

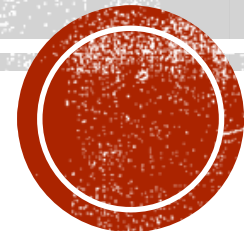
SOCIAL REPORTING: THE DEVELOPMENTS OF THE REPORTING PROCESS FROM FINANCIAL IMPACT TO THE INTEGRATED FRAMEWORK – CHANGES IN THE JOB OF THE CFOs

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WHY WE NEED SOCIAL REPORTING?

- Sustainable businesses are moving toward combining economic, environmental, social and governance principles (ESG) at the core of their values.
- ESG differs from CSR as a stronger and more structured approach.
- In pursuing ESG many players are focusing on the integrity and environmental aspects leaving behind the social component of ESG.
- Social reporting is a tool to keep the management accountable for efforts and results also on the social component of ESG.
- Social reporting pursues transparent communication and engagement with stakeholders (including employees, communities and consumers)



CHALLENGES

- There is no global consensus on a detailed framework of ESGs principles.
- Many economic players, including the financial sector, make general references to ESG principles without transparency and details on performance indicators and assessment methodologies adopted.

SOLUTIONS

- Without such a common understanding of detailed ESG principles CFOs may proactively commit, assess, measure, track evolution, and report constantly the progress made through social reporting by selecting their own ESG principles from key existing initiatives and in line with the Sustainable Development Goals .
- The following slides provide an example of Socially Sustainable Principles from the Human-Centred Business Model, a project led by OECD-DEV.



SOCIALLY SUSTAINABLE PRINCIPLES and SDGs

SOCIALLY SUSTAINABLE PRINCIPLES	SDGs
Respect for human rights	1 to 17
Adequate wages and dignified family living	1-11, 13,15,16
Healthy and safe work environment	3, 5, 8, 10
Equal treatment and equal employment opportunities	5, 8, 10, 16
Prohibition on child labor, slavery and servitude	5, 8, 16
Employee/s collective rights	5, 8, 16
Employee leisure and paid leave	3, 5
Employee training, lifelong learning and skills development	4, 8
Positive community impact	2, 4, 8, 10, 11, 17
Customer protection	3, 4, 12, 16

Source: Human-Centred Business Model Project



SOCIALLY SUSTAINABLE PRINCIPLES and GOALS	SDGs	PERFORMANCE INDICATORS (SSPI)
SSP-1. RESPECT FOR HUMAN RIGHTS PRINCIPLE		
Goal GSSP-1.1. Enterprises shall respect human rights, particularly, the right to human dignity, the right to integrity, the right to equality, the right to privacy, the right to freedom, the right to work, the right to health. Essential IR	all 1-17*	GRI 412-1,2,3; GRI 411-1; GRI 410-1; GRI 103
Goal GSSP-1.2. Enterprises shall make sure that they are not complicit in human rights abuses, whether in issues involving internal stakeholders (such as employees) or external stakeholders (such as suppliers, indigenous people, etc.). Essential IR	3,5, 8, 9, 10	GRI 414-1,2; G4-HR12; UNGP Reporting Framework A2.5; UNGP 17 and UNGP Reporting Framework C3.1
SSP-2. ADEQUATE WAGES AND DIGNIFIED FAMILY LIVING PRINCIPLE		
Goal GSSP-2.1. Business shall provide wages that guarantee an adequate standard of living for the worker and his/her family (remuneration and appropriate health insurance and retirement plan that ensure dignified life for the worker and the family including health, food, education, housing etc.). Essential PR	1,2,3,4,5,6,7, 9, 11; 8.8; 10.4	GRI 202-1; GRI 401-1; GRI 201-3
Goal GSSP-2.2. Contribution to quality of life in the employee's families. Optional (Essential PR)	1,2,3, 4, 6,7,10,11,13, 15; 5.4; 16.6	OECD Research
SPP-3. HEALTHY AND SAFE WORK ENVIRONMENT PRINCIPLE		
Goal GSSP-3.1. Respect/comply with labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. Essential IR	8.8; 8.5; 5; 3	GRI 403-4/G4-LA8
Goal GSSP-3.2. Right to a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment. Essential PR	8; 5; 3; 10	GRI 403-1/G4-LA5; GRI 403-3/G4-LA7
Goal GSSP-3.3. Favorable and healthy conditions of work Essential IR	8; 3	GRI 403-2/G4-LA6; OECD Guidelines 4. (2002); UNCTAD 2008 Report
SPP-4. EQUAL TREATMENT AND EQUAL EMPLOYMENT OPPORTUNITIES PRINCIPLE		
Goal GSSP-4.1. Elimination of discrimination in respect of employment and occupation. Essential IR (Essential PR)	5.5; 5a; 10.3; 16b	GRI 405-1/G4-LA12; GRI 406-1/G4-HR3; GRI 102-24; GRI G4-HR3; GRI G4-LA9; GRI 102-8
Goal GSSP-4.2. Equal pay for equal work/work for equal value. Essential IR	5; 10; 8.5	GRI 405-2/G4-LA13
Goal GSSP-4.3. Enterprises shall promote equal Opportunities between men and women: Positive Action Essential IR (Essential PR)	8.5; 5.5; 10.3	GRI 202-1,2
Goal GSSP-4.4. Equal Opportunities. Business shall contribute to promote equal opportunities for persons with disabilities. Essential PR (Optional)	5; 10; 8.5	GRI 404-1, 404-2 , 404-3;
Goal GSSP-4.5. Special protection for vulnerable workers: minors, pregnant women, persons with disabilities, LGBT. Essential PR	5; 8, 10	GRI 404-3

