

Bench Marks Foundation



Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance

4th Edition

Revised and Released in 2016 by the Bench Marks Foundation

www.bench-marks.org

Bench Marks Foundation

Principles for Global Corporate Responsibility:
Bench Marks for Measuring Business Performance

4th Edition - 2016
by
Bench Marks Foundation



www.bench-marks.org or www.bench-marks.org.za

FOREWORD

The Bench Marks Foundation presents the fourth edition of the “*Principles for Global Responsibility: Bench Marks for Measuring Business Performance*” (‘Bench Marks 4[®]’).

In 1995 a number of people who have been working in the area of Corporate Social Responsibility (CSR) in their countries, came together to reflect on how companies behave in developing countries, resulting in the first edition of the Bench Marks[®] document being published and circulated widely for feedback. A second document was published in 1998. In 1999, 53 delegates from 22 countries met in the UK and started a global network with participants from Africa, the United Kingdom, Canada, USA, Brazil, Hong Kong and Australia. In 2002, feedback on the 1998 document was received from individuals and groups from around the world. The Steering Group met in South Africa in 2002 to draft the 2003 edition. In 2014, the Bench Marks Foundation commissioned an ‘update and revision project’ of the document, published in 2016 as Bench Marks 4[®].

Bench Marks 4[®], developed by faith communities, measures the global economy not only by what it produces, but also by its impact on the environment, how it touches human life and whether it protects the dignity of the human person.

Together with our global partners we believe that investments and business ventures have a responsibility towards sustainable development that empowers local communities by promoting:

1. The quality of life and enhancing the environment
2. Productive employment on a broad scale and the incorporation of local suppliers into the value chain of the business model
3. Meeting basic fundamental human needs
4. Gender sensitivity particularly at leadership level
5. Care for those infected with and affected by the HIV/AIDS pandemic
6. Pollution-free production

The Rt Rev Dr Jo Seoka, Chairperson
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PREFACE AND ACKNOWLEDGMENTS

Background to Previous Editions

Three faith groups (ECCR, ICCR, and TCCR Kairos Canada) published the first edition of the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance* in 1995 and circulated it widely for feedback. A second document was published in 1998 incorporating comments received by others as well as the three groups' experience in utilizing the document with corporations. The 1999 Hengrave Conference in Great Britain brought together 53 delegates from 22 countries to expand the "Bench Marks Project" through the participation of groups from the South. That conference set in motion an approach built on the premise that the most effective way to press for global corporate accountability is to have strong connections between Northern shareholder groups who have access to multinational corporations and Southern groups who are close to the impacts of corporate practices on local peoples and communities. In 2002, feedback on the 1998 Bench Marks document was received from individuals and groups from around the world. The Steering Group met in South Africa in October 2002 to draft the third edition released in 2003.

The Global Principles Steering Group, which was commissioned by the International Conference held at Hengrave Hall, Suffolk, in the United Kingdom in April 1999 has, through the release of the revised document in 2003, completed its commission.

The Steering Group Members are:

Helga Birgden of the Christian Centre for Socially Responsible Investment (CCSRI)
www.ccsri.org – based in Australia.

Chan Ka Wai of the Hong Kong Christian Industrial Committee
www.cic.org.hk – based in Hong Kong, China

Daniel Gennarelli of KAIROS: Canadian Ecumenical Justice Initiatives
www.kairoscanada.org – (formerly Taskforce on the Churches and Corporate Responsibility)

David Schilling of the Interfaith Centre for Corporate Responsibility (ICCR)
www.iccr.org – based in the United States of America

Jo Seoka, Anglican Bishop of Pretoria, of the Bench Marks Foundation
www.bench-marks.org – based in South Africa

John Capel, Executive Director of Bench Marks Foundation
www.bench-marks.org – based in South Africa

Hildebrando Vélez of Censat Agua Viva, Friends of the Earth
www.censat.org – based in Colombia

Crispin White of the Ecumenical Council for Corporate Responsibility (ECCR)
www.eccr.org.uk – based in the United Kingdom

Introducing the 4th Edition (2016)

In 2003 the International Steering Group of the Bench Marks[®] tasked the Bench Marks Foundation, based in South Africa to be the Secretariat of the document. In its capacity as secretariat, the Bench Marks Foundation began a process of consultation with its international partners beginning in 2010 to identify gaps in Bench Marks[®]. The Ecumenical Centre for Corporate Responsibility responded and gaps were identified. In 2014 the Bench Marks Foundation commissioned an ‘update and revision project’ of the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*. In 2014, Bench Marks 3[®] was named as one of the ‘Big Four’ Global CSR Codes¹, and in order for the framework to continue doing its accolades justice, certain additions and amendments were necessary.

For Bench Marks[®] to keep up-to-date with social changes and to remain contemporary and relevant, as well as competitive with advances in other prominent global CSR instruments, it needs to continuously be revised and updated in line with the latest developments in the field. The needs of communities and corporations change and develop over time, as well as the societal values and norms guiding corporate behaviour in the fulfilment of those needs. The revision process thus aimed at keeping the instrument harmonised with the latest trends and developments in the field of CSR and corporate accountability, while taking account of the evolving relationship between business and communities (due to changing expectations and interactions emanating from legislative, environmental, technological and political developments) globally. The update and revision process culminated in the publication of this 4th Edition version of the Bench Marks[®] document in 2016.

The update was further based on experience and gaps that were identified in corporate social responsibility and accountability policies and practices of various companies assessed by the Bench Marks Foundation and its partner organisations. New items were added in most existing sections and new sections were also introduced dealing with issues related to Relocated Communities, Peace-Making, Safety and Security, Civil Society Responsibility, Government Responsibility, Financial Stability and Value Creation. In all sections, a strong focus was also given to the community perspective towards and expectations related to CSR performance (instead of only considering CSR from a purely theoretical viewpoint) – as supported by recent findings and recommendations from in-depth research conducted by the Bench Marks Foundation.

The revision team was led by Dr Johann van Wyk who also did his PhD on Bench Marks[®] by developing a Corporate Personality Instrument — a measuring tool based on Bench Marks[®] — that allows users (e.g. community groups, company employees, researchers, etc.) to assess the social performance of companies in all sectors. Dr Joël Houdet of the African Centre for Technology Studies conducted several peer reviews throughout the revision process and offered invaluable insight.

