ETUC TOOLKIT

ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

CONFEDERATION
SYNDICAT
EUROPEÆN
TRADE UNION

THIS TOOLKIT

CONTEXT

Through the period 2012/2013 - the European Trade Union Confederation (ETUC) ran a Corporate Social Responsibility (CSR) project backed by the European Commission. This project highlighted the new CSR practices that have been rolled out by ETUC affiliates since 2006 and also resulted in the identification of trade union priorities for the years to come, particularly regarding the renewed EU strategy.

The final conference also highlighted the urgent need to train trade unionists about a range of European and International tools, principles, instruments and regulations relating to CSR. To meet this pressing demand, during 2014 ETUC delivered a program, which included
- Development and delivery of a two-day training session for 21 delegates on transparency and CSR reporting
- Development and delivery of a two-day training session for 31 delegates on CSR standards
- Development of a practical toolkit, summarizing the learnings and outputs from these two (2 day) training programmes, and informed by additional delegate feedback – *This document*

PURPOSE OF THIS TOOLKIT

To be available to member organizations (particular trainers, national experts and EWC coordinators) to support trade unionists on European and International tools, principles and regulations relating to CSR

- **Section A:** Introduces CSR and the European Commission's strategy on CSR 2011-2014 - discussing how trade unions can use the growing prominence of CSR as a tool within social dialogue (including a checklist to review your organization).
- **Section B:** Explores transparency and disclosure – discussing how an organization measures and reports its impact and performance – including what trade unions should look for in CSR reports.
- **Section C:** Provides a summary of key CSR standards, including their scope, governance and how trade unions can use these – including UN Guiding Principles on Human Rights; OECD Guidelines; ILO Tripartite Declaration; ISO26000 and the Global Reporting Initiative.
- **Section D:** Provides a reference bank of useful definitions and existing good practice.

CONTENTS

SECTION A

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND THE TRADE UNION MOVEMENT

THIS SECTION PROVIDES AN INTRODUCTION TO CORPORATE SOCIAL RESPONSIBILITY AND THE EUROPEAN COMMISSION'S STRATEGY ON CSR 2011-2014 - DISCUSSING HOW TRADE UNIONS CAN USE THE GROWING PROMINENCE OF CSR AS A TOOL WITHIN SOCIAL DIALOGUE (INCLUDING A CHECKLIST TO REVIEW YOUR ORGANIZATION).

WHAT IS CORPORATE SOCIAL RESPONSIBILITY (CSR)?

There is no universal understanding as to the meaning of CSR. In 2011 the European Commission defined CSR as "the responsibility of enterprises for their impacts on society". This definition is in line with how the word "responsibility" is generally understood. To be responsible for something is to be accountable for the consequences of one's actions. CSR, then, is about how a company addresses its impacts on society. These impacts could be how a company's activities affect the environment or people. Common subjects for considering social responsibility include how a company's activities affects human rights, workers, the rule of law, the community, as well as the environment.

The new EU definition has been welcomed by trade unionists as it corrects some of the worst ideas that were being promoted in the name of CSR. CSR is not a "voluntary concept" and must not be limited to actions "above and beyond legal requirements". Obeying the law cannot be assumed away. Companies can and do violate the law in all countries, and when they do, they can be considered irresponsible with respect to society. Companies have responsibilities that are not legally binding but that are always applicable to their behaviour. For example, companies always have the responsibility to respect internationally-recognised human rights even in countries where governments do not protect those human rights.
CSR is about integrating responsible behaviour into the company's day-to-day operations and activities. Philanthropy or charity giving cannot be used to offset behaviour that has negative impacts on others.

Who are stakeholders?
Stakeholders are persons or organisations with interests (or "stakes") that can be affected by a company's behaviour. Sometimes the term "interested party" is used instead. Employees, as well as other workers whose jobs or working conditions are affected, or could be affected, by a company, can be considered stakeholders of that company. Trade unions can also be considered stakeholders of specific companies but also of entire industries.
There are a few important things to remember about the concept of "stakeholder". First, «stakeholder" is a relational term: someone or an organisation will only be a stakeholder in situations where they can be affected. Second, not all stakeholders are equal. Some interests will be more important than others. Third, not all stakeholders will have an interest in the success of the company. They may have no obligations whatsoever to the company that is having a negative impact on them. Finally, not all stakeholders will understand that they are stakeholders. They may be affected without realising that they are affected.

CSR and Sustainable Development
Sustainable development is closely related to CSR because sustainable development is another way of describing the broad interest of society. In this sense, the negative impacts of business on society could also be considered negative impacts on sustainable development. Sustainable development will not always be the same thing as the sustainability or viability of a company however.

WHY DOES CSR MATTER?

Behaving responsibly is said to be in the long-term interests of companies since – in an age of increasing, worldwide consumer awareness – it improves their public image and wins over new customers. It can also be used as a tool to understand what matters most to its stakeholders and business priorities as a process to identify future risk (and opportunities).

However, the CSR agenda is also often seen as 'business-driven', with recent shifts towards "corporate sustainability" and "sustainable development", altering the importance of recognizing the *responsibility of enterprises for their impacts on society* (as per

the EC definition). Further, with the growth in business-led CSR activities, there is concern that businesses will dominate future discussions and decide what is important, without full dialogue.

Therefore, the ETUC, insists that

1. CSR must be a sustained effort – not a public relations exercise;
2. CSR must not be a way to avoid dialogue with workers organized in trade unions, or an alternative to labor legislation and collective bargaining. CSR does not replace social dialogue, it contributes to and complements social dialogue.
3. For workers, the first consideration of CSR must be the quality of industrial relations within a company. It would, indeed, be a contradiction in terms for a firm that fails to respect workers' rights or apply a collective agreement be regarded as 'socially responsible'. A business can only claim publicly to be responsible if it first applies the highest standards internally.
4. Trade unions need to articulate that engaging in CSR activities is a means to address the adverse impacts of both multinationals and SMEs wherever they operate in the world.

For ETUC, responsible business practices include the following:

- Respecting workers' human rights including the right to form or join trade unions, to bargain and to strike.
- Promoting workers' participation through "real" consultation and information procedures, including within European Works Councils and SE boards
- Developing vocational skills and lifelong training for workers
- Respecting health and safety rights, promoting high health and safety standards and adopting preventive measures throughout the entire supply chain
- Promoting gender equality
- Good industrial relations including finding ways for the social partners to work together especially in improving social dialogue anticipating and managing change and restructuring
- Enhancing the quality of work throughout the entire supply chain
- Respecting the rights and supporting the employment of vulnerable groups such as young and disabled people and immigrants.

CSR AND SOCIAL DIALOGUE

At EU level, Social dialogue is the process of negotiation by which workers and employers reach agreement to work together on policies and activities. As a part of the Treaty on the Functioning of the European Union (Art.154-155), European social dialogue is a fundamental element of the European social model. It encompasses the discussions, negotiations and joint actions undertaken by the European social partners.

For the International Labor Organization, social dialogue includes all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers on issues of common interest relating to economic and social policy. Social dialogue is the most suitable tool for promoting better living and working conditions and greater social justice. It is an instrument through which governance can be enhanced in many fields. It is relevant to any effort aiming to achieve more productive and effective enterprises and sectors and a fairer and more efficient economy. It thus contributes to a more stable and more equitable society. [Link]

It is important to recognize that CSR does not replace social dialogue or an organization's legal requirements, rather CSR contributes to and complements social dialogue, with examples of novel and effective CSR policies being developed through transnational company agreements concluded between enterprises and global / European workers' organizations. As such CSR represents a potential mechanism through which trade unions and civil society organizations can identify problems, bring pressure for improvement and work constructively with enterprises to co-build solutions. However, as business aims to redefine the role of business in society, the spread of CSR has been met with a diverse reaction by the trade union movement.

TRADE UNION VIEWS ON CSR

"Is Corporate Social Responsibility (CSR) 'the proverbial good tree that hides a forest of bad practices', a marketing operation, the privatization of law, a means of weakening the power of unions... or, on the contrary, a tool or a 'lever' for social and environmental progress where circumstances in terms of standards, legislation, industrial relations and social dialogue do not do enough to promote this?" [ETUC 2013]

Increasingly private standardisation cover **subjects that are traditionally a matter for social dialogue**

Trade unions can be **drivers for CSR**

CSR is a threat, as it **transfers yet more power** and discretion to managers.

Compulsory reporting is vital

CSR used as a way to circumvent collective bargaining

CSR must not replace **legal obligations**

Make CSR a subject of social dialogue by giving unions the resources to **monitor commitments**

Unions lack the legitimacy and influence to **shape the emerging CSR agenda**

We are almost chasing our tails, trying to understand what the company means

A priority must be to ensure the **ILO standards are implemented** in the context of CSR policies

It is illusory to think that companies will assume their **responsibilities voluntarily**

Many organizations have policies that are **look good but are largely presentational and top-down** and often are not embedded in the organization

Companies are re-inventing their priorities and **trade unions are outside these discussions**

A voluntary approach can be effective provided that **unions are involved in the process**

"CSR is a tool for moving forward, not a substitute for legal obligations or collective agreements" **(CGSLB/ACLVB - CSC/ACV)**

"The concept of CSR has moved forward towards a more mainstreaming perspective. Today it is more difficult for representatives of the business community to argue that their responsibility is limited to shareholders (- at least in public!).… "Having said this, it is a great challenge to raise the trade union voice in the 'chorus' of consultants, auditors, NGOs of different kinds, environmental organisations, government officials (who think that as long as the company is Swedish or European everything is OK)" **LO-Sweden**

A RENEWED EU STRATEGY 2011-2014 FOR CORPORATE SOCIAL RESPONSIBILITY

POLITICAL CONTEXT

In 2011 the European Commission published "A renewed EU strategy 2011-14 for Corporate Social Responsibility". This included
- A new definition of CSR - "*the responsibility of enterprises for their impacts on society*"
- Calls for business to respect applicable legislation,
- Recognition that **collective agreements between social partners**, is a prerequisite for meeting that responsibility
- Acknowledgement that "CSR contributes to and supplements social dialogue".

Within the strategy, emphasis was placed on internationally recognized principles and guidelines (as well as specifically lobbying European companies and the Member States about them), including *[see page 17 on for further details of these principles, standards and guidelines]*
- OECD Guidelines for Multinational Enterprises
- The ten principles of the United Nations Global Compact
- The ISO 26000 Guidance Standard on Social Responsibility
- The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- United Nations Guiding Principles on Business and Human Rights.