Source: Human-Centred Business Model Project

SOCIALLY SUSTAINABLE PRINCIPLES and GOALS	SDGs	PERFORMANCE INDICATORS (SSPI)
SSP-5. PROHIBITION ON CHILD LABOR, SLAVERY AND SERVITUDE PRINCIPLE		
Goal GSSP-5.1. Prohibition of any form of child labor. Essential IR (Essential PR)	16.2; 8.7; 5.2	GRI 408-1/G4-HR5; GRI G3-HR6
Goal GSSP-5.2. Prohibition of forced labor, slavery and human trafficking. No recruitment and use of child soldiers. Essential IR	8.7; 5.2	GRI 409-1/G4-HR6; GRI G3-HR7
SSP-6. EMPLOYEE/S COLLECTIVE RIGHTS PRINCIPLE		
Goal GSSP-6.1. Freedom of association and Right to Collective Bargaining. Essential PR	8.8; 16.6; 16.3; 16.10; 5.5	GRI 402-1/G4-LA4; GRI 407-1; GRI G3-LA3; GRI G4-HR4
Goal GSSP-6.2. Enterprises shall respect the exercise of the right to strike. Essential PR	8.8	ILO
SSP-7. EMPLOYEE LEISURE AND PAID LEAVE PRINCIPLE		
Goal GSSP-7.1. Enterprises shall respect leisure and paid leave including maternal leave for mothers. Essential PR	5.6; 3.7	GRI 401-2; GRI 401-3
SSP-8. EMPLOYEE TRAINING, LIFELONG LEARNING AND SKILLS DEVELOPMENT PRINCIPLE		
Goal GSSP-8.1. The enterprise should provide training to its employees to improve their skills, should encourage lifelong learning and assist career ending resulting from termination of employment or retirement. Essential IR/PR	4; 8.3; 8.6	GRI 404-1,2,3; ETHOS Indicators; UNCTAD Report 2008; UNGC-Oxfam Poverty Footprint
Goal GSSP-8.2. The enterprise should take action to improve the employability of its human resources. Essential PR	4.3,4.4,4.5; 8.6; 8.b	adapted from ISO 26000, EU Political Strategy Center, WEF and other sources
SSP-9. POSITIVE COMMUNITY IMPACT PRINCIPLE		
Goal GSSP-9.1. The enterprise should aim for positive community impact from its operations. Essential IR	11 1-7; 11a,c	GRI 202-2; GRI 203-1; GRI 204-1; GRI 413-1,2; UNCTAD 2008
Goal GSSP-9.2. Impact on Quality of Life in the Community. Essential PR	11 1-7; 11 a,c	OECD Research
Goal GSSP-9.3. Protection and preservation of the cultural heritage. Respect protect and preserve the culture, knowledge and language of indigenous people. Essential PR	2.5; 4; 8.9; 10; 11; 17	UNESCO, IFC Tool
SSP-10. CUSTOMER PROTECTION PRINCIPLE		
Goal GSSP-10.1. The enterprise must ensure protection of its customers' health and safety. Essential PR	12; 4; 3 10;etc.	GRI 416 -1,2
Goal GSSP-10.2. The enterprise must meet the requirements for labeling and marketing. Essential PR/IR	12	GRI 417-1
Goal GSSP-10.3. The enterprise must protect its customers' privacy and data Optional (Essential PR)	12,3,16	GRI 418-1

Source: Human-Centred Business Model Project

COMPARATIVE ANALYSIS

Multilateral organizations

- OECD: Guidelines for Multinational Enterprises
- ILO: Tripartite Declaration of Principles concerning multinational enterprises and social policy
- IFC: Performance Standards on Environmental and Social Sustainability
- The Environmental, Health and Safety guidelines of IFC and WBG
- United Nations Global Compact
- United Nation Guiding Principles