John Capel executive director of the Bench Marks Foundation coordinated the revision, outlining various gaps, and editing all sections and new additions. His function was quality control, and ensuring Bench Marks 4[®] remains relevant and that the revision meet the highest standards in corporate social responsibility arena and to remain at the cutting edge of developments in this field of work.

The Rt Rev Dr Jo Seoka,
Chairperson, Bench Marks Foundation

¹ Marchant, K. (2014) International Standards: Annotated CSR Codes

A USER'S GUIDE TO THE BENCH MARKS

This section is adapted from the User's Guide to Bench Marks[®] developed by the Ecumenical Council for Corporate Responsibility (ECCR).

The full document is available from: http://www.eccr.org.uk/benchmarks_usersguide.pdf

The structure of Bench Marks 4[®] is to outline different fields of indicators, and within each field to identify different levels of focus: Firstly PRINCIPLES, then CRITERIA and then BENCH MARKS.

Bench Marks 4[®] can be used in a number of different ways. As well as being used to measure corporate responsibility, the document can help to inform engagement (dialogue) with companies and in the development of ethical investment policies.

STAKEHOLDER GROUPS

There are various groups of stakeholders that might use Bench Marks 4[®], including employees, academic/research institutions, affected communities, farmers, different civil society groups, Church Investors, Socially Responsible Investors, and Institutional Investors, etc. The following **three stakeholder groups** will probably find the most use of this document:

Host country communities

Communities living or working near to company operations are often the stakeholders most obviously affected by corporate activities. Bench Marks 4[®] aims to support communities by enabling them to compare their experience of corporate activity with an internationally agreed framework of what communities should be able to expect from a responsible company. Where community experience does not measure up to these expectations, communities may wish to engage in dialogue with the company to inform it about the impact of its operations or to propose solutions to particular problems. The indicators listed in Bench Marks 4[®] should **help provide questions and arguments to encourage companies to take the views and needs of communities into account.**

Home country NGOs and faith communities

Faith communities, NGOs and individuals based in the company's home country may be interested in corporate behaviour for a number of reasons. They may have a general concern about the activities of companies and be **carrying out research to determine the extent to which corporate behaviour can be deemed responsible.** Or they may have been contacted by a host community about a particular problem. The indicators listed in Bench Marks 4[®] should help these groups **plan their research, analyse corporate behaviour and if necessary raise their concerns with the company involved.**

Shareholders

Company shareholders can vary from large institutions, which professionally invest huge sums of money in the stock market, to individuals who have bought a small number of shares in companies they have selected themselves.

Some shareholders may want to invest only in companies or economic sectors which they consider to be ethical. These investors may find Bench Marks 4[®] **useful in defining an ethical investment policy and then**

developing a research framework to help measure the extent to which companies they are considering investing in can be seen as responsible.

Others, whether or not they exclude certain companies from their investment portfolios, may choose to **monitor the ethical performance of companies** that they invest in and engage with those companies to discuss issues of potential concern. These investors may also find Bench Marks 4[®] useful in **defining a framework for researching company performance and measuring the extent to which corporate behaviour is acceptable**. As indicated above, if potential problems are discovered, Bench Marks 4[®] can help prepare for engagement.

DEVELOPING A FRAMEWORK FOR RESEARCH, MEASUREMENT AND ACTION

When using Bench Marks 4[®] to research and measure company performance or as a basis for engaging with a company, **it will rarely be necessary to use the entire document**.

Some Bench Marks 4[®] sections may not be relevant to the company in question. For example, section P5 on Resource Extraction will have little relevance when looking at a retail company. Other sections may be relevant on the whole but contain some irrelevant indicators. For example, section 2 on National Communities will generally be applicable to many companies; however, Criteria C2.8, C2.9 and Bench Mark B2.12 contained within it are only applicable to companies producing drugs or tobacco.

At the same time there will probably be a number of sections within Bench Marks 4[®] that could technically apply to a company but will be of less concern compared to other potential corporate impacts. For example, when looking at an oil and gas company with a largely high technically skilled and qualified workforce, the likelihood of children being employed is relatively low. Whilst it would be possible to assess the company against section 15 on Child Labour, the resources needed to do this would probably be better employed by assessing it against sections 1 — 7 on Ecosystems and Climate, National, Local and Indigenous Communities, Relocated Communities, Peace-Making, Safety and Security, and Resource Extraction.

Because of this, **at the start of any project**, users may find it helpful to **draw up a list of the most relevant section(s) of Bench Marks 4[®] and the specific indicators within each section** that they wish to measure against. To help with this process of material issue identification, users may ask themselves the following questions: What are the most significant (potential) impacts of the company (e.g. labour or environment-related)? Are such impacts highly likely to occur now, in the near or distant future? What control does the company have on the underlying causes or drivers of such impacts? Answering these questions will help users define a list of key sections and associated indicators. To further prioritise these issues, users may also ask themselves what are their level of interest in the specific issues and what is the likelihood that good data be readily available at low or no cost. This prioritised list will essentially give a framework for research that will help the user look for sources of information which could provide the evidence needed to effectively measure corporate performance in those areas. Some Bench Marks 4[®] users may want to compare two or more companies in the same sector, or how different types of companies respond to the same issue. When doing this it is important to ensure that the same sections and indicators are considered in each case to allow easy and meaningful comparison.

The sections of Bench Marks 4[®] that should be considered for each type of company or economic sector will depend both on the particular concerns of the user and on the specific activities and geography of the companies concerned. In each case it will also be helpful to undertake some basic research on what the

company does and where and how it operates in order to define the most relevant sections of Bench Marks 4[©] document to use.

MEASURING COMPANY PERFORMANCE

Having a measure of the extent to which a company is acting responsibly allows stakeholders to make informed decisions about the company and their relationship with it.

Using Bench Marks 4[©] helps to make measuring corporate performance a relatively straightforward, although sometimes time-consuming, process. It can be done by any stakeholder with access to information and able to research how the company operates. The first step is, as indicated above, to draw up a framework of relevant Bench Marks 4[©] indicators. When doing this it may be useful to focus on *Criteria* and *Bench Marks* rather than the *Principles* level of analysis. This is because whereas *Principles* remain relatively general and aspirational, *Criteria* and *Bench Marks* give specific references to policies and outcomes that can be more easily measured.