Further, the agenda for action 2011-2014 (item 4) provides additional possibilities for reinforcing the obligations of multinational enterprises to comply with labor standards, with priority given to sectoral strategies and responsible practices throughout the supply chain.

ETUC REACTION

1. Against the backdrop of the financial, economic and social crisis, the dominance of neo-liberal policies and heightened competition, there is nevertheless justification for fearing that more European companies will consider CSR to be a 'luxury' and will show much less respect for human rights, labor standards and environmental concerns. **It is apparent that concrete/ binding measures are needed in several areas** [1].

2. Whilst the Commission effectively gives equal importance to the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy, the ILO MNE Declaration, and the Global Compact principles (these principles are more a declaration of intent than a genuine, credible attempt to promote CSR) – **accordingly, the hierarchy of these sets of principles needs to be reviewed**.

3. A clearer explanation in the CSR definition of companies '**direct and indirect**' responsibilities, including outsourcing, would have been welcome.

4. The Commission intends to create sectoral platforms and launch a European award scheme for CSR partnerships, without specifying how it plans to implement these plans (or involve the trade union movement).

5. The application of the Unfair Commercial Practices Directive foreseen for 2012 does not make any mention of social issues.

6. There is a discrepancy between environmental and social concerns in the chapter entitled "Public procurement". Particular vigilance will be needed to **ensure better integration of both social and environmental considerations into public procurement** as part of the 2011 review of the two Public Procurement Directives

7. The Communication does not refer to any possible changes in the composition of the Business Alliance.

8. **It is not enough to "invite" companies to act responsibly; more concrete/binding measures are neede**d.

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1 The UN Guiding Principles on Business and Human Rights were proposed by the UN Special Representative on Business and Human Rights, Professor John Ruggie, and endorsed by the UN Human Rights Council in June 2011.

ROLE OF UNIONS IN TRANSPOSING THE STRATEGY

Recognizing its potential weaknesses, CSR activities can provide important opportunities for trade unions in ongoing social dialogue, and trade unions can play an important role in transposing the EU strategy, including through:

SOCIAL DIALOGUE / STAKEHOLDER ENGAGEMENT

- CSR –that is how a company identifies and addresses its impacts on society should be a subject of social dialogue
- CSR policies and activities of a company must never be seen as a substitute for industrial relations or collective bargaining as a topic is secondary to representation by a trade union for collective bargaining purposes
- CSR policies and activities can be tools to help companies meet their legal obligations.

> "We must insist on the fact that workers and their representatives are not stakeholders like any other as they are inside the company. Unions therefore have a special position to address CSR. There may be discussions with other stakeholders, consultations and reports but there is no negotiation in the sense of collective bargaining." CGIL-CISL-UIL, Italy

REPORTING

- CSR reporting could be a means of increasing transparency across global supply chains
- CSR reports must include the following:
  - Working and employment conditions throughout entire enterprise – and due diligence with respect to working conditions in its supply chain and business relationships
  - Opportunities for worker participation – information, consultation and participation

- What measures are taken to support the employment of individuals from disadvantaged groups
- What measures are taken to contribute to support the balance between professional, personal and working life.

IMPLEMENTATION

- The best way to bring about awareness and commitment is for the workforce to be involved in a company's CSR activities and policies.
- Establishment of network amongst international federations and confederations with local trade unions to ensure CSR is translated and addressed throughout an organization's operations and supply chain.

> "In order to be useful and credible, the CSR tools (charter, framework agreements, reporting and so on) must be accompanied by control mechanisms, checking and resources. Having the resources to understand and monitor the commitments of the company management is essential. EPSU

COMPLIANCE AND MONITORING

- Trade unions can provide an important and effective monitoring role for the implementation of CSR – e.g. through participating in the process of labor audits.
- Trade unions have a crucial role as stakeholders in developing, validating and implementing CSR

> "The presence of trade unions is the most effective monitoring system and mechanism for addressing grievances". J. Ruggie (UN Special Representative, November 2009, Stockholm)

TOOL: WHAT TO LOOK FOR (AND WHERE) WHEN LOOKING TO NEGOTIATE FOR THE CSR DIRECTIVE / STRATEGY AND SOCIAL DIALOGUE?

Context:
Around the world, public and private organizations are at different stages on their 'CSR journey. An important first step is to assess CSR in your workplace. The following tool provides an initial 'check-list' to consider. [1]

Where to look for evidence
- Annual report or operating and financial review
- Mission, vision and/or values statement
- Corporate strategy / corporate plan
- CSR or sustainability report
- Social, environmental, procurement policies or targets

	DOES IT INCLUDE / COVER			
	Domestic operations	International operations	Supply chain (incl. outsourced)	Partners incl. Government
• OVERALL APPROACH - reference and/or commitment to…				
• OECD Guidelines for Multinational Enterprises				
• ISO 26000 Guidance Standard on Social Responsibility				
• ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy				
• United Nations Guiding Principles on Business and Human Rights				
• ILO Declaration on Fundamental Principles and Rights at Work				
• ILO Core Labor standards				
• Ten principles of the United Nations Global Compact				
• Reference to other external tools e.g. UN Millennium Development Goals; UN Sustainable Development Goals 2015				

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2 Check list sources included:
- OECD Guidelines for Multinational Enterprises
- ISO 26000 Guidance Standard on Social Responsibility
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- Ten Principles of the United Nations Global Compact
- Global Reporting Initiative (GRI)

	DOES IT INCLUDE / COVER			
	Domestic operations	International operations	Supply chain (incl. outsourced)	Partners incl. Government
APPROACH TO CSR – does the organization…i.a				
• Reference its legal obligations as part of its CSR?				
• Have a code of conduct?				
• Does the organization have a CSR policy				
• Who was involved in development of the CSR strategy?				
• What is the governance structure for CSR?				
• Does the organization include its supply chain in its CSR policy?				
• Is the CSR policy / strategy available in host country language?				
• Has the organization set targets? (are they time bound / to be achieved by a certain date)				
• Monitor the status of suppliers?				
SOCIAL DIALOGUE (this list is insufficient if this is supposed to be a checklist) i.a				
• Not interfere with the right to form or join a trade union				
• Recognise trade unions for the purpose of collective bargaining				
• Social dialogue and partnership?				
STAKEHOLDER ENGAGEMENT				
• Seek stakeholder feedback?				
• Does the CSR policy explicitly reference involving employees/workers in establishing, implementing and monitoring CSR policy				
TRANSPARENCY AND DISCLOSURE [see page 12]				
• Publish an annual CSR report?				
• Use external reporting framework (e.g. GRI)?				
• Is the report externally audited?				
• Is the report available in host country language(s)?				

SECTION A

	DOES IT INCLUDE / COVER			
	Domestic operations	International operations	Supply chain (incl. outsourced)	Partners incl. Government
SPECIFIC ELEMENTS				
Human rights				
• Trade union representation and partnership with unions				
• Freedom of association and right to collective bargaining				
• Promoting employee engagement, feedback				
• Health and safety				
• Working time and leave				
• Training and development				
• Grievance mechanisms				
• Opportunities for volunteering/community support				
• Legal working age				
• Living wage				
• Work life balance				
• Well-being and nutrition				
• Living conditions				
• Equality, equity				
• Child labor				
• Forced or compulsory labor				
• Support for different languages and access				
• Confidential means for reporting human rights issues				
Social policies				
• Local community employment				
• Local community procurement				
• Customer health and safety				
• Local community engagement				
• Anti-corruption				

	DOES IT INCLUDE / COVER			
	Domestic operations	International operations	Supply chain (incl. outsourced)	Partners incl. Government
Environmental policies and actions				
• Materials used				
• Energy				
• Water				
• Biodiversity				
• Emissions				
• Effluents and waste				
• Transport				
Taking account of the organization and its impacts - are there any gaps?				
Where can trade union representatives negotiate for action?				

SECTION B

TRANSPARENCY AND DISCLOSURE

THIS SECTION EXPLORES TRANSPARENCY AND DISCLOSURE – DISCUSSING HOW
AN ORGANIZATION MEASURES AND REPORTS ITS IMPACT AND PERFORMANCE
(AND WHAT SHOULD AND SHOULDN'T BE INCLUDED) – INCLUDING A CHECKLIST
FOR TRADE UNIONS TO CONSIDER WHEN REVIEWING CSR REPORTS

THE EU DIRECTIVE ON NON-FINANCIAL AND DIVERSITY DISCLOSURE

CONTEXT

On 15th April 2014, the plenary of the European Parliament adopted a resolution on the proposal for a directive as regards disclosure of non-financial and diversity information by certain large companies and groups. This was adopted by the Council on 29th September 2014. The Directive intended to provide a baseline for non-financial transparency and accountability for companies:

- Applicable to about 6,000 large companies (above 500 employees and turnover above 40m euros)
- Covers environment, social and employee matters, respect for human rights and anti-corruption
- To be included within the management report of the Annual Report
- No requirement for statutory audit of content (but may still be audited).

The Directive addresses the disclosure of a non-financial statement containing information relating to at least environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:

- A description of the policy pursued by the company in relation to these matters;
- The results of these policies;
- The risks related to these matters and how the company manages those risks.

Companies may make use of recognized international frameworks (e.g. UN Global Compact, ISO 26000, national sustainability codes, etc.) and were encouraged to also report on diversity policies.