International Standards

- ISO 26000
- Global Reporting Initiative
- WBCSD: Guidelines for Environmental & Social Impact Assessment Sustainability Accounting Standards Board
- Equator Principles

Rating Agencies

- Vigeo Eiris rating agency
- Certified B Corporation

Islamic Finance

European Initiatives

- EC European non-binding guidelines on non-financial reporting
- EC on taxonomy on sustainable finance
- EU climate benchmark and ESG disclosures
- Guidelines on reporting climate-related information
- European Bank for Reconstruction and Development Performance Requirements and Guidance

Stock Exchanges

- Sustainable Stock Exchanges: World Federation of Exchanges
- S&P's Institute for Corporate for the MENA region's ESG index
- Australian Security Exchange: ESG guide
- Singapore Exchange: guide to sustainability reporting

Financial Institutions

- Banca di Italia ESCG Investment
- Candriam
- Patamar Capital
- NN Investment Partners



	Multilateral Organizations					International Standards					European Initiatives					China	Stock Exchanges					Rating Agencies		Financial Institutions				Islamic finance		
	OECD	ILO	IFC	EHS Guidelines (IFC)	UNGC	UNGP	ISO26000	GRI	ESIA	SASB Materiality Map	Equator Principles	European non-binding guidelines	Technical expert group on sustainable finance (EC)	EU climate benchmark and ESG disclosures	Guidelines on reporting climate-related information	Sustainable Blue Economy Finance Principles	EBRD	Green Investment Principles for the Belt and Road	World Federation of Exchanges (SSE)	FTSE Russell	Hawkaiah ESG Pan Arab Index	Australian Security Exchange	Singapore Exchange	BCORP	Vigeo eiris	Patamar Capital	Banca di Ita lia ESG investment	NN IP	Candriam	Shariah Investment (Islamic finance)
SSP-1. RESPECT FOR HUMAN RIGHTS PRINCIPLE																														
Goal GSSP-1.1. Enterprises shall respect human rights, particularly, the right to human dignity, the right to integrity, the right to equality, the right to privacy, the right to freedom, the right to work, the right to health.	x	x	x		x	x	x	x	x	x	x		x		x	x		x	x	x		x	x	x	x		x	x	x	
Goal GSSP-1.2. Enterprises shall make sure that they are not complicit in human rights abuses, whether in issues involving internal stakeholders (such as employees) or external stakeholders (such as suppliers, indigenous people, etc.).	x	x	x		x	x	x	x	x	x	x		x		x	x		x	x	x		x	x	x	x		x	x	x	
SSP-2. ADEQUATE WAGES AND DIGNIFIED FAMILY LIVING PRINCIPLE																														
Goal GSSP-2.1. Business shall provide wages that guarantee an adequate standard of living for the worker and his/her family (remuneration and appropriate health insurance and retirement plan that ensure dignified life for the worker and the family including health, food, education, housing, etc.).	x	x	x		x	x	x	x	x				x		x	x		x						x	x	x		x	x	x
Goal GSSP-2.2. Contribution to quality of life in the employee's families.	x	x					x		x						x	x								x	x	x				x
SSP-3. HEALTHY AND SAFE WORK ENVIRONMENT PRINCIPLE																														
Goal GSSP-3.1. Respect/comply with labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	x	x	x	x	x	x	x	x	x	x	x		x		x	x		x	x	x		x	x	x	x		x	x	x	
Goal GSSP-3.2. Right to a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	x	x	x	x	x		x	x	x	x	x		x		x	x		x	x	x	x	x	x	x	x		x		x	
Goal GSSP-3.3. Favorable and healthy conditions of work	x	x		x	x			x	x	x	x		x		x	x		x	x	x	x	x	x	x	x		x	x	x	
SSP-4. EQUAL TREATMENT AND EQUAL EMPLOYMENT OPPORTUNITIES PRINCIPLE																														
Goal GSSP-4.1. Elimination of discrimination in respect of employment and occupation.	x	x	x		x		x	x		x	x	x		x		x	x		x		x	x		x	x					
Goal GSSP-4.2. Equal pay for equal work/work for equal value.	x				x		x			x	x	x		x		x		x		x	x		x	x	x					
Goal GSSP-4.3. Enterprises shall promote equal Opportunities between men and women: Positive Action	x		x		x	x	x			x	x	x		x		x		x		x	x	x	x	x	x	x			x	
Goal GSSP-4.4. Equal Opportunities. Business shall contribute to promote equal opportunities for persons with disabilities.	x				x	x	x			x			x			x				x		x	x	x					x	
Goal GSSP-4.5. Special protection for vulnerable workers: minors, pregnant women, persons with disabilities, LGBT.	x				x	x	x	x		x			x			x		x		x		x	x	x					x	

Thank you for your attention and consideration