The next stage is to compare each of the indicators within the framework with whatever information is available about how the company operates. For host communities and groups with links to them, such information may be based on personal experiences or testimonies. Other stakeholders will probably need to rely on sources including company reports and websites, NGOs working in areas where the company operates, the media and some regulatory bodies. From these it should be possible to make a judgement about whether or not the company has fulfilled the requirements of each indicator. Users may find that they do not have enough information to judge how the company performs in relation to some indicators. This partly reflects the fact that Bench Marks 4[©] is an extremely comprehensive document; however, it can also reflect a lack of transparency on the part of the company concerned.

DEVELOPING AN ETHICAL INVESTMENT POLICY

Although Bench Marks 4[©] does not aim to tell users how to invest, a number of our international partners have reported that they have found the document a useful tool when developing their ethical investment policies.

An ethical investment policy sets out the principles that underpin an individual's or organisation's approach to investment. Usually it will give details of any activities or industries considered unsuitable for investment on ethical grounds. Many policies also set out key issues, such as commitment to human rights or environmental protection, which should be taken into account when deciding whether or not companies are ethically suitable to invest in. A policy may also state whether the investor engages with companies about issues of potential ethical concern. Policies usually reflect the particular values, concerns and resources of the individuals or organisations that have made them and as such are likely to vary considerably from organisation to organisation. However, one must also be aware that many companies have policies but do not implement them. Many communities at site, for example in mining, , or active non-governmental organisations and civil society groupings have reported evidence of this gap that often exist between policy and practice.

Bench Marks 4[©] can be used to help organisations think about how they want to invest. By considering each of the Bench Marks 4[©] items, stakeholder and issue groups, organisations and individuals may find it easier to decide for themselves what sort of issues should be covered by an ethical investment policy.

Bench Marks 4[®] does not however state what sort of approach should be used towards investments, nor whether particular types of companies should be excluded from investment portfolios on ethical grounds. Potentially all of the stakeholders and issues considered by Bench Marks 4[®] could be included within an ethical investment policy. However, few investors will have the resources required to research, analyse and measure the performance of every company that they are considering investing in against the whole Bench Marks 4[®] document. Most investors will therefore need to pick out the issues they are most concerned about for inclusion within their own policy.²

In addition, when it comes to stakeholders, communities and workers must generally receive top priority and communities must have a role of monitoring corporate practice where they are potentially significantly impacted (e.g. by pollution or social and economic disruption, etc.); and thus this edition proposes a hierarchy of stakeholders (prioritised according to impact) and localised reporting - where a company's CSR performance at each site is indicated instead of only aggregate averages across all operations. Thus, Bench Marks 4[®] when applied in the global south looks at corporations from below, examining corporate policy against community experience — thereby uncovering the gap between policy and practice. From our experience, corporations often put into place all the best generic international policy guidelines, aimed at pleasing investors' financial desires as their prime risk management approach. However, this often means little to the most impacted groups and there is little evidence of policy driving through at this level. In fact, companies use the veneer of policy to appear to be doing good (e.g. publishing glossy pictures of ad hoc community 'charity projects'), whilst the gap between policy and actual responsible CSR practice in a sustainable and inclusive manner is often wide apart. Thus, Bench Marks 4[®] can be used by stakeholders such communities, researchers and investors to assess compliance.

Similarly, so that they can be relatively easily applied to a range of different companies, ethical investment policies tend not to contain many detailed indicators; instead they focus on general principles. An ethical investment policy is more likely to state, 'We seek to invest in companies which work to protect human rights' than 'We seek to invest in companies which have a verifiable human rights policy, have a senior executive responsible for upholding human rights, consider the human rights implications of entering into business relationships, etc.' When developing the text of an ethical investment policy, therefore, users will probably find it most helpful to focus on the more general Principles level of analysis within Bench Marks 4[®]. But in so doing, one has to be aware of the pitfalls in this approach as it is easy for companies to state "we strive towards to zero harm in the environment, or no injuries and fatalities in the workplace." Thus it is important to do a deeper analysis by examining websites, social media for any transgressions or reports that might substantiate or contradict what the company is saying.

² Doing a materiality analysis on the company might be useful for certain investors and other users in informing the selection process for the items to use from Bench Marks 4[®]. According to the GRI, determining materiality for a sustainability report includes considering economic, environmental and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. A combination of internal and external factors should be used to determine whether an Aspect is material, including factors such as the organization's overall mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations, and the organization's influence on upstream (such as supply chain) and downstream (such as customers) entities. See - <https://g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/materiality/Pages/default.aspx>

EXECUTIVE SUMMARY

The *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance* ('Bench Marks 4[®]') promotes positive corporate social responsibility consistent with the responsibility to sustain the human community and all creation. Bench Marks 4[®] states comprehensive standards and expectations fundamental to a responsible company's action.

CONTEXT OF FAITH

Justice requires that we stand with those oppressed, impoverished and exploited and we work to change the structures and policies in order to create a fair and sustainable world.

THE GLOBAL REALITY

This section deals with the political and economic influences, the impact of militarism and the technological impacts of our global reality.

APPROACH AND METHODOLOGY

In our understanding of global corporate responsibility, the community rather than the company is the starting point of economic life. For the community to be sustainable, all members need to be recognised i.e. consumers, employees, shareholders, the community at large and corporations. Respect for each group's essential role in the economic and social life of the community will facilitate more just relationships locally and globally.

Throughout the document, by **Principles** we mean a statement of business philosophy fundamental to a responsible company's actions. By **Criteria** we mean particular company policies and practices that can be compared for consistency with the Principles. By **Bench Marks** we mean specific reference points of measurement to be used in assessing the company's performance in relation to the Criteria.

THE WIDER COMMUNITY

Ecosystems and Climate: The Company adopts and implements high standards regardless of legal enforcement and will continually seek to improve its performance. Careful attention is paid to ensure that the company's actions do not damage the natural environment and thereby reducing natural capital. Central issues include climate change, biodiversity, genetically modified organisms and pollution prevention. The company adopts the precautionary principle shifting the burden of proof from one of proving environmental harm to one of proving environmental safety and maintaining and enhancing renewable natural capital.