There has been a rapid increase in the **number** of CSR reports over the past decade. *Although this increase has not necessary been matched by content or quality.*

Whilst there has been a rapid rise in the volume of reports published, concern has been raised **relating to the content and level of disclosure within these reports.**
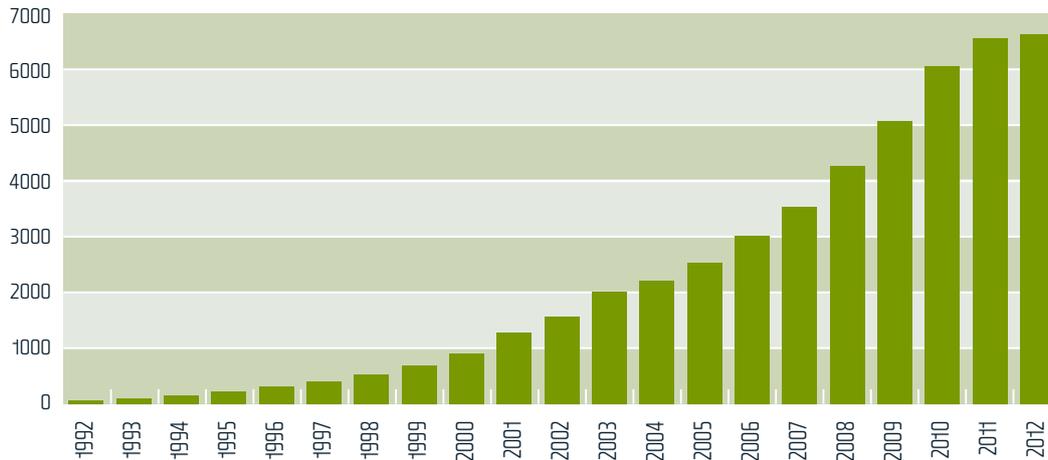
Common themes / concerns include
- Extended disclosure on environmental performance and insufficient disclosure on human rights impacts and labour practices including collective bargaining
- Prominence given to community projects and awards and prizes
- Staff survey cited but unions not mentioned
- Avoidance of difficult issues connected with core business
- Lack of co-ordination of CSR practices in different countries
- Reports printed in English and not available in host country language
- Final group-level reports not capturing details from national operations

NOTE:
Database.globalreporting.org provides a central source for over 20,000 reports from over 7,000 organisation

NUMBER OF CORPORATE RESPONSIBILITY REPORTS PUBLISHED GLOBALLY

NUMBER OF CORPORATE RESPONSIBILITY REPORTS BY REGION

Legend: Europe, Asia, South America, Middle east, North America, Australia, Africa, Central America
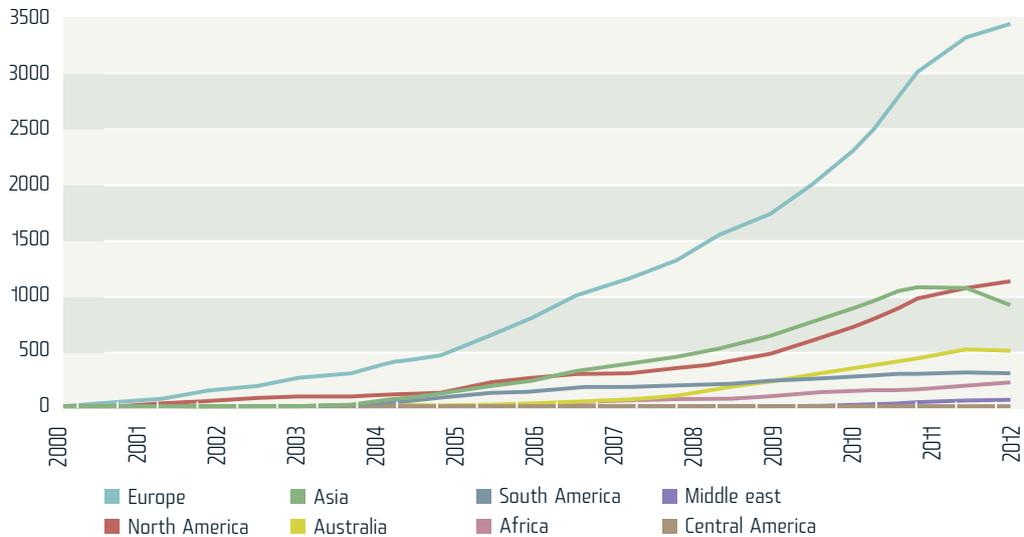
CONSIDERATION: In reviewing an organization's CSR report, there are two key questions
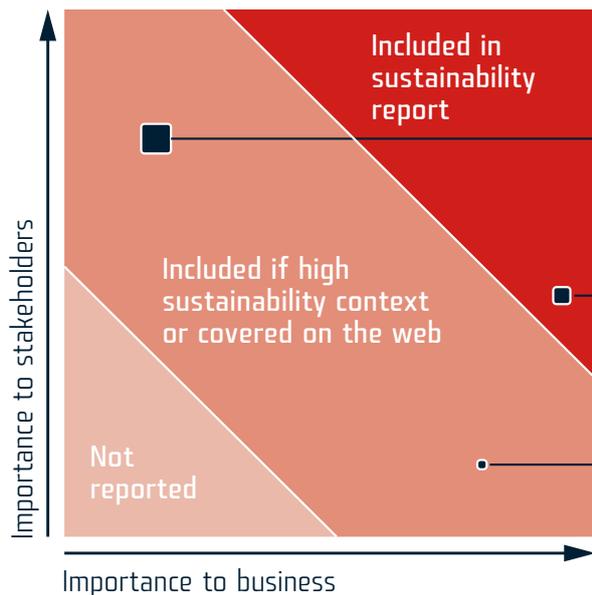1. **Are the right things in the report** (e.g. does the organization report what really matters)?
2. **Are the things in the report 'right'** (e.g. does the organization report an accurate picture of its impact)?

DISCLOSING / REPORTING
WHAT MATTERS MOST (MATERIALITY)?

One of the key challenges associated with an organization's CSR report is that the organization may publish a host of 'good news stories' but does not address its negative impacts which matter most to the organization and its stakeholders (including employees/workers and the trade union movement).

Therefore, a focus on reporting the issues which matter most (are 'material') – as defined below- should be at the core of an organization's CSR report.

Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders. [GRI]

Included in sustainability report

Included if high sustainability context or covered on the web

Not reported

Importance to stakeholders

Importance to business

A 'typical materiality matrix' in which the issues in the top right corner are the key priorities and included in report

CONSIDERATION:
1. 'Who prioritises the top right corner'… as most issues are material for at least one stakeholder group
2. Note that the importance to business is treated as 'equal' to importance to stakeholders (collectively)

CHECK LIST:

1. How did the organization determine what to report?
- *Were trade unions consulted?*

2. How does the organization prioritize issues raised by its stakeholders?
- *How can trade unions ensure they are involved in this process?*

3. What topics / issues - does the report cover?
- *E.g. does it cover the issues, which matter most to Trade unions (e.g. labor indicators)?*

4. How is the report edited?
- *E.g. does local data get removed from the group report (does it become a digest of good news)?*

5. What issues are missing / does the organization report on the difficult issues?
- *E.g. freedom of association, child labor violations, employee fatalities*

6. What are the boundaries for the report
- *E.g. does it cover supply chain / employees in the supply chain?*

7. Where is the report published, and in what languages?

MEASURING AND REPORTING IMPACT?

The second challenge in reviewing a CSR report – is understanding how the organization measures and reports its impact.

WHAT TYPE OF REPORTING?

Different issues can be measured and reported in different ways e.g.

- Narrative reporting: Provides a commentary of an organizations activities including management approach
- Quantitative reporting: Provides data-based information on an organizations performance (e.g. number, volume, dates)

CONSIDERATION: Whilst CSR reports often include case studies which highlight good news stories, do these distract attention from 'less favorable' impacts?

WHAT INDICATORS ARE USED?

Indicators are used to measure, simplify and communicate complex trends and events relating to an organization's performance, these can be

A. Lagging indicators (also referred to as outcome indicators): give an account of what has happened. Most companies use lagging indicators to report results, and they are preferred by the general public and regulators because they are meaningful and easy to understand. However, lagging indicators represent a retrospective view of performance, and do not provide managers with foresight about future performance expectations

   Examples: Number of accidents in the past 12 months

B. Leading indicators (also referred to as business process indicators): give advance notification of impact by measuring internal practices or efforts that are expected to improve future performance

   Examples: use of health and safety awareness to reduce future accidents

CONSIDERATION: An organization reports receiving more employee complaints… is this 'bad' because more employees are aggrieved… or is this 'good' because the company is getting better at listening and engaging employees to raise issues?

SECTION B

HOW IS PERFORMANCE MEASURED?

A. **Absolute measurement:** Refer directly to the measure of performance regardless of input variables. They are therefore independently derived and are best used as one-off targets.
Example: Investment made in employee training (in £, $, €)

B. **Relative measurement:** measure of output normalized by output variable.
Example: Investment made per annum per employee (£, $, € per employee)

C. **Sustainability context measurement:** Using external context to measure (and normalize) organizational performance
Example: Number of new jobs created in relation to national unemployment rate

CONSIDERATION: An organization reports that over the past 12 months, they have decreased child labour by 75%, however this still means that the organization is using child labor…

HOW TO IMPACT MEASURED?

A. **Inputs:** Measures the resources that go into an activity.
Example: investment made on training programmes, how many people attended

B. **Processes:** measure how you manage
Example: strategy for training

C. **Outputs:** Measures what is produced (and how much) from an activity.
Example: number of training programmes (not what was learnt)

D. **Consequences:** measure what happens
Example: improved health and safety

E. **Outcomes:** measures the consequences of outputs.
Example: Reduction in health and safety incidences because of training programmes

CONSIDERATION: A good measurement indicator is selected or designed in a manner that is transparent and participative and 'owned' by the people whose worldview and concerns it is intended to reflect, and whose experience it is intended to measure.

TOOL: CHECK LIST FOR REVIEWING A CSR REPORT

CONTEXT: There has been a rapid increase in the number of organizations reporting their CSR activities, performance and/or achievements over the past decade. This increase in disclosure provides an important leverage for trade unions to leverage in social dialogue. The following tool provides a check-list for points to consider when reviewing an organization's CSR report.

