

NSF 391.1 Economic Task Group

Definitions

- The economic dimension of sustainability reporting and disclosure concerns the organization's impacts on the economic conditions of its stakeholders and on economic systems at local, national and global levels. Within this broader definition, matters pertaining to governance, technology, supplier transparency, and financial stewardship are considered material to this category.
- The term stakeholders refers to individuals most affected BY the organization, including its employees, suppliers, communities it impacts and other parties as noted in specific sections.
- Guidance in this document contemplates organizations will fall into two primary categories:
 - SME which are organizations with revenues of less than \$15 million
 - Large organizations with revenues of \$15 million or more
- KPIs fall into two categories: prerequisites and additional credit points. This working group recognizes the awarding of points should be consistent with an overall weighting system within the standard as well as the market realities related to the ability of individual organizations to comply based on size and resources.

Credit Number	Section	KPI: The metric used for the purposes of disclosure or reporting Can we reference a GRI/SASB indicator?	Prerequisites Existing mandates, laws, regulations or commonly accepted practices focused on SMEs & Large organizations	Points Opportunities to earn points beyond the pre-reqs
9.1	Community Investment Philanthropy	Dollars invested by the company with specific not-for-profit 501 3Cs Invest 1% of more of net income Or, X% of billable hours	X% of pre-tax profits Do we consider this section as a points only? OR PRE-REQ Should we have \$ and in-kind work	Organization has some metrics to measure the impact of its philanthropic giving (Note: consider a threshold for various organization size) The service provider shall receive 1 point for investing financially in the community the equivalent of 1% or more of its net income calculated annually in accordance with generally accepted accounting principles. The financial investment shall be in the community where any of its services are provided or where its operational facilities are located. The service provider shall provide whether this was through human resource, monetary, in-kind product, or other method. The service provider shall receive 1 point for quantifying impacts (i.e., external sustainability benefits) from investment as above.
9.2	R&D/Innovation investment	\$ or % or growth in investments leading to sustainability innovation	PRE-REQ Same question as above. Do we expect ALL PSO to have an R&D budget?	The service provider shall receive x point(s) for documenting an annual investment in continual improvement in service research and development activities that results in a quantifiable outcome such as new innovative service provision, use of new technology, efficiency in processes, training and education, etc.

9.3	Management Incentives	% of bonus eligibility for sustainable results NOTE: Add criteria	The organization shall provide incentives for the management of its sustainability policies and commitments issues, including the attainment of [monetary; recognition; other non-monetary].	NA
9.4	Reporting & Transparency		The organization shall issue a publically available report detailing its sustainability commitments (CDP, GRI, SASB)	Points are earned for third-party verification or auditing of CSR materials
9.4.1	Reporting & Transparency	Are there additional economic disclosures THIS standard should require		
9.5	Sustainability Investment Strategy	Divestiture policies & sustainable investment track record This KPI will not be relevant or appropriate for privately-held companies.		The service provider shall earn 1 point for developing and implementing a sustainable investment strategy or policy document for sustainable investments. The strategy should include: – Sustainable investment policy – Influencing corporate behavior through

				<p>investment</p> <ul style="list-style-type: none"> – Disclosure of investments – Investment Committee – Sustainable Investments – Others defined by the service provider <p>The strategy document shall be reviewed on an annual basis.</p> <p>The organization will make its investment strategy available.</p> <p>NOTE: Per its work or business.</p>
9.6	Governance	Evidence of Codes of Conduct (culture & strategy)	<p>Provide a statement from the most senior decision-maker of the organization (such CEO, chair or equivalent senior position) that demonstrates a culture of responsible / proactive sustainability practices.</p> <p>The statement should present the firms' vision and strategy specifically addressing significant economic, environmental and social impacts that the organization causes and contributes to, or the impacts that can be linked to its activities as a result of relationships with others (such as suppliers, people or</p>	<p>Note: Sara will take a look at the GOV section</p>

			organizations in local communities)	
9.6.1	Governance (Social/Ethics and Integrity)	Business Codes of Conduct (policy & practices)	<p>Describe the organization's code of conduct policies and practices that ensure progress toward sustainability goals. and codes of ethics.</p> <p>The applicant shall earn one point if it adopts a publicly available documented policy on social responsibility that, at minimum, addresses:</p> <ul style="list-style-type: none"> - fair hiring practices - education for applicable employees in this subject area - corporate ethics - receipt of gifts - insider trading 	
9.6.2	Governance			
7.3	Governance (Social/Supplier Code of Conduct)	Ethics:	The applicant shall earn one additional point if it conforms to 8.7.2.1 and develops a Supplier Code of Conduct based on criteria	The service provider shall earn 2 points for upholding ethical business practices based on the provisions referenced in 5.3.1. The service provider's chief executive or duly authorized official shall personally assure compliance under these rules, criteria and standards, and document and maintain a