National Communities: The Company, in all its locations, holds it to be the responsibility of every employee to ensure that there is full compliance with all internationally recognised human rights, labour, health and safety standards. The company adopts a comprehensive and verifiable human rights policy, which shall include an explicit commitment to the Universal Declaration of Human Rights and the International Labour Organisation's standards. The company has a policy, when there is a movement from within the country calling for withdrawal that it will withdraw from that country in instances where there are gross and systematic violations of human rights. The company commits to not involve itself in military or war activities.

Local Communities: Each company recognizes its political and economic impact on local communities especially where it is the principal employer. Its programs, policies and practices should serve as a vehicle for advancing a full range of human rights within each country where they operate. The company affirms the central importance of sustainability for communities, in the present and the future, for the integrity of human beings, culture, society, economic well-being, environmental responsibility and the way of life of the people.

Indigenous Communities: The Company is committed to respecting fully the rights of indigenous peoples, communities and communal land rights, as they are recognised by the appropriate jurisdictions and laws, as well as international best practice in ethical business behaviour; and seeks and receives approval from local indigenous communities and leadership prior to beginning any business activities which could have adverse or disharmonious impacts on the communities. The company respects the bio-cultural integrity of indigenous peoples, their lands and traditions and ancestral rights, cultures and traditions.

Relocated Communities: The Company respects and protects the community they intend to relocate by accepting and implementing the principle of free, prior and informed consent of indigenous and customary communities. The company is honest, giving full information on how planned relocation activities will impact economic, social, cultural, customary, ancestral, heritage and spiritual dimensions of communities. The company commits to live by the principle that relocation must put the community in a better position, ecologically, spiritually, economically, socially and politically.

Peace-Making, Safety and Security: The Company commits to peace-making, peace-building, safety and security in all endeavours. The company safeguards the integrity of personnel and surrounding communities and properties in accordance with the laws of the host country and in compliance with the highest applicable international standards and human rights principles. Strict observance are given to the ethical conduct and human rights track-record of private security service-providers, while the company seeks to install consensus-making and social solidarity mechanisms, rather than violent security measures. The company abided by Voluntary Principles on Security and Human Rights as a first step towards a human rights approach to doing business.

Resource Use and Extraction: All companies should strive toward efficiency in terms of water, energy and raw material usage, for instance by lessening consumption of non-renewables and switching to renewable sources, recycling, etc. Resource extractive companies ensure local community participation in their projects' decision making and also ensure transparency of all activities. Local supply chains and employment within surrounding communities are developed and extracted resources are locally processed or beneficiated to enhance value added. The rights, safety and health of artisanal or small-scale miners are protected.

Civil Society Responsibility: Civil Society Organisations set examples by acting as responsible citizens themselves in terms of global CSR best practice. CSO's further accept the responsibility to monitor how companies act in society and should raise public concern about any abuse of power or irresponsible activities. Different approaches of action (e.g. standard setting, campaigning, monitoring, certifying, partnerships with government and/or private sector, formal complaints, legal action, shareholder resolutions, etc.) aimed at best effecting industry-wide reform towards more global responsibility, is possible.

Government Responsibility: All levels of government adhere to the tenets of a constitutional democracy (Rule of Law, transparency, accountability and the protection of human rights). Government accepts that

its primary responsibility is to all citizens and not to corporations, and prevents improper corporate influence affecting fair governance or regulation and equal service delivery. Government organisations comply with international obligations and protocols in respect of social responsibility, environmental sustainability and financial integrity. Where government establishes a public corporation, such corporation (s) needs also to comply with all the rules relating to normal business corporations and also be guided by the same CSR principles and standards as private corporations.

THE CORPORATE BUSINESS COMMUNITY

Employees - Conditions: The company has a global standard governing its employment practices and industrial relations, which includes: genuine respect for employees' right to freedom of association, labour organization, free collective bargaining; non-discrimination in employment; no violation of the rights of children; payment of a sustainable living wage with equal remuneration for work of equal value; a healthy working environment free from all forms of harassment and work schedules that are reasonable and enable employees and their families to live in a sustained and healthy manner.

- **Health and Safety:** The Company affirms that workers have a right to a workplace free of toxic substances and all forms of hazards and subscribes to the principle that every worker has the right of access to health care, including accessible and affordable therapies and medicines.

- **Women in the Workforce:** The Company values women as a vital group of employees who have a significant contribution to make to the work of all companies; and ensures that the social and biological determinants that affect women because of gender are addressed by appropriate policies within the work place, including pregnancy leave, maternity leave and medical leave.

- **'Minority' Groups:** The company has an employment policy, which enables people from 'minority' groups to be recruited to the company, to achieve progression in employment in the company and to receive training and promotional opportunities without discrimination.

- **Persons with Disabilities:** The Company ensures that persons with disabilities who apply for jobs with the company receive fair treatment and are considered solely on their ability to do the job with or without workplace modifications.

- **Child Labour:** The Company guarantees that neither it nor its contractors employ children as defined by ILO standards and the International Convention on the Rights of the Child.

- **Forced Labour:** The Company employs workers who choose to be employed by that company and does not use any forced labour, whether in the form of prison, indentured, bonded slave or any other non-voluntary labour.

Suppliers and Contractors: The Company is responsible for the labour conditions under which its products and services are produced, provided, advertised or marketed under licensing agreement. The company accepts independent monitoring of its suppliers by local non-governmental and/or community organizations and adopts a transparent policy to make the internal investigation of complaints and results of internal and independent monitoring available to the public. The company affirms the concept of joint responsibility with suppliers for the additional costs of compliance with ILO labour standards, national law and the company's code of conduct. The company provides on-going free and compensated education and training for workers.

Financial Integrity: The Company is committed to transparency in all its accounting and financial reporting statements and communications with shareholders through its compliance with independent auditing and financial reporting principles.

Ethical Integrity: The Company directly addresses issues of justice in line with criteria developed and endorsed by workers and stakeholders as part of its financial, social and environmental reporting.

Corporate Governance: The Company's governance structure is based on ethical values, including inclusivity, integrity, honesty, justice and transparency.

Shareholders: The Company's corporate governance policies balance the interests of managers, employees, shareholders, and other company stakeholders. It neither restricts nor obstructs the legal rights of shareholders.