Consideration	Question to consider	Notes
Materiality (and stakeholders)	• How did the organization decide what to include in the report?	
	• Did the organization undertake a materiality assessment?	
	• Who was involved in the materiality assessment?	
	• Who does the organization identify as its stakeholders?	
	• Were trade unions consulted?	
	• Is there a full account of stakeholders and engagement?	
	• How did the organization prioritize issues?	
Scope and boundaries of report	• What topics / issues - does the report cover?	
	• What is missing / what information is not covered?	
	• Does the report cover all the organizations impacts? (direct and across supply chains)	
	• Does the report cover what the organization is not doing well?	
	• Does it cover the issues, which matter most to Trade unions (e.g. labor indicators)?	
	• What are the boundaries for the report? (e.g. does it cover supply chains)	
	• Does the report include a discussion of management approach?	
	• What language is the report published in?	
Framework	**Does the report use a reporting framework…**	
	• Global reporting initiative (GRI)	
	• United Nations Global Compact	
	• Integrated report (IIRC)	

SECTION B

Consideration	Question to consider	Notes
Measurement	• What has the organization 'done' about its material issues?	
	• Does the organization use leading and lagging indicators?	
	• Is data available from the previous years?	
	• Does the organization use a mix of absolute, relative measurement?	
	• Does the organization set forward looking targets?	
	• Has the organization set measurable targets?	
	• Are targets timed (to be achieved within certain time)?	
Targets	• How does the organization define aspirational statements? (e.g. good citizen or reduce environmental impact)	
	• Do targets relate to the material issues	
	• Do targets include absolute, relative and context-based measurement?	
Who monitors?	• Does the organization make a commitment to monitoring, verification, assurance?	
	• How can we know how reliable a particular commitment made by a company is?	
	• Who is involved in the monitoring process? (e.g. Trade unions)	
	• Is the report audited (all or partial)?	
	• Who is the report audited by?	
	• Can a Trade Union publish their own report?	

SECTION C

CSR STANDARDS

THIS SECTION PROVIDES A SUMMARY OF KEY CSR STANDARDS,
INCLUDING THEIR SCOPE, GOVERNANCE AND HOW TRADE UNIONS CAN USE THESE
STANDARDS – INCLUDING UN GUIDING PRINCIPLES ON HUMAN RIGHTS; OECD GUIDELINES;
ILO TRIPARTITE DECLARATION; ISO26000 AND THE GLOBAL REPORTING INITIATIVE.

WHAT IS A STANDARD?

The interest in CSR has given rise to a lot of standards some of which trade unionists must be familiar. In sorting out the many standards the most important distinction is whether the standard is from an authoritative governmental or intergovernmental organisation. Authoritative in this sense means that the standards are within the mandate or competency of the organisation. Such authoritative standards could be legally binding obligations or they could be recommendations of what constitutes good behaviour by business.
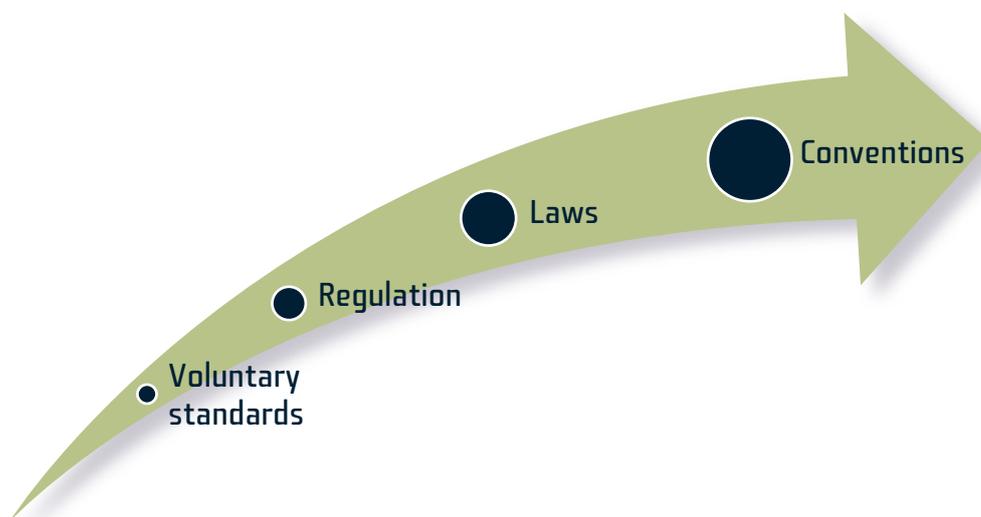
With respect to CSR, the most important authoritative international standards for company behaviour are the United Nations Guiding Principles for Business and Human rights; the OECD Guidelines for Multinational Enterprises, and the ILO declaration on Multinational Enterprises and social policy.

The interest in CSR has resulted in an explosion of private standards developed by companies, business organisations such as trade or industry associations and by business in cooperation with NGOs and (sometimes) trade unions. These standards do not always get things right – especially in the area of labour practices and human rights. In many cases the standards reinterpret or redefine already established expectations of responsible behaviour and sometimes are used to make it seem that a company's obligations and responsibilities are less than what they really are. Few of these standards, including those that concern labour practices, mention the importance of trade unions or of good industrial relations.

The two most important private standards of which trade unions should be aware is ISO 26000 Guidance on Social Responsibility and the Global Reporting Initiative GE Sustainability Reporting Guidelines. Both of these standards were developed involving a genuine "multi-stakeholder" approach that included significant trade union input. Moreover both of these standards have considerable uptake and influence.

Standards that concern the direct behaviour of a company with respect to its activities and impacts are sometimes referred to as performance standards. Standards that set out processes to be used by companies in addressing its responsibilities are sometimes referred to as process standards.

Conventions

Laws

Regulation

Voluntary standards

In reviewing a standard, five key areas to consider

Consideration	Question to ask	Notes
1) Who says so?	• Who was involved in its development? And what was the process? • Is this an authoritative international standard? • If yes what governmental organization developed it? • If no, which organisations were involved in its development? • Were unions involved in the development?	
	• Which organisations are involved in the follow up processes? (Follow up processes can include maintenance and change as well as compliance, monitoring and interpretation)	
2) What is the standard trying to do?	• Does it codify good practice?	
	• Does it provide guidance?	
	• Does it specify requirements – dictate practice?	
	• Does it set performance levels?	
	• Does it describe processes of management?	
3) What does the standard cover?	• Does it include social issues – including labor?	
	• Does it include environmental issues?	
	• Does it include economic issues?	
	• Does it include issues specific to certain industries? E.g. palm oil production, conditions for sailors	
4) How do you know the standard is working?	• What, if any, are the mechanisms that are used to determine whether the standard is being given effect? (reporting, grievance or complaint procedures, auditing, etc.)	
5) What happens if the standard isn't met?	• Does any party have the power to: - Put things right? - Punish the transgressor?	

CONSIDERATION:
- For national centres / unions, explore how it is possible to keep up to date and participate in revisions and consultations
- Can you establish an ETUC network/online forum and actively encourage identification and engagement of TU-side chairs/ secretaries of companies' CSR Agreements to contribute 'good practice' ideas/suggestions/Q&A resource/requests for help and advice etc.
- Can you provide some helpful hints/tips on Implementation practices/models?

UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

SUMMARY

The UN Framework for Business and Human rights is a "conceptual framework" developed to provide a common basis to address the issue of business and human rights. It is intended to influence public policy at the international and national levels. The ideas of the Framework can be incorporated into laws, treaties, regulations, CSR activities, business behavior and company policies. The Framework clarifies the different roles of business and governments as well as the understanding of specific concepts and terms.

The Framework is based on three pillars:
1. The State Duty to Protect against human rights abuses by third parties, including business;
2. The Corporate (business) Responsibility to Respect human rights; and
3. The need for more effective Access to Remedies by victims of human rights abuse.

This is formally known as the "UN 'Protect, Respect Remedy' Framework for Business and Human Rights" (referred to here as "the UN Framework") but is often referred to as the 'Ruggie Framework'.

The UN Framework and the Guiding Principles constitute the most significant development in over 30 years with respect to international standards of behavior for business. The UN Framework was formally welcomed by the UN Human Rights Council in 2008 giving it official status and marking the first occasion that the UN body mandated for substantive policy on Business and Human Rights. The UN Guiding Principles joins, the OECD Guidelines for Multinational Enterprises and the International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. The ILO MNE Declaration is a third authoritative, non-legally binding international instrument addressing the behavior of business.

The UN Framework and the Guiding Principles are "game changers". Some of the most important ideas:

- The roles of the state and of business are different and independent of each other. States cannot use the power of business as an excuse to not do their duty to protect human rights. **Businesses cannot use the failure of the state to protect as an excuse to avoid their responsibility to respect human rights.**
- The responsibility of **business to respect human rights applies to all businesses everywhere** and includes all of the internationally recognized human rights. The UN Guiding Principles specifically refer to the ILO Declaration on Fundamental Principles and Rights at Work that is based on the eight ILO fundamental workers' rights conventions.
- **The responsibility to respect means that businesses "should avoid infringing on the human rights of others and should address adverse impacts with which they are involved."**
- The expectation of responsible behavior is that businesses use **"due diligence" processes to identify, prevent, and mitigate their adverse impacts.** In addition businesses have a responsibility to remediate any adverse impacts that they cause or that they contribute to.
- **Businesses also have a responsibility to prevent or mitigate adverse impacts that are directly linked to their operations, product or services by their business relationships even if they have not contributed to those adverse impacts.**
- The state Duty to Protect and the corporate Responsibility to Respect includes obligations for remedy for the harm caused by the human rights adverse impacts caused by business.

The principles for implementation state that businesses should:
- avoid contributing directly or indirectly to human rights abuses
- develop human rights policies
- publicly state their commitment to respect human rights
- conduct due diligence assessments of their actual and potential human rights impacts and track the effectiveness of their responses to such impacts
- publicly report on how human rights are addressed, where risks of abuse are severe
- co-operate with state-based remediation
- establish their own grievance mechanisms available to all affected stakeholders

GOVERNANCE

The UNGPs were adopted by the UN Human Rights Council in 2011 after a process of widespread consultation of businesses and civil society. The UN Guiding principles do not come with a UN Mechanisms to consider questions over their meaning, to handle grievances against specific companies, to resolve disputes, or to investigate charges of corporate wrong doing. The UN Human Rights Council established Working Group of independent experts with a mandate that includes such functions as promoting the Guiding Principles, identifying and exchanging "best practices" and in making recommendations.

The significance of the Guiding Principles will be in their influence on other organizations and institutions, on public policy and by the possibilities that are created when they are applied by governments or companies. Many important instruments and initiatives concerning social responsibility have been updated to take on the ideas in the Guiding Principles. The OECD Guidelines reflect most of the important ideas in the Guiding Principles including due diligence. That means that the Guiding Principles are part of the most developed state based non-judicial dispute resolution mechanism.

TRADE UNION INVOLVEMENT

Trade Unions were been consulted throughout the development of the UN Guiding Principles on Business and Human Rights.[3]

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3 The UN Framework and its Guiding Principles require business to respect the "entire spectrum of internationally recognised human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the ILO's Declaration on Fundamental Principles and Rights at Work.