			<p>from an internationally recognized social responsibility guideline or standard. At a minimum, the Code of Conduct shall address-include but not be limited to the following criteria: child labor; forced labor; health and safety; discrimination; discipline-harassment; working hours; compensation; corruption; bribery</p> <p>The Code of Conduct shall be signed by suppliers comprising at least 75% of the applicants' total material spend which shall include its high-risk suppliers. This shall be measured using actual annual spend data for a consecutive 12-month time period within the previous</p>	<p>report on any findings or lapse under the applicable ethics rules, codes and criteria referred to above (See Comment [LH1]: Define this. List examples of such criteria.</p> <p>Codes of professional ethics, and service provider shall maintain within their plan for conducting business, and faithfully and objectively carry out, ethics criteria which address-include but not be limited to the following topic areas:</p> <ul style="list-style-type: none"> – Fair business practices – Fair treatment of employees – Equal employment opportunity – Protection of employee, client and other stakeholder privacy information – Financial, environmental, and social performance
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			2 years.	
8.0 	Data privacy	Evidence of data privacy policy and related technology solution	<p>The service provider shall have a policy and program that protects the personal, confidential and privacy-related information pertaining to its employees, community members and other stakeholders</p> <p>Note: The organization shall have a policy and plan appropriate to the nature of the organization that protects the personal, confidential and privacy-related information of the organization and its stakeholders. Alan C.</p>	<p>Do we award points or is this a go/no go indicator?</p> <p>Note: Zach will take a look at this.</p>
9.0 	Business Continuity	Evidence of business continuity plan	<p>. NEED TO DISCUSS</p> <p>Note: The organization shall have a policy and plan appropriate to the nature of the</p>	Note: Alan to send email of suggestions

			organization that provides for the continuity of its business operations. Alan C.	
10	Carbon pricing	Should this indicator be moved to Environment? If it stays in Economic, the indicator should focus on the pricing mechanism v. reduction goals.	Pre-req might be: Organization prices its carbon usage and reports on it.	The service provider shall earn 1 point for setting a greenhouse gas reduction goal and shall earn an additional 1 point for achieving its greenhouse gas reduction goal relative to its 6.5.1 GHG baseline Inventory. These reductions shall be based on an activity measurement (e.g., emissions per FTE) or financial measurement (e.g., emissions per profit dollars). The service provider shall use their boundary defined in 6.5.1 calculated over a minimum of 1 year up to a maximum of a 3 year period.
10.1	Carbon Pricing			As an alternative to earning an additional 1 point for achieving its greenhouse gas reduction goal, a service provider shall earn an additional 1 point for purchasing quality carbon offsets equivalent to 50% or more of their estimated or documented inventory amount of scope 1 and 2 greenhouse gas emissions. This alternative is available only to businesses in the facilities where they do not have operational control of scope 1 and 2 emissions (e.g., leased building with shared energy metering). Note: Aleen will take a look at this one and wages and contracts

Example of BIFMA e3 2014e- Supplier Code of Conduct:

8.7 Supply chain

Through the use of internationally recognized social responsibility criteria, the organization shall encourage continuous improvement in the supply chain relative to sustainable business

criteria, and particularly to social responsibility. By fulfilling the following criteria, the applicant may earn up to four points, as detailed below.

8.7.1 Basic Level

The applicant shall earn one point if it establishes a documented supplier assessment tool (which may be a self-assessment tool) containing social responsibility criteria for its suppliers. At a minimum, the assessment tool shall contain criteria in the following categories:

- Child labor
- Forced labor
- Health and safety
- Discrimination
- Discipline/harassment
- Working hours
- Compensation
- Corruption
- Bribery

8.7.2 Advanced Level

8.7.2.1 Implementation of Supplier Self-Assessment Tool

The applicant shall earn two additional points if it conforms to 8.7.1 and provides completed responses to the assessment tool from suppliers comprising at least 75% of its total direct material spend for all products, measured using actual annual spend data for a consecutive 12-month time period within the previous 2 years.

For suppliers that are part of the “75% of total direct material spend” that act as brokers, distributors, inventory management providers, etc. and do not manufacture and/or assemble the components/products purchased by the organization, the assessment tool responses shall be obtained from their suppliers who do manufacture and/or assemble the components/products.

8.7.2.2 Supplier Code of Conduct

The applicant shall earn one additional point if it conforms to 8.7.2.1 and develops a Supplier Code of Conduct based on criteria from an internationally recognized social responsibility guideline or standard. At a minimum, the Code of Conduct shall address the following criteria:

- Child labor
- Forced labor
- Health and safety
- Discrimination
- Discipline/harassment
- Working hours
- Compensation
- Corruption
- Bribery

The Code of Conduct shall be signed by suppliers comprising at least 75% of the applicants' total material spend which shall include its high-risk suppliers. This shall be measured using actual annual spend data for a consecutive 12-month time period within the previous 2 years.

NOTE: The applicant who qualifies for one additional point in this section (8.7.2.2) automatically has earned the two points in 8.7.2.1 and the one point in 8.7.1.

NOTE: High-risk suppliers within the applicants' supply chain should be determined by evaluating relative risk using, but not limited to, the following criteria:

- Country of manufacture (final assembly, at a minimum)
- Industry type
- Annual spend