Financial Stability and Value Creation: The Company seeks to make a contribution to reducing poverty and to enhance social development by creating quality employment. The company operates with efficient business models, which would ensure long-term job security and financial stability for its employees. Manages its finances in a thoughtful and in a sustainable manner (does not waste money). Prioritise to the provision of employment to the nationals of the host country and primarily the surrounding community members, across all its employment levels. In all its operations, **the company seeks to add value to society.**

Joint Ventures/Partnerships/Subsidiaries: All parts of the company, associated companies, divisions, units and subsidiary companies abide by the same codes of ethics and conduct as the parent company as a minimum standard.

Customers and Consumers: All advertisement and labelling of products is complete, fair and honest. Only claims which can be substantiated and fulfilled are made by the company, its employees and its agents. The company does not market products, which denigrate or supplant sustainable natural products, nor produce them under conditions where human rights, labour rights and environmental standards are violated.

APPENDIX - contains references to key international documents and resources to measure business performance on social environmental and economic issues.

1

INTRODUCTION

Purpose: The Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance ('Bench Marks 4[©]') promotes positive Corporate Social Responsibility (CSR) consistent with the responsibility to sustain the human community and all creation. CSR can be defined as the decision-making and implementation process that guides all company activities in the protection and promotion of international human rights, labour and environmental standards and compliance with legal requirements within its operations and in its relations to the societies and communities where it operates (*see Glossary of Terms for further explanation of the concept*).

Bench Marks 4[©] states comprehensive standards and expectations fundamental to a responsible company's action. Bench Marks 4[©] calls for:

- A new relationship between corporations, communities and ecosystems;
- The fostering of trust between corporations, their internal stakeholders and communities – which is an essential element of harmonious societal functioning and well-being. Corporations need to actively maintain and respect the trust society places in them to sustainably behave as responsible contributing citizens providing needed/valued products, services and employments.
- Support for a sustainable system of production and a more equitable system for the distribution of the economic benefits derived from labour and ecosystem services;
- Participation of stakeholders and those most affected by the activities of corporations in the decision-making processes of companies, example workers and communities, vulnerable people, women, small business, small scale farmers, subsistence farmers, big agricultural farming etc.
- Preservation and protection of the natural environment for present and future generations by maintaining and enhancing Natural Capital³. The following mitigation hierarchy should be implemented to alleviate environmental harm as far as possible through:
 - 1. Avoidance: such as activities that change or stop actions before they take place, in order to prevent their expected negative impacts
 - 2. Minimisation: are measures taken to reduce the duration, intensity, extent and/or likelihood of impacts that cannot be completely avoided.
 - 3. Restoration: involves altering an area in such a way as to re-establish an ecosystem's composition, structure and function, usually bringing it back to its original (pre-disturbance) state or to a healthy state close to the original.
 - 4. Biodiversity offsets: are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts.
- Respect for the dignity of every person, for workers' right to organize a union and bargain collectively and for all core labour rights as defined by the International Labour Organization;
- Strong codes of conduct for corporations and suppliers independently monitored by local non-governmental and community organizations;

³ Natural Capital is defined as the stock of renewable and non-renewable natural resources (e.g., plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people (Natural Capital Coalition, 2016).

- Affirmation of indigenous peoples' and communities' right to full participation in the business decisions which pertain to their ancestral lands and their way of life. Companies are required to obtain their Free, Prior, and Informed Consent (FPIC) when their impacts affect indigenous and customary communities;
- Development of a human rights policy based on the Universal Declaration of Human Rights;
- Commitment to the principle that every worker has the right of access to health care, accessible and affordable medicines, including antiretrovirals for the treatment of AIDS.
- Corporate governance policies that balance the sometimes competing interests of managers, employees, shareholders and communities; and that are based on ethical values, including inclusivity, integrity, honesty, justice and transparency.

This document is offered to groups working on corporate social responsibility and accountability, to workers and to companies seeking to respond to the challenges of doing business in the global economy in a socially responsible manner. Our long-range goal is to transform the way corporations relate to people, communities and the environment. We invite people of all faiths and beliefs to engage in and contribute to the promotion of the principles articulated in Bench Marks 4[®]. We believe the broad involvement of a variety of individuals and institutions will deepen the values of corporate responsibility and accountability that will restore human dignity and the integrity of creation.

2

THE CONTEXT OF FAITH

The purpose of Bench Marks 4[®] is to promote positive corporate social responsibility consistent with the responsibility to sustain the human community and all creation.

From a perspective of faith, the context for all human activity is the totality of creation. Therefore, we need to use our power to live in harmony with creation, affirm the interdependence of everything on earth and the dignity of all parts of creation.

However, we recognise the breakdown of the social fibre resulting from the

- polarization of rich and poor;
- undermining of the integrity of human dignity;
- destruction of the integrity of creation; and
- human greed as evidenced in over-consumption and disproportionate wealth accumulation for the few.

Therefore, we offer our context of faith as a basis for engaging the corporate community in the process of building sustainable communities founded on the values of justice.

Faith communities evaluate companies, not only by what they produce and their impact on the environment, but also by how companies contribute to sustainable community and protect or undermine the dignity of the human person. We believe all companies carry responsibility for the human and moral consequences of their economic decisions.

We believe the challenge for both companies and individuals in the global economy is to ensure that the distribution of economic benefits is equitable, supports sustainable community and preserves the integrity of creation.

We believe the respect and protection of human rights - civil, political, social, religious, cultural, environmental and economic - are minimum standards for all social institutions, including companies.

We believe all people and institutions have a responsibility to work for a just society marked by love, compassion and peace. Justice requires that we stand with those oppressed by poverty and exploitation and we work to change the structures and policies that support their oppression. Justice also requires that the allocation of income, wealth and power be evaluated in the light of their impact on the poorest and most vulnerable in the world.

We invite people of all faiths and beliefs to engage in and contribute to the promotion of the principles and values articulated in this document. We believe the broad involvement of a variety of individuals and institutions will deepen the values of corporate responsibility and accountability that will restore human dignity, the integrity of creation and the social order.