The right of workers to form or join trade unions is specifically included in all three instruments that comprise the International Bill of Human Rights.

USING THE UN GUIDING PRINCIPLES ON HUMAN RIGHTS

STRENGTHS	WEAKNESSES
• The UN Guiding Principles are a significant authoritative international instrument addressing business behavior. • Is universally applicable for all internationally -recognized human rights, for all business enterprises and in all countries. • The UNGPs have received wide support from states, civil society organizations as well as from business organisations and companies • Establishes "due diligence" as a new and essential expectation of responsible business behavior. • Establishes situations where aa company has responsibility for the negative impacts of its business relationships including its supply chain relationships • Human rights includes almost all of the social dimension of sustainable development including all of the most important labour practices of companies. • Model to cover whole supply chain	• Not accompanied by an official interpretation or an effective monitoring mechanism. Implementation depends on other organizations including governments and business organizations • The meaning of concepts such as "due diligence" must be developed for various situations • Confined to human rights, including labor rights

NOTABLE POINTS FOR A TRADE UNION TO CONSIDER

The UNGPs includes the following components:

- In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including
  A) A policy commitment to meet their responsibility to respect human rights;
  B) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
  C) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

- As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy that:
  A) Is approved at the most senior level of the business enterprise;
  B) Is informed by relevant internal and/or external expertise;
  C) Stipulates the enterprise's human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;
  D) Is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;
  E) Is reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

HOW TO USE

Trade unions can use the UN Guiding Principles:

- To resolve problems and develop the meaning of due diligence through the OECD Guidelines and in other intergovernmental mechanisms based on the Guiding Principles such as those at the IFC.
- To influence government policy and legislation concerning business behavior
- To fight for decent treatment of workers in supply chains and for workers in precarious work relationships
- To put international pressure on specific companies or governments
- As a basis for becoming involved in the National Actions Plans on business and human rights that governments are being encouraged to develop.
- To influence intergovernmental organizations (ILO, World Bank, OECD and others);
- To assess or to change CSR initiatives
- To engage specific companies over specific problems and to change the framework for social dialogue
- To assess or to contribute to company non-financial reports
- To resolve problems and develop the meaning of due diligence through OECD Guidelines cases and in other intergovernmental mechanisms such as at the IFC;

[See Briefing Note for Trade Unionists from ITUC for further details – Link]

FOR FURTHER INFORMATION

- UN Guiding Principles on Business and Human Rights - Link
- ITUC, The United Nations "Protect, Respect, Remedy" Framework for Business and Human Rights and the United Nations Guiding Principles for Business and Human Rights - A Guide for Trade Unionists - Link
- ITUC, Framework for Business and Human Rights and the United Nations Guiding Principles for Business and Human Rights Briefing Note for Trade Unionists - Link
- The UN Guiding Principles on Business and Human rights and the human rights of workers to form or join trade unions and to bargain collectively. Produced by the ITUC, UNI, IndustriALL and the Clean Clothes Campaign.
- CNV International - Towards fair supply chains: How to use the Ruggie Principles and your international network in response to human rights violations in your company or sector - Link

OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

SUMMARY

The OECD Guidelines for Multinational Enterprises are an Annex to the OECD Declaration on International Investment and Multinational Enterprises. They are recommendations providing principles and standards for responsible business conduct made by governments and addressed to multinational enterprises in or from countries that have adhered to the Declaration. The Declaration and the Guidelines were adopted by the OECD in 1976 and were last revised in 2011.

While the Guidelines are legally non-binding, they set out the expectations of governments as regards the conduct of businesses in relation to:
- human rights
- employment and industrial relations
- the environment
- combating bribery
- consumer interests
- science and technology
- competition
- taxation

Part I of the Guidelines provide recommendations for responsible business conduct in a global context. These include the following chapters (of note)

CHAPTER IV. Human Rights:

States have the duty to protect human rights. Enterprises should, within the framework of internationally recognized human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations [note the following are extracts - see page 31 of OECD Guidelines for further details] :

1. Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
2. Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.
3. Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.
4. Have a policy commitment to respect human rights.

CHAPTER V. Employment and Industrial Relations:

Enterprises should, within the framework of applicable law, regulations and prevailing labor relations and employment practices and applicable international labor standards: [note the following are extracts - see page 35 of OECD Guidelines for further details]

1. (a) Respect the right of workers employed by the multinational enterprise to establish or join trade unions and representative organizations of their own choosing.

   (b) Respect the right of workers employed by the multinational enterprise to have trade unions and representative organizations of their own choosing recognized for the

purpose of collective bargaining, and engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on terms and conditions of employment.

2. Promote consultation and co-operation between employers and workers and their representatives on matters of mutual concern.

GOVERNANCE

At the international level, oversight is provided by the Investment Committee of the OECD, with advice sought from:
- the Business and Industry Advisory Committee to the OECD (BIAC)
- the Trade Union Advisory Committee to the OECD (TUAC)
- OECD Watch (civil society network)

At the national level: Governments that sign the Guidelines are required to set up **National Contact Points** (NCPs), which have a responsibility to help resolve complaints of alleged breaches of the Guidelines. NCPs have their own oversight mechanisms at national level (these range from steering committees, advisory boards) and the requirement to submit annual reports to Parliament.

TRADE UNION INVOLVEMENT

A small number of NCPs are tripartite where trade unions participate as equal partners. In other NCPs, trade unions are formally represented on steering or advisory boards. All NCPs are supposed to cooperate with trade unions and others in their efforts to promote the Guidelines. Between 2000 and 2014, trade unions submitted 160 cases under the Guidelines. The majority of cases (96%) have concerned Chapter V (Employment and Industrial Relations) [TUAC 2012].

USING THE OECD GUIDELINES

Strengths	Weaknesses
- Include a complaints mechanism (NCPs) - Allow non-OECD members as well as OECD countries to adhere to the Guidelines - Apply to the global operations of MNEs from countries that have signed the Guidelines - Apply to supply chains and other business relationships and to all categories of workers whether employees or agency workers - Incorporate the requirement for MNEs to respect human rights and to undertake human rights due diligence - Aligned with other authoritative international standards including the UN Guiding Principles on Business and Human Rights and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy [TUAC 2012].	- Non-binding – cannot be enforced by courts - Uneven and often poor performance of NCPs - If the NCP process fails there is no further recourse difficult to escalate if NCP is not working "No true and proper sanction for MNEs" [participant 2014] "Guidelines don't cover minimum wage" [participant 2014] - Too vague – insufficient detail

NOTABLE POINTS FOR A TRADE UNION TO CONSIDER

- Any organization, including a trade union, is able to submit a case under the Guidelines:
  - Where the alleged breach of the *Guidelines* occurs in a country that has signed the Guidelines then the case should be submitted to the NCP of that country – the host country NCP.
  - Where the alleged breach of the *Guidelines* occurs in a country that has not signed the Guidelines, the case should be submitted to the NCP of the country where the MNE has its headquarters – the *home country* NCP.

- The first step is for the NCP to carry out an initial assessment to check that the case is eligible under the rules of the Guidelines. If the case is accepted, it then offers mediation to the parties. If the parties come to an agreement through mediation, the NCP publishes its report and closes the case.
- If the parties refuse mediation or mediation fails, while some NCPs conduct an examination and make a public determination on whether the Guidelines have been breached, others publish an NCP report with recommendations on furthering the implementation of the Guidelines.

HOW TO USE

- Identify and make contact with your National Contact Point (NCP)
- Identify trade unions that are involved in the functioning of the NCP
- Get involved in actions aimed at improving NCP performance
- Submit cases to NCPs, in particular using the provisions on due diligence and supply chains
- Ensure your Government is reporting nationally on how the NCP is working and in national language(s)
- Review your company's latest disclosure on their compliance against the OECD Guidelines
- Review the Trade Union Guide to the OECD Guidelines for Multinational Enterprises - Link

FOR FURTHER INFORMATION

- OECD Guidelines for Multinational Enterprises - Link
- The Trade Union Guide to the OECD Guidelines for Multi-national Enterprises in: Arabic, Chinese, English, French, German, Japanese, Korean, Spanish and Swedish – Link LAN-GUAGES WERE WRONG
- Link
- TUAC Statement on the Update of the OECD Guidelines for Multinational Enterprises - 25 May 2011 - Link
- Examples of notable cases
  - G4s V Uni Global Union
    www.tuacoecdmneguidelines.org/CaseDescription.asp?id=18
  - Unilever PLC vs. International Union of Food Workers (Pakistan) – Link
  - Nissan V UAW-IndustriALL:
    www.state.gov/e/eb/oecd/usncp/links/rls/236972.htm

ILO TRIPARTITE DECLARATION

SUMMARY

The International National Labor Organization's (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (The ILO MNE Declaration) was adopted by the ILO's Governing Body in 1977 and has been revised on various occasions. The content is based on ILO Conventions and recommendations and revisions have consisted of adding references to ILO instruments that were adopted since the previous revision. The ILO MNE Declaration is divided into four sections: General policies; employment; conditions of work and life; and industrial relations.

The MNE Declaration continues to be important to any consideration of CSR for two reasons. First the ILO MNE Declaration does not expect business organisations to define their social responsibilities unilaterally. It envisions consultations between governments and national employers' and workers' organisations. It also call for MNEs to take "established policy objective into account", as well as to be "in harmony with the development policies" of the country concerned.

The second reason that the MNE Declaration is important for consideration is that it represents consensus by the governments, employers and workers that, although the ILO Conventions and recommendations are intended to be applied by governments, many of the underlying principles of these conventions and recommendations can be applied by companies as well. In this is useful to note that the MNE Declaration is intended to be good practice for all enterprises whether multinational or national.

The Principles cover:
- Promotion of full, productive and freely chosen employment
  - Prioritize host country employment
  - Give notice on major changes
- Training
- Conditions of work and life
  - Wages not less than market rate
  - Respect minimum wage
  - Ensure highest standards of health and safety
- Industrial relations
  - Freedom of association
  - Collective bargaining
  - Consultation
  - Examination of grievances – fair process especially when operating in a country that does not abide by key ILO conventions (eg child labour)

GOVERNANCE

The International labour Organisation is the global body established to set international labour standards and is the authoritative international organization for all matters related to labour practices and the world of work. It is governed on a tripartite basis with participation by almost all of the world's governments as well as the most representative employers' and workers' organisations. The ILO MNE Declaration has the status of an international instrument.
Although some follow-up mechanisms including an interpretation procedure were developed they have proven ineffective.
Periodic surveys are conducted to monitor the effect given to the Declaration by MNEs, governments, and employers' and workers' organizations. The last survey was conducted in 2003, and provides general views of impact of Declaration, but:
- Decline in number of responses since previous survey (1999)
- Responses were often vague or not to the point
- Recommendation that an alternative form of monitoring be adopted

TRADE UNION INVOLVEMENT

Workers representatives on the ILO Governing Body approved the MNE Declaration which was developed in consultation with international trade union and employer's organisations.

