. 2012. Istituti di Ricerca sull'Impresa Sociale, Social enterprise in Italy, Plurality of models and contribution to growth Iris Network Report – Executive Summary. Also see file:///C:/Users/Dell/Downloads/IT_comments%20paper_HR%202013.pdf,

Social Innovation and Social Enterprises: the Italian perspective Paolo Venturi, Director at AICCON Flaviano Zandonai, Secretary at Iris Network, Osservatorio UBI Banca su Finanza e Terzo Settore (2012), Indagine sui fabbisogni finanziari della cooperazione sociale in Italia, gennaio 2012. http://www.aiccon.it/wp-content/uploads/2017/01/Social_Innovation_and_Social_Enterprises.pdf

SE UK REALISING THE POTENTIAL OF SOCIAL ENTERPRISE A Guide for People in Local Government, 2018 <https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=f42c6c29-5f69-405d-b534-37760fa4b9ec>

START YOUR SOCIAL ENTERPRISE The Social Enterprise Guide, Social Enterprise UK, 2017 <https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=b5514bc0-5a3b-4c4e-afe1-d8aac3ebb19>

SE Explained For beginners, wonderers and people with ideas, big and small, SEUK 2012 <https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=110951ca-0543-4631-85f9-d85dfa215412>

Maximizing Shareholder Wealth and Stakeholder Value through Benefit Corporations: Doing Good and Doing Well, 2018 https://digitalcommons.salve.edu/cgi/viewcontent.cgi?article=1073&context=fac_staff_pub

VI. Key Resources Consulted in Regard with Selection of the Proposed HCBM Social Sustainability Indicators

GRI Secretariat 2016. *Consolidated Set of GRI Standards*. Global Sustainability Standards Board (GSSB). October 2016.

UN OHCHR. 2011. *United Nations Guiding Principles on Business and Human Rights - Implementing the United Nations "Protect, Respect and Remedy" Framework*.

Shift Project Ltd. and Mazars LLP. 2015. *UN Guiding Principles Reporting Framework with implementation guidance*.

UN Global Compact (UNGC), GRI. 2013. *Making the Connection: Using the GRI Guidelines to Communicate Progress on the UN GC Principles*.

OECD. 2011. *OECD Guidelines for Multinational Enterprises, OECD Publishing*.

UNCTAD. 2008. *2008 Review of the reporting status of corporate responsibility indicators*.

Multi and Cooperazione Italiana, 2007. [*SD through Global Compact - A Booklet to Accompany Training The Labour Dimension of CSR: from Principles to Practice*](#), *International Instruments and Corporate Social Responsibility*

ILO. 2017. [*Tripartite declaration of principles concerning multinational enterprises and social policy \(MNE Declaration\)*](#)

International Standards Organisation (ISO). 2010. [*ISO 26000:2010 Guidance on Social Responsibility*](#)

Instituto Ethos. 2011. [*Indicadores Ethos de Responsabilidade Social Empresarial*](#)