3.1 Political and Economic Influences

- ◆ We live in a context of fierce and growing global competition, the over-accumulation of production and of capital, and the relentless search of capital for new profitable outlets. This has resulted in the dismantling of national boundaries and the sovereignty of nation states and the globalization of business and business opportunities. This is further exacerbated by technology improving processes in production, which increases competition between enterprises, exerting even more pressure on business to improve efficiency and cut costs to remain competitive.
- ◆ Global competition has manifested itself in many companies transferring their operations from the North to the South as one strategy to increase profits. This often results in broken communities and unemployment in the North and in deepening the crisis of weakened social institutions and environmental conditions in the South.
- ◆ This is having consequences on both the people of the North and the South. The way that present competition has manifested itself negates social and environmental concerns, especially in the South. By transferring their operations to the South, companies increase their profits through the use of cheaper labour and easier access to raw and other naturally available resources and services.
- ◆ This form of profit-driven investment impoverishes the quality of the lives of people and destroys their natural environment. Unemployment is increasing both in the North and the South. Moreover workers are deprived of their basic rights, suffer high job insecurity, with increasing labour informalisation, and flexible labour standards, with a high risk of occupational hazards. Concomitant with job insecurity and low wages, workers experience an increasing deterioration of human security and deprivation of quality of life – leading to a rise in desperation, social insecurity and social unrest.
- ◆ The unpayable foreign debt that consumes the economic product of the Southern nations and the Structural Adjustment Programmes (SAPs) imposed by the International Monetary Fund (IMF) on the countries in the South worsen the situation. This situation is made worse by the dumping of waste from the North in the South, which severely affects people's lives and adversely damages the environment and the social fabric of local communities.
- ◆ Migrant labour in and between countries directly breaks down family life, social relations and traditions. Migrant workers are deprived of their basic rights, freedom of association and basic organizational opportunities to defend their interests.
- ◆ Through various multilateral agreements, governments, business and military industries join together to make up international treaties, which influence national legislation to suppress any dissenting voices. Suppression takes different forms, ranging from outright suppression to more subtle forms, depriving people of access to information and decision-making processes.
- ◆ The existence of ecological debt historically incurred due to the misappropriation of the South's natural capital and cultural heritage, aided by means of unfair exchange mechanisms, and the unbearable external debt should be acknowledged. Global equality will never be achieved if trends like this are allowed to continue.
- ◆ The experience of market-driven development has impoverished local communities, limited their independence and ability to be responsible for their own self-determination, local natural resources and culture. Civil society groups, organizations and communities have started to adopt the means by

which the concept of sustainable communities can be achieved. Corporations need to analyse their programmes, policies and practices in the light of their impact on the sustainability of communities.

- ◆ All human activity, including business development and expansion, impacts on the natural environment, the community, and future generations. There are over-riding considerations which ethically constrain this activity in respect of:
 - zones of conflict;
 - ecologically sensitive environments;
 - no-go exclusion zones (e.g. protected areas, world heritages sites and sacred lands);
 - vulnerable populations (e.g. the impact of HIV / AIDS, the destruction of tribal identity);
 - endangered locations (e.g. water scarce areas, or habitats for endangered species) where irreversible impact would have significant consequences;
 - inappropriate exportation of military equipment;

In certain situations, respect for these considerations will necessitate the development of policies involving moratoria or the suspension of operations.

3.2 Impact of Militarism

The implementation of the economic power of globalization depends on the militarization of the planet, which goes against the construction of sustainable society. The military industry is directly implicated in human rights abuse and the development of thermo-nuclear, chemical and biological weapons, which threaten the existence of life in all its forms.

The concentration of offensive military capacity in only a few countries undermines the sovereignty of other countries in making decisions concerning war and peace. The private sector commits to resolving the social, economic and environmental impacts originating from corporate activities in a peaceful manner and through measures that strengthen political and economic democracy, social and environmental justice and integrity of all creation. In this regard the Voluntary Principles on Security and Human Rights requiring training of security personnel in human rights is a must.

3.3 Technological Impacts

Today's capital markets have fallen prey to the allure of new technologies and their potential for the development of entirely new forms of products and product lines, but the decisions to develop and use such products are not always ethically appropriate nor socially responsible.

Communication and Internet services, cloning and genetic engineering – to name a few – in our fast-paced and rapidly changing world are revolutionizing the market place. Ethical and social considerations lag far behind, to the point where new product development and sales become ends in themselves rather than means to improve the quality of life or enhance care for the environment.

As many technological developments are moved around the globe their production processes, product distribution patterns, accessibility and affordability occur with striking variations. The degree of disparity among communities in the South and North in accessing their benefits raises yet another ethical concern. Moreover, the ownership structures within the technology sector, the retained manufacturing controls

practised by industry leaders, and the patent protections granted by governments, have further created situations where skills transfer is severely limited, where risks transfer is often one-sided, where the dignity of human labour has been diminished if not lost, where job displacements occur unabatedly, and where new patterns of economic dependence have reached unacceptable levels.

This is not to say that new technologies have not created social and environmental benefits, but the great hope for humanity with which modern technologies were once greeted has already been called into question. Technology, whether advanced by the microchip or by gene splicing, must in all cases meet the demands of sustainable community and be conditioned by ethical, social and environmental criteria.

The global corporate responsibility expectations, as outlined here, have not in all cases been made specific to several of the emerging new technologies. Nevertheless, many of the Principles, Criteria and Bench Marks in the text would easily apply by implication.

As an overriding principle for consideration among others, we believe that the potential for profitability gained by bringing new technology products to market, must be weighed against the potential for social and environmental harm and rejected when the impacts of such new products would negatively affect the lives and livelihood of vulnerable populations already under threat from conditions of poverty, deprivation and exclusion.

We insist that people and communities are always the focus in any human activities, including in business and financial expansions. Governments, international institutions and companies should try by all means to create spaces for the emergence of civil society groups for the public good. Global forums should narrow the gap between the rich and the poor, internationally, regionally and locally.

Cognizance must be taken of greed and the relentless pursuit of the accumulation of wealth for a few – whereby corporations are often used as tools by a few greedy individuals to serve their own selfish ends at the cost of society. In addition, corporations' main mandate to only serve shareholders, often at any cost to society and the power of corporations dominating political discourse, needs be dismantled. After all, corporations are the banding together of private individuals with a common purpose to achieve private gain that is often in conflict with the common good and societal needs. Rather, economic activity should focus on enhancing the quality of people's lives and protect the natural environment by promoting policies around investment that promote sustainable livelihoods and which contribute to the growth of sustainable communities.