USING THE ILO TRIPARTITE DECLARATION

Strengths	Weaknesses
• The only universally applicable authoritative instrument relating business behavior to development. Can be used to support claims that businesses must respect the underlying principles of international labour standards whether or not they are ratified	• No effective follow up mechanism • Has not been revised to reflect important concepts in the UN Guiding Principles including supply chain relationships.

NOTABLE POINTS FOR A TRADE UNION TO CONSIDER

Wages, benefits and conditions of work

• Wages, benefits and conditions of work offered by multinational enterprises should be not less favorable to the workers than those offered by comparable employers in the country concerned.

• When multinational enterprises operate in developing countries, where comparable employers may not exist, they should provide the best possible wages, benefits and conditions of work, within the framework of government policies. These should be related to the economic position of the enterprise, but should be at least adequate to satisfy basic needs of the workers and their families. Where they provide workers with basic amenities such as housing, medical care or food, these amenities should be of a good standard.

• Governments, especially in developing countries, should endeavor to adopt suitable measures to ensure that lower income groups and less developed areas benefit as much as possible from the activities of multinational enterprises.

HOW TO USE

• The ILO MNE Declaration can be cited in any consideration of what are the social responsibilities with respect to international labour standards of any business in any country.

FOR FURTHER INFORMATION

• ILO: Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration) - 4th Edition - Link

ISO 26000

SUMMARY

The International Organization for Standardization, launched International Standard 26000 (ISO 26000) in 2010 to provide guidelines for social responsibility. Its goal is to contribute to global sustainable development, by encouraging business and other organizations to practice social responsibility to improve their impacts on their workers, their natural environments and their communities

Principles of Social Responsibility (as outlined by ISO26000)
- Accountability
- Transparency
- Ethical behavior
- Respect for stakeholder interests
- Respect for rule of law
- Respect for international norms of behavior
- Respect for human rights

Definition: responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that [4]:
- contributes to sustainable development, including health and the welfare of society
- takes into account the expectations of stakeholders
- is in compliance with applicable law and consistent with international norms of behavior
- is integrated throughout the organization and practiced in its relationships.

The Seven Core Subjects, which user of ISO 26000 should consider, are:
- Organizational governance
- Human rights
- Labor practices
- Environment
- Fair operating practices
- Consumer issues
- Community involvement and development

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4 NOTE 1 Activities include products, services and processes
   NOTE 2 Relationships refer to an organization's activities within its sphere of influence

GOVERNANCE

The standard was developed by over 600 participants from 90 countries. The development process included consideration of
- Stakeholder balance (industry, labor, NGO, consumer, government, other)
- Developed/developing world balance

Governance of subsequent maintenance controlled by National Standards Bodies.
- ISO 26000 has influenced EC approach to CSR

TRADE UNION INVOLVEMENT

Labor groups had significant influence on the development of ISO26000, with ILO, ITUC and a number of national unions involved. A MoU was established between ISO and ILO re: ISO 26000.

Social responsibility: 7 core subjects

Holistic approach

6.2° Community involvement and development

6.3° Human rights

6,2° Organizationnal

ORGANIZATION

governance

6.7° Consumer issues

6.4° Labour practices

6.6° Fair operating practises

6.5° The environment

Interdependence

USING ISO 26000

Strengths	Weaknesses
• ISO is a recognized standards body – well-known for other organizational standards e.g. ISO9001; ISO 14001 • Covers wide range of subjects, including human rights and labor practices • Intended for all types of organization • A few companies have acknowledged its influence – particularly in Asia • Often used as checklist of issues • Highly detailed and long guidelines • Trade Unions have been actively involved in the drafting of this standard	• A key weakness is that ISO decided that their standard not be placed in the public domain but remain proprietary. This problem has also been expressed by trade unionists in the ISO process • Guidance standard – setting out good practice only • No support for Monitoring • Un-clear how much a company has used the standard – or 'just looked at the first page' • Has no power to compel organizations • Few organizations at the moment are using it.

NOTABLE POINTS FOR A TRADE UNION TO CONSIDER

In relation to social dialogue an organization should:
- Recognize the importance for organizations of social dialogue institutions, including at the international level, and applicable collective bargaining structures
- respect at all times the right of workers to form or join their own organizations to advance their interests or to bargain collectively
- not obstruct workers who seek to form or join their own organizations and to bargain collectively, for instance by dismissing or discriminating against them, through reprisals or by making any direct or indirect threat so as to create an atmosphere of intimidation or fear
- where changes in operations would have major employment impacts, provide reasonable notice to the appropriate government authorities and representatives of the workers so that the implications may be examined jointly to mitigate any adverse impact to the greatest possible extent
- as far as possible, and to an extent that is reasonable and non-disruptive, provide duly designated worker representatives with access to authorized decision makers, to workplaces, to the workers they represent, to facilities necessary to perform their role and to information that will allow them to have a true and fair picture of the organization's finances and activities

- refrain from encouraging governments to restrict the exercise of the internationally recognized rights of freedom of association and collective bargaining. For example, organizations should avoid locating a subsidiary or sourcing from companies located in specialized industrial zones where freedom of association is restricted or prohibited, even if national regulation recognizes that right, and they should refrain from participating in incentive schemes based on such restrictions

HOW TO USE

- ISO26000 is an excellent summation of the most recognized responsibilities of companies and can be used in developing check-lists for issues such as non-financial reporting or as a quick reference to expectations of responsible behavior in various subjects.

FOR FURTHER INFORMATION

- ISO 26000 - Link
- GRI and ISO 26000: How to use the GRI guidelines in conjunction with ISO 26000 - Link
- Handbook for implementing ISO 26000: Guidelines for small and medium businesses - Link

GLOBAL REPORTING INITIATIVE (GRI)

SUMMARY

The Global Reporting Initiative (GRI) is a non-profit organization that promotes sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development.

It is one of the most popular standards for sustainability reporting. In 2013, the GRI published its 4th framework for sustainability reporting – the G4 Guidelines.

The framework, which is voluntary, provides a structure for reporting – which includes indicators and criteria for reporting
- Strategy and Profile
- Strategy and Analysis
- Organizational Profile
- Report Parameters
- Governance, Commitments and Engagement
- Management Approach

A key element of the framework is the GRI G4 Performance indicators, which provide disclosure requirements against the following aspects of organizational performance
- Economic
- Environmental
- Social – including
  - labor practice and decent work
  - human rights
  - society
  - product responsibility

At the core of the G4 guidelines is a focus on reporting what matters most (material issues)
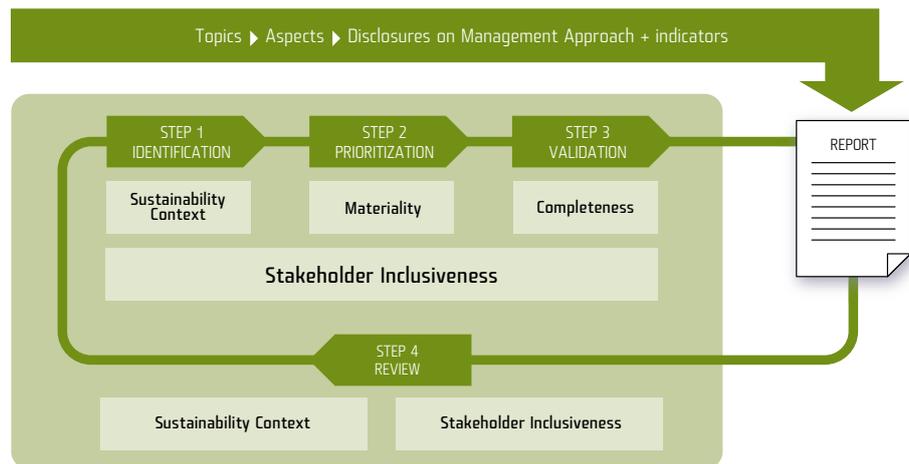
Organizations may decide to declare their report to be 'in accordance' with GRI G4. There are two options for a report to be declared by the organization as in accordance with GRI G4:

- **Core.** This requires reporting at least one indicator for each material Aspect
- **Comprehensive.** This requires reporting all GRI indicators for each material Aspect, together with additional general material on, for example, governance.

GOVERNANCE

The Guidelines are developed through a global multi-stakeholder process involving representatives from business, labor, trade unions[5], civil society, and financial markets, as well as auditors and experts in various fields; and in close dialogue with regulators and governmental agencies in several countries. The Guidelines are developed in alignment with internationally recognized standards which are referenced throughout the Guidelines. Trade unions are involved in all of the GRI's governance bodies including the Board, the Stakeholder Council and the Global Sustainability Standards Board. Participation in these bodies is coordinated by the Council of Global Unions.

