

Economic Working Group

Definitions

- The economic dimension of sustainability reporting and disclosure concerns the organization’s impacts on the economic conditions
- The term stakeholders refers to individuals most affected BY the organization, including its employees, suppliers, communities it

Guidance in this document contemplates organizations will fall into two primary categories:

SME which are organizations with revenues of less than \$5 million

Large organizations with revenues of \$5 million or more

Our concern is that the base level or pre-reqs recognize the differences between SMEs and larger organizations. We neither wish to favor or penalize SMEs. The \$5 million threshold is less important than having SOME cut-off.

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.

Pre-reqs would be mandatory for all applicants (with potential categorization by SME/non-SME)  
This Working Group assumed that compliance with all relevant laws and regulations would be addressed as part of the overall standard – we called out one set of regs for fair wages; however recommend and prefer that laws and regulations are address writ large and not section by section

Credit #	Section	KPI: <i>The metric used for the purposes of disclosure or reporting Can we reference a GRI/SASB indicator?</i>	Prerequisites <i>Consists of e xisting mandates, laws, regulations or commonly accepted practices focused on SMEs &amp; Large organizations - Are we aligned across all three groups re: definition of SMEs?</i>	Extra Points i.e. Leadership level
9.1	Community Investment Philanthropy	Dollars invested by the company with specific not-for-profit 501 3Cs or equivalent status i.e. charitable organizations (need to finalize whether the tax status is material for this standard)	Currently this is a "points only" category as we were concerned about the ability of SMEs to meet it. However, we might also consider have a prereq for larger organizations i.e. Invest 1% of more of net income Or, X% of billable hours and allowing granting SMEs a pass	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 x points 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 x points for quantifying impacts (i.e., external sustainability benefits) from investment as above.
9.2	R&D/Innovation investment	\$ or % of growth in investments leading to sustainability innovation	Points only	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 meeting concrete sustainable goals	The organization shall provide incentives for the management of its sustainability policies and commitments, including the attainment of [monetary; recognition; other non-monetary] goals. The pre-req is to establish a policy.	Points are awarded for exceeding a threshold i.e. 25% or more of compensation is tied to sustainability measures.
9.4	Reporting & Transpare	Items or activities supporting disclosure	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

9.5	Sustainability Investment Strategy	Divestiture policies & sustainable investment track record  This KPI will not be relevant or appropriate for privately-held companies.	Points only	<p>The service provider shall earn x point for developing and implementing a sustainable investment strategy or policy document for sustainable investments. The strategy should include:</p> <ul style="list-style-type: none"><li>– Sustainable investment policy</li><li>– Influencing corporate behavior through investment</li><li>– Disclosure of investments</li><li>– Investment Committee</li><li>– Sustainable Investments</li><li>– Others defined by the service provider</li></ul> <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 senior leadership accountability for sustainability - at the officer or senior executive level.	Designated position accountable for sustainability objectives and results.	
9.6.1	Governance	Risk Management Strategy	Evidence of a climate change risk management policy or audit process.	

9.6.3	Governance	Civic engagement		Points awarded for participation in industry or trade associations dealing with climate change remediation and/or other sustainability organizations.
9.6.3	Governance	Evidence of Codes of Conduct	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. 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 organizations in local communities)	
9.6.4	Governance (Social/Ethics and Integrity)	Business Codes of Conduct	Describe the organization’s values, principles, standards and norms of behavior such as codeorganization’s codes of conduct policies and practices that ensure progress toward sustainability goals. and codes of ethics.	The applicant shall earn x point if it adopts a publicly available documented policy on social responsibility that, at minimum, addresses:
9.6.5	Governance	Supply Chain governance policy	The organization shall have a publicly-available policy or Code of Conduct. This pre-req may need to be refined for consulting operations that do not have a supply chain i.e. WBEs and MBEs that fall into the SBA category.	The applicant shall earn one point for creating and using a documented Supplier Assessment Tool / Code of Conduct (8.7.1 Basic Level). The applicant shall earn one additional point if it conforms to 8.7.2.1 and develops a Supplier The Supplier Assessment Tool / Code of Conduct must be based on criteria from an internationally recognized social responsibility guideline or standard. At a minimum, the Code of Conductit shall include but not be limited to the following criteria: child labor; forced labor; health and safety; discrimination; discipline-harassment; working hours; compensation; corruption; bribery

9.6.7	Governance	Evidence of leadership oversight	<p>The service provider’s chief executive or duly authorized official shall personally assure compliance of these standards, including documentation of performance to or lapse in meeting standards referenced above. At a minimum, a service provider shall maintain within their plan for conducting business, ethical standards of operating which include but are not limited to the following topic areas:</p> <ul style="list-style-type: none"><li>– Fair business practices</li><li>– Fair treatment of employees</li><li>– Equal employment opportunity</li><li>– Protection of employee, client and other stakeholder privacy information</li><li>– Financial, environmental, and social performance</li></ul>	education for applicable employees in #REF!:E21this subject area - corporate ethics
9.7	Data Privacy	Evidence of data privacy policy and related technology solution	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.	receipt of gifts
9.7.1	Data Privacy	Protection of confidential information	<p>Confidential information</p> <p>-- The service provider shall always protect the personal, confidential and privacy-related information pertaining to its employees, community members and other stakeholders with legitimate expectations or legal rights to the protection of such information, and incorporate this principle within the documented procedures and actions maintained in relation to its sustainability efforts. It shall provide evidence of policies or processes to do so.</p>	insider trading
9.8	Business Continuity	Evidence of business continuity plan	The organization shall have a policy and plan appropriate to the nature of the organization that provides for the continuity of its business operations	
9.8	Emissions Trading		Policy related to travel-related GHG emissions	A service provider shall earn an additional X 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).
9.9	Fair Wages	Compliance with the law <a href="http://www.dol.gov/compliance/laws/comp-flsa.htm">http://www.dol.gov/compliance/laws/comp-flsa.htm</a> and Pay Equity <a href="http://www.pay-equity.org/info-Q&amp;A-Act.html">http://www.pay-equity.org/info-Q&amp;A-Act.html</a>	Pre-Req - compliance	