3.4 Centrality of Trust and its Abuse

Trust is the basis of the social contract where the parties trust that the contract will be to the mutual benefit of those involved and to the advancement of basic humanity. The basis of that contract is that people/parties commit themselves to certain basic ethical norms and values common to humanity and society at large. Trust focuses on a better situation for the parties concerned, be it a better understanding, product, life or future for the parties concerned – 'a better future for all'.

Trust takes long to build up. But there is an inverse relationship between the building of trust over a period of time and the destruction of trust in a second. Where trust has been broken by deceit and greed, for the benefit of only one party to the exclusion of others or harmful to humanity, it is not easy to establish a new social contract.

Machiavellian strategies have few scruples with breaking the (social) contract - either openly or covertly, if it can get away with the action and achieve the desired goal, be it money, power, status, revenge or whatever other desired objective. People, organisations, companies and even governments sometimes get away with the deceit, overtly or covertly.

Asking forgiveness and saying one is sorry when a person or group is caught out or the matter becomes public, does not rectify the problem - trust has been broken. The too-big-to-fail companies seldom accepts liability, often they just negotiate a deal where they pay a (sometimes) small penalty and carry on. However the problem is not solved. Where the (social) contract had been broken, whether by neglect, intentionally or unintendedly, by individuals or by leadership pushing aggressive marketing strategies, trust suffers. It might not be a law which had been broken, just social codes or norms, but the result is the same. Trust suffers.

To renew trust, it is not just about accepting liability or asking for forgiveness.

This is where ethical leadership and ethical decision-making comes in. It implies a new commitment to work within the established social contract and to abide by it. Ethical leadership is to provide the groundwork for the social contract, to establish trust and to give leadership and direction to the actions of the group concerned, as well as to take the necessary remedial action where the trust has broken down.

The principles contained in Bench Marks 4[©] condense some of those basic ethical values and norms of society. It provides markers to guide private and public companies including government corporations (State owned Enterprises) and municipalities, as well as general society such as NGOs and other concerned parties on ethical decision-making relating to corporate social responsibility.

4 **METHODOLOGY**

4.1 Approach

We acknowledge that the different forms of exclusion, impoverishment and marginalisation are a result of inequitable social relations. Ecological degradation and social deprivation threaten the survival of human society. This document and its accompanying processes approaches the questions of the responsibility of corporations with the expectations of a Global Network of people and communities who hold these concerns as central to their agenda:

- a demand for a sustainable system of production and distribution of wealth and for the preservation of the environment for present communities and for future generations by implementing the impact mitigation hierarchy of avoidance, minimisation, restoration and offsets towards no-net-loss, and ideally net gains of natural capital;
- an appeal for a more equitable system for the distribution of the economic benefit derived from labour and ecosystem services;
- an insistence for the participation of stakeholders and those most hurt by the activities of corporations in the decision-making processes of companies;

- an obligation towards the creation of an awareness that corporations need to consider not only the response of consumers to their activities but that of all those who are stakeholders in their operations.
- an obligation towards the opportunities of life and freedom for all humanity;

To meet these principles we believe that it is necessary that certain specific courses of action are followed when corporations are conducting their managerial functions in order that those who are affected directly or indirectly by them will be considered and represented.

4.2 Committee Mechanisms

We will wish to make an assessment of these principles by checking that the company has in place a communication and reporting system which:

- allows for a two-way communication strategy involving a top-down reporting pattern on challenges and progress and bottom-up reporting on concerns and issues;
- allows for meaningful interaction with communities and other stakeholders and joint decision making processes;
- allows for the creation of corporate committees with proportional representation of all the stakeholders.

In order to help level the playing fields where huge disparities often exist between the resources and capacity of big corporations and those of surrounding communities; it is the responsibility of companies to implement and properly communicate mechanisms that would achieve the following two outcomes:

- Community capacity building: Communities are often severely disadvantaged when it comes to decision making processes over their land, livelihoods, water and resources and the potential negative impacts and require access to independent expertise so they can engage more meaningfully on how to address these issues. In such instances, companies must contribute a certain percentage of turnover in monetary forms to an independent fund to allow communities access expertise to engage the powers that be, corporations and governments. This will empower communities to their right of Free, Prior and Informed Consent and ongoing consent – which is needed from exploration and prospecting stages to the full operational cycle and during the life of impactful projects such as mining operations.
- Access to justice: The UN Guiding Principles on Business and Human Rights, the World Bank Safeguard Policies and the IFC Performance Standards require company level grievance mechanisms to resolve disputes. This is often not sufficient in achieving access to justice for communities. Subsequently, independent grievance mechanism outside of the control of the company must be established and operated by a third party neutral agency to give effect to a credible, reliable and trustworthy outcomes.

4.3 Reporting Framework

At several points in our framework we join the call for verified public reporting on company performance, whether on environmental, social or financial issues. At a minimum we would expect such reporting instruments to include the following:

- the reporting is rooted and grounded in transparent disclosure;
- the information disclosed is directly related to the communities at sites of impact to facilitate their participation;
- independent monitoring and verification processes include a role for non-governmental organisations, for workers and for community organisations;
- additional demands for disclosure impinge on companies operating in zones of conflict;
- the outcomes of corporate reporting are incorporated into strategic planning and participatory decision-making;
- the range of social performance indicators embraces, at the least, the principles outlined in this document.

4.4 Ethical Practice

The responsibility for ethical performance resides with the whole corporate enterprise and not merely with the individuals who compose it. We therefore are seeking ways in which corporations can be held accountable for the totality of the impact of their operations on people and communities in such a way as to address fully the fundamental aspirations we put forward.

In our understanding of global corporate responsibility, the community rather than the company is the starting point of economic life.⁴ For the community to be sustainable, all members need to be recognised i.e. consumers, employees, shareholders, the community at large and corporations. Respect for each group's essential role in the economic and social life of the community will facilitate more just relationships locally and globally.

In this document:

- **PRINCIPLES** refer to a statement of business philosophy fundamental to a responsible company's actions.
- **CRITERIA** refer to particular company policies and practices that can be compared for consistency with the principles
- **BENCH MARKS** refer to suggested specific reference points (in line with global best practice) of measurement to be used in assessing the company's performance in relation to the Criteria.