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5 An ITUC member currently sits on the Technical Advisory Committee, which assists the GRI Board and Secretariat maintain quality and coherence of GRI framework

Topics ▶ Aspects ▶ Disclosures on Management Approach + indicators

STEP 1 IDENTIFICATION	STEP 2 PRIORITIZATION	STEP 3 VALIDATION	REPORT
Sustainability Context	Materiality	Completeness	

Stakeholder Inclusiveness

STEP 4 REVIEW

Sustainability Context	Stakeholder Inclusiveness

USING THE GRI

Strengths	Weaknesses
• The G4 Guidelines include a specific focus on materiality and reporting the issues which matter most to stakeholders • GRI encourages companies to set targets and then to report on whether or not those targets have been met.	• Many companies find the large number of indicators within the GRI framework daunting. • Reporting can also be expensive, especially for large organizations

NOTABLE POINTS FOR A TRADE UNION TO CONSIDER

Example indicators, which could be useful, for Trade Unions

- **Employment - G4-LA1:** *Total number and rates of new employee hires and employee turnover by age group, gender and region*
- **Labor/Management Relations – G4-LA4:** *Minimum notice periods regarding operational changes, including whether these are specified in collective agreements*
- **Occupational Health and Safety – G4-LA6:** *Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender*
- **Training and Education – G4-LA9:** *Average hours of training per year per employee by gender, and by employee category*
- **Diversity and Equal Opportunity – G4-LA12:** *composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity*
- **Equal Remuneration for Women and Men – G4-LA13:** *Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation*
- **Supplier Assessment for Labor Practices – G4-LA14:** *Percentage of new suppliers that were screened using labor practices criteria*
- **Labor Practices Grievance Mechanism on discrimination – G4-LA16:** *Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms*
- **Freedom of Association and Collective Bargaining – G4-HR4:** *Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights*
- **Child Labor – G4-LA5:** *Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor*
- **Forced or Compulsory Labor – G4-LA6:** *Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor*

HOW TO USE

- Demand trade union involvement in the materiality process for defining reporting context
- Use G4 indicators as tools to ensure the organization is measuring the issues which matter most
- Use G4 reports to benchmark the organization's performance against industry peers
- Use sustainability reports to assess the company's attention to Trade Union priorities

FOR FURTHER INFORMATION

- Global Reporting Initiative (GRI) - Link
- A Trade Union Checklist to the Global Reporting Initiative - Link
- A Trade Union Guide to the Global Reporting Initiative's Sustainability Reporting (by ITUC) - Link

OTHER STANDARDS

ISO 14001

Process standard for environmental management systems. It does not stipulate any performance requirements. It has been widely adopted – 100,000s implementations and often is a condition of supply. Certifiable requirements. Link

FAIRTRADE

Developed by NGOs initially working independently of business. A typical Fairtrade standard will provide for: Traceability; labelling, packaging and product description; management of production practice; environmental protection; labor conditions; producer financing; minimum prices; premium pricing; producer support - Link

CORPORATE CODES OF CONDUCT

Often the first reaction by business to an emerging issue, can cover areas from supply chain conditions (Fair Labor Association) to general (Dow's 'Diamond Standard' Code of Business Conduct). May be produced at an industry sector level or at company level. Usually
- Aspiration only
- Imbalanced governance
- Not monitored and little or no reporting

MILLENNIUM DEVELOPMENT GOALS (MDGS)

UN-backed global aspirations, launched in 2000 for 15 years. Have been only partially achieved. Post-2015 focus on Sustainable Development Goals (SDGs). Link

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In the Rio+20 outcome document, member States agreed that the SDGs must: - Link
- Be based on Agenda 21 and the Johannesburg Plan of Implementation; Fully respect all the Rio Principles; Be consistent with international law; Build upon commitments already made.
- Contribute to the full implementation of the outcomes of all major summits in the economic, social and environmental fields.
- Focus on priority areas for the achievement of sustainable development, being guided by the outcome document.
- Address and incorporate in a balanced way all three dimensions of sustainable development and their interlinkages.
- Be coherent with and integrated into the United Nations development agenda beyond 2015.
- Not divert focus or effort from the achievement of the Millennium Development Goals.
- Include active involvement of all relevant stakeholders, as appropriate, in the process.

UNITED NATIONS GLOBAL COMPACT

launched by Kofi Annan in 2000 in order 'to give a human face to globalization' – claims to be the largest CSR initiative in the world. Companies sign up to 10 principles (only obligation is to report): - Link
- Human rights
- Avoiding complicity in human rights abuses
- Freedom of association and collective bargaining
- The elimination of all forms of forced and compulsory labor
- The effective abolition of child labor
- The elimination of discrimination in respect of employment and occupation
- A precautionary approach to environmental challenges
- Promotion of greater environmental responsibility
- The development and diffusion of environmentally friendly technologies
- Anti-corruption

SECTION D

FURTHER INFORMATION AND RESOURCES

DEFINITIONS

ACCOUNTABILITY
State of being answerable for decisions and activities to the organization's governing bodies, legal authorities and, more broadly, its stakeholders [ISO 26000]

CORPORATE SOCIAL RESPONSIBILITY (CSR)
As defined by the European Commission as "the responsibility of enterprises for their impacts on society" [EC - Link]

ENVIRONMENT
Natural surroundings in which an organization operates, including air, water, land, natural resources, flora, fauna, people, outer space and their interrelationships [ISO 26000]

ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK
Adopted in 1998, the ILO Declaration on Fundamental Principles and Rights at Work is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values - values that are vital to our social and economic lives. The Declaration covers four fundamental principles and rights at work. Freedom of association and the effective recognition of the right to collective bargaining; Elimination of all forms of forced or compulsory labor; Effective abolition of child labor; Elimination of discrimination in respect of employment and occupation - Link

MATERIAL TOPICS
Those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large. [GRI G4]

PLANETARY BOUNDARIES
In 2009, a group of 28 internationally renowned scientists identified and quantified a set of nine planetary boundaries within which humanity can continue to develop and thrive for generations to come. Crossing these boundaries could generate abrupt or irreversible environmental changes. The nine boundaries include: climate change; biodiversity loss; biogeochemical; ocean acidification; land use; freshwater; ozone depletion; atmospheric aerosols and chemical pollution [Rockstrom et al 2009 - A safe operating space for humanity].

STAKEHOLDER
Individual or group that has an interest in any decision or activity of an organization [ISO 26000]

INTERNATIONAL FRAMEWORK AGREEMENTS (IFAS)
International (or Global) Framework Agreements (IFAs) are negotiated between a multinational company and one or more global trade unions. They principally commit the company to apply common standards across its operations globally, but also have implications for the supply chain.

STAKEHOLDER ENGAGEMENT
Activity undertaken to create opportunities for dialogue between an organization and one or more of its stakeholders, with the aim of providing an informed basis for the organization's decisions [ISO 26000]

SUSTAINABLE DEVELOPMENT
Development that meets the needs of the present without compromising the ability of future generations to meet their own needs - Brundtland Definition; Rio 1987

TRANSPARENCY
Openness about decisions and activities that affect society, the economy and the environment, and willingness to communicate these in a clear, accurate, timely, honest and complete manner [ISO 26000]

LE BOTTOM LINE
In traditional business accounting, the "bottom line" refers to either the "profit" or "loss", which is usually recorded at the very bottom line on a statement of revenue and expenses. Over the last 50 years, environmentalists and social justice advocates have sought to bring a broader definition of bottom line into public consciousness by introducing full cost accounting through a triple bottom line accounting framework which has three parts: social, environmental (or ecological) and financial. Also referred to as '3 Ps' – Planet, People and Profit.

EXAMPLE PRACTICE

ANNUAL SURVEY OF VIOLATIONS OF TRADE UNION RIGHTS

The International Trade Union Confederation (ITUC) publish an annual report which documents violations by governments, industries, and military and police forces against both workers and related trade unions. [link]

ITALY: IFA - IMPREGILO AGREEMENT

- The third IFA in Italy was signed in 2004 between Impregilo, an international company operating in construction and civil engineering, and the International Federation of Building and Wood Workers (IFBWW), together with the three Italian sectoral federations: the Italian Federation of Wood, Building and Allied Industry Workers (Federazione Italiana Lavoratori Legno Edili e Affini, Fillea-Cgil), the Italian Federation for Construction and Allied Workers (Federazione Italiana Lavoratori Costruzioni e Affini, Filca-Cisl) and the National Federation for Building, Allied Industry and Woodworkers (Federazione Nazionale Lavoratori Edili Affini e del Legno, Feneal-Uil).
- This agreement states that the group must respect the ILO conventions regarding child labor, discrimination and working conditions, as well as the payment of salaries which are 'enough to live on'. It envisages working hours that comply with the national laws and collective agreements, freedom to choose whether to do overtime, compliance with international conventions concerning the environment and the use of continuous vocational training. The agreement set outs the constitution of a team comprising a representative of each signatory organization and representatives of the company. An annual meeting takes place, where the participants 'evaluate and discuss to what degree the agreement has been respected'.

Insight from our colleagues

- *"What we experienced during many years is that IFAs in the case of Italian Multinationals of the construction sector, worked in a satisfactory way.*

- *We signed the first agreement in 2004 with Impregilo Company (building sector) and the following year the monitoring group decided to visit a building site in Iceland where the Company won a contract for building a dam and were thousands of workers were employed.*
- *It was a very useful experience where*
  - *we could be in contact with all the workers (from 30 different ethnical groups), interviewing them, visiting the camps where they had their rooms and*
  - *we could verify that the IFA was implemented (we met just some small problems with Health and Safety matters that were corrected soon after our visit).*
  - *our visit was also the occasion to re-establish a "social dialogue" between the local Management and the local trade union that in the last period occurred just via "media" (newspapers, television) due to some misunderstanding.*
- *After the merger between 2 big Italian Multinational Companies (Salini and Impregilo) we signed an IFA for the new Multinational last year and we had the possibility to visit last November, the camp the new Multinational has in Qatar for the workers that are employed in the works for building seven stations of an underground. Nothing to say about standards of living in the camp that were quite good and satisfactory and also in the other camps of Multinationals coming from other EU countries (and also having signed other IFAs) engaged in building infrastructures for Qatar 2022 – Football World Cup.*
- *Staying in Qatar (where any form of trade union association is forbidden) we had the possibility to discover that there are companies coming especially from Asia that treat workers (from Nepal, Bangladesh, Philippine) like slaves (no human rights – no labor rights at all!!).*
- *We also signed an IFA with another Italian Multinational in the cement sector but we had no possibility to verify its implementation till now by visiting one of the plant the Company has abroad.*

SPAIN
- Federal position on the concept and processes of social responsibility / sustainability - Link
- Spain has a National Council for CSR, and Federation for Financial and Administrative Services (COMFIA) are members,

OBSERVATORY OF CSR
- A coalition of 12 organizations from different social, supported by eight universities. Over past 10 years have analyzed the quality of social responsibility information provided by the IBEX 35 companies - Link
- 10th edition of the report "Corporate Social Responsibility in the annual reports of the IBEX35 companies - Link

USEFUL DOCUMENTS IN SPANISH
- Presentations / union mandates on CSR / ISR (Congress 2012 - Congress 2008) - Link
- Development of analytical methodologies CSR reporting. Development of CSR reporting analysis - Link.
- Inclusion of union reports CSR reports - Link
- Promotion of ISR in our pension funds (models ideologies, political voting together) - Link
- Publications on ISR (1 , 2) and participation and dissemination of the work of CWC (Committee of Capital Workers)
- Recommendations to include CSR in collective bargaining (last doc on sustainable mobility.) - Link
- Participation in the creation of the State Council on CSR (CERSE) and pressure to work. Active participation in working groups on INDICATORS
- Participation in the RSC Observatory - Link
- Work on Business and Human Rights (see presentation) - Link
- Proposals to measure equity (#RSequidad report) (see UNI) - Link

GDF SUEZ

In June 2012, GDF Suez, the France-based energy and utilities multinational, signed a European agreement on equality between women and men with three European-level trade union federations. The company hopes the groundbreaking agreement will make a significant contribution to ensuring equal pay for work of equal value for men and women at every level of the company,

increase the proportion of women on permanent contracts, and give all workers a better work–life balance.

In late 2010, GDF Suez proposed talks over a Europe-wide agreement on gender equality. Negotiations led to a draft agreement in February 2012, which was then ratified by national unions and signed formally on 5 June 2012. The employee-side signatories were:
- the newly formed EU-level trade union industriAll (EU1205071I);
- the European Federation of Public Service Unions (EPSU);
- CEC European Managers (CEC);
- the members of the special negotiation group.
For further details - Link

BOTTOM UP APPROACH TO DEVELOPING A NEW GOVERNANCE MODEL

To illustrate the model from the 'bottom-up':-
- Establish CSR as a 'standard' agenda item on the Company's quarterly (internal) Company Council/National Works Council/equivalent….ensures CSR is more visible and provides the opportunity to raise issues directly with the CEO
- Establish Joint TU/Management quarterly CSR meetings, in advance of the above meeting to discuss and agree topics/scope/content to be reported to the formal Company Council (i.e work jointly/collaboratively on a 'no surprises' basis, even if parties agree to disagree!)
- This meeting/forum is gradually being developed into a more, forward-looking forum, including schedules of key business meetings/events which could lead to content for inclusion in annual review report (i.e. enabling a portfolio of information to be gathered on a regular basis throughout the year for potential inclusion into the annual report produced by Company Management)
  - Actively identifying topics/projects which align with the CSR Agreement 'Articles' for monitoring throughout the year (In previous years, there was very much a view that topics/events/activities were being identified and 'back-fitted' into CSR categories, rather than the CSR driving improvements
  - Encouraging Management to accept that, as a Learning Organisation, the report should be a 'balanced' report of

both 'successes' and 'failures', or rather opportunities for further improvement.

- Jointly discussing and agreeing a "Top 3" etc areas of success in the UK report summary to bring to the attention of the wider parent company Group management
- Set up a series of specific Joint TU/Management UK meetings to perform a review of the annual report, with the opportunity to challenge, agree amendments so that the TU-side have the opportunity to fulfil their 'monitoring and compliance' roles.

• Ensure TU representation on any Company led, associated CSR-related stakeholder bodies (eg the Sustainable Business Panel which has seats for 3 key, externally identified/invited stakeholders), to make direct input to discussions

• Going forward, we have identified five key areas to be improved:-

- Communications generally…still poor and largely driven by the Sustainability agenda
- the next step in the evolution of the UK business TU/Management forum is to underpin the identified forward-looking activities with a simple set of RAG (Red/Amber/Green) indicators
- lobby Group management at CSR Bureau meetings (TU representation from each country or subsidiary) for translated versions of every other subsidiary's annual reports, for direct cross-business visibility of each subsidiary's activities and issues on CSR, to improve wider understanding, potential synergies and differences
- lobby Group management at CSR Bureau meetings for TU representation in the Group editorial processes to produce the Group CSR annual report from the constituent subsidiary reports (No transparency, involvement in this key process)
- establish a small number of Working Groups to examine potential improvements to the CSR Agreement to be considered by the wider CSR signatories (to evolve the current Agreement to take into account new/revised standards)

BEST PRACTICES ITALY CSR

1) Cariparma (banking sector)

In Cariparma a Commission on Corporate Social Responsibility, composed of workers' representatives and business executives, was set up three years ago. In October 2014, the company decided to actively involve trade unions and other stakeholders in the preparation of its Social Report, interviewing them with the help of an outside consultant. This request is the result of the choice by Cariparma to apply the new G4 Guidelines of the Global Reporting Initiative for the preparation of Sustainability Reports. There are three major issues on which Cariparma intends to focus its attention in its Social Report, with the cooperation of stakeholders: 1) enhancing the Commission's Social Responsibility; 2) The company welfare tied to the needs of the family in relation to work; 3) Listening to employees' demands. In particular, the new Social Report will discuss: sustainable mobility; government of the business climate that will include commercial pressures and the criticality of the part-time; psychological assistance to employees through focus groups; work life balance; diversity management; shared value.

1) Cariparma (settore bancario)

Nel Gruppo Cariparma è attiva da tre anni una Commissione Responsabilità Sociale d'Impresa. A ottobre del 2014 l'azienda ha deciso di coinvolgere attivamente il sindacato e gli altri Stakeholder nella redazione del proprio Bilancio Sociale, intervistandoli con l'aiuto di un consulente esterno. Questa richiesta è il frutto della scelta da parte di Cariparma di applicare le nuove linee guida G4 del Global Reporting Initiative per la redazione dei Bilanci di Sostenibilità. Sono tre i grandi temi che Cariparma intende approfondire, con la collaborazione degli Stakeholder, nel proprio Bilancio Sociale: 1) valorizzazione della Commissione Responsabilità Sociale; 2) Il welfare legato ai bisogni della famiglia in rapporto al lavoro; 3) Ascolto dei dipendenti in progettazione partecipate. In particolare, nel nuovo Bilancio Sociale si parlerà di: mobilità sostenibile; governo del clima aziendale che includerà le pressioni commerciali e le criticità del part time; assistenza psicologica ai dipendenti con focus group; conciliazione lavoro vita privata; diversity management; valore condiviso.

2) Luxottica (eyewear sector)

On 31 May 2013, the Luxottica Group and trade unions CGIL, CISL and UIL signed an agreement, which states that the corporate welfare system needs to be managed jointly by unions and business, through governance bodies that decide the financial planning, the management programs and the assessment of their effectiveness. The agreement defines – it is written in the text - "a new model of industrial relations, more responsive to the real conditions of competitiveness of Luxottica and the real needs of workers and their families." Support for young people, health care, listening and counseling and microcredit solidarity are the four issues on which the activities of the welfare system Luxottica are going to focus in the coming years. In particular, for young people the agreement provides for the promotion of programs of educational and vocational guidance, the doubling of scholarships, the contrast to early school leaving and support for education by offering paid internships.

2) Luxottica (settore occhiali)

Il 31 maggio 2013 il gruppo Luxottica e i sindacati CGIL, CISL e UIL hanno siglato un accordo che sancisce che il sistema di welfare aziendale deve essere gestito in modo congiunto da sindacati e impresa, attraverso organismi di governance che decidono la programmazione finanziaria, la gestione dei programmi e la verifica della loro efficacia. L'accordo definisce - si legge nel testo - "un nuovo modello di relazioni industriali più rispondente alle condizioni vere di competitività di Luxottica e ai bisogni reali dei lavoratori e delle loro famiglie". Sostegno ai giovani, assistenza sanitaria, ascolto e counselling e microcredito di solidarietà sono i quattro temi sui quali si concentrerà nei prossimi anni l'attività del sistema di welfare Luxottica. In particolare, a favore dei giovani l'accordo prevede la promozione di programmi di orientamento scolastico e professionale, il raddoppio delle borse di studio, il contrasto all'abbandono scolastico e il sostegno alla scolarità attraverso l'offerta di tirocini formativi retribuiti.

GLOBAL FRAMEWORK AGREEMENT BETWEEN INDUSTRIALL GLOBAL UNION AND INDITEX

The global framework agreement (GFA) between IndustriALL Global Union and the world's largest fashion retailer, Inditex, stands as a model of a successful GFA for the rest of garment sector. Established in 2007, it has helped to reinstate workers expelled for being union activists, raise salaries and promote freedom of association in countries where unionization has traditionally been weak.

The collaborative agreement sets out to ensure the effective application of International Labour Standards throughout Inditex's supply chain including those workplaces not represented by IndustriALL trade unions. It also means IndustriALL is recognized by Inditex as its global trade union counterpart for workers in its Corporate Social Responsibility (CSR) commitments.

As a direct result of the GFA, the concept of a living wage was introduced into Inditex's Code of Conduct.

The ground-breaking agreement between IndustriALL Global Union and Inditex, which was renewed in 2014, is the first of its kind to cover a retail supply chain. It underlines that freedom of association and the right to bargain collectively play a central role in a sustainable supply chain because they provide workers with the mechanisms to monitor and enforce their rights at work. Under the GFA, which was originally signed with IndustriALL's predecessor the International Textile, Garment and Leather Workers' Federation in 2007, Inditex recognizes IndustriALL as its global trade union counterpart. Both parties undertake to collaborate to ensure the sustainable and long-term observance of all international labour standards across Inditex's operations, including its suppliers. Inditex's Code of Conduct for External Manufacturers and Suppliers underpins the agreement which outlaws forced labour, child labour, discrimination and harsh and inhumane treatment throughout the Inditex supply chain. It provides for the payment of a living wage for a standard workweek, limitations on working hours, healthy and safe workplaces, regular employment and environmental awareness. The terms of the agreement apply equally to direct suppliers, contractors and sub-contractors including homeworkers. No subcontracting is allowed without the prior written consent of Inditex and suppli-

ers allowed to subcontract will be responsible for subcontractor compliance. Recognizing the role of organized labour and collective bargaining, Inditex and IndustriALL will keep constantly under review developments in this area in the Inditex supply chain and will co-operate in finding solutions where problems are detected, including collaborating on training programmes for management and workers. To facilitate this ongoing review Inditex will provide IndustriALL with relevant information on its supply chain and both Inditex and IndustriALL will jointly develop training policies and programmes to drive compliance. The application of the agreement will be reviewed annually by a six person group drawn jointly from Inditex and IndustriALL.

SEE HERE FOR FURTHER LINKS

- http://www.industriall-union.org/special-report-inditex-and-industriall-global-union-getting-results-from-a-global-framework
- http://www.industriall-union.org/inditex
- http://static.inditex.com/annual_report/en/Challengesandperspectives/4FrameworkAgreementwithIndustriALL.html