For reasons of clarity the categories under which the *Principles*, *Criteria* and *Bench Marks* are presented are divided into two sections:

1. **THE WIDER COMMUNITY** and
2. **THE CORPORATE BUSINESS COMMUNITY.**

⁴ Corporate language generally uses the word 'stakeholder' to include only those who benefit from the company's activities. In the corporate context the company, rather than the community is the starting point of economic life.

Combined, the *Principles, Criteria* and *Bench Marks* are offered as an **ethical standard of evaluation** on which to base decisions about global corporate social responsibility. They arise from jointly held beliefs, which are based on the faiths of the participant groups, communities, denominations and traditions. The concepts stem from an understanding of the ethical value of creation, humanity and the nature of society. The following section of this booklet is the actual **Bench Marks 4[®] Instrument** which outlines the *Principles, Criteria* and *Bench Marks* that can be used in activities such as: doing business performance assessments; formulating ethical business policies; promoting good corporate behaviour values and norms; empowering of individuals and organisations with new knowledge about responsible business expectations; etc.

Section One THE WIDER COMMUNITY

1. ECOSYSTEMS AND CLIMATE

Principles

- P1.1 Careful attention is paid to ensure that the company's actions do not impact negatively on natural capital and ecosystem services. Issues such as climate change, bio-diversity and pollution prevention are central to this. The company adopts, as a minimum, internationally recognized standards and ensures that they are implemented universally regardless of any legal enforcement or lack thereof in any jurisdiction and continually seeks to improve its performance.
- P1.2 To minimize environmental degradation and health impacts, the precautionary principle is the overriding principle guiding action, shifting the burden of proof from one of proving environmental harm to one of proving environmental safety.⁵
- P1.3 The presence of unused, unexploited, non-renewable, natural resources within a particular area is recognized as an asset of the community of that area. The company therefore strives to mitigate its impacts on renewable natural capital, including biodiversity, by setting targets and implementing mitigation measures to achieve No Net Loss (NNL) or Net Positive Impact (NPI).
- P1.4 The Company seeks to implement and promote the development and distribution of environmentally sound technologies and services, for instance biodegradable instruments or renewable energy technologies.
- P1.5 The Company recognizes the importance of preventing any introduction of new alien species in the natural areas around its operations and activities, unless it is done in line within established legal frameworks for such introduction.⁶
- P1.6 The Company has responsibility for the environmental impact of its production processes and its products and services throughout the life-cycle of these products and services.
- P1.7 The Company is guided by the 'polluter pays' -principle whereby it takes ownership of the cost of pollution (water, ground or air) — compelling the company to calculate the economic and environmental benefits of pollution prevention as opposed to implementing mitigation measures.

⁵ Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing cost effective measures to prevent environmental degradation (Agenda 21, principle 15)

⁶ See UN Convention on Biological Diversity's Aichi Target 9 - Target 9: By 2020, invasive alien species and pathways are identified and prioritized, priority species are controlled or eradicated, and measures are in place to manage pathways to prevent their introduction and establishment.

- P1.8 Sustainability values are incorporated into all business practices and also form an integral part of recruitment, training and remuneration of employees.
- P1.9 The company affirms the importance of regular reporting on its sustainability performance against global best practice standards and against best practice that are informed by communities and civil society. In addition, sustainability reports must be localized per operation, thus adhering to increased transparency and accountability.
- P1.10 When making decisions on purchasing supplies, the company is guided by sustainable procurement considerations whereby the short and long term environmental performance of the procured products or services is taken into account.
- P1.11 The Company affirms the precautionary principle that must be invoked prior to the development of genetically modified organisms (GMOs).
- P1.12 The Company develops genetically modified organisms only where there are safe and clear health, social and environmental benefits.
- P1.13 The Company affirms the principle that patent rights do not supersede farmers' rights to pursue traditional sustainable agriculture or forest use.
- P1.14 The Company affirms the right of communities to be involved in any proposals regarding the development of GMO products.
- P1.15 The Company affirms that situations of hunger and famine are not used to impose the GMO system of agriculture over traditional methods.
- P1.16 The Company recognizes the importance of both climate change mitigation and adaptation measures — to prevent further impacts causing global warming and climate change, as well as to reduce vulnerability to climate change.
- P1.17 The Company accepts the responsibility of reducing greenhouse gas emissions (GHG) from all its business operations, including products and services, as well as its supply chain and employees.
- P1.18 Sufficient consideration is given to future climate projections in order to determine potential risks and to incorporate climate change adaptation options into business decisions.

Criteria

- C1.1 A company-wide environmental code has been adopted and implemented.
- C1.2 An active environmental and mine disaster committee has been established by and reports to the Board of Directors. The environmental and mine disaster committee must include representation of impacted community groups, women, youth, environmental organisations and those most critical of the corporation.
- C1.3 The Company has in place appropriate management systems to implement its policies.

- C1.4 Environmental assessments are completed by the company in which the unused, unexploited natural resources are stated as assets of the community.
- C1.5 The Company provides to the public regular reports on its environmental performance and future plans. These are based on a pattern of environmental auditing and reporting according to, at a minimum, internationally recognized standards and include data for each facility.
- C1.6 The company continuously redevelops its production and other business processes, including logistics and transport systems, in an attempt to minimize or eventually totally prevent its toxic air emissions and waste materials (hazardous and nonhazardous).
- C1.7 The Company ensures that its activities do not in any way lead to a reduction in the local or global population of any Endangered Species.
- C1.8 Where the company encounters already established alien species in the areas of its projects, it is careful to not spread them any further into areas in which they have not already been introduced.
- C1.9 When the company's impacts on ecosystems are found to directly and indirectly affect any nearby communities, the company collaborates on an equal basis with community members in the prioritization of ecosystem services to protect / maintain or restore as part of its stakeholder engagement process.
- C1.10 The Company holds public consultations and seeks collaboration from interested individuals and groups to review both its past performance and its future plans, including the location of new facilities.
- C1.11 Where environmental damage does occur, every effort is made by the company to reduce its impact immediately, to provide technical data to those working on the containment and repair, to restore the damaged ecosystem and to ensure appropriate measures are taken to redress injuries to persons caused by environmental hazards created by the company. The company also ensures that those impacted upon have full knowledge and understanding of these impacts and their consequences.
- C1.12 The Company has policies, practices and procedures to prevent pollution, reduce resource and energy use in each stage of the product or service life-cycle.
- C1.13 The Company carries all immediate and long-term costs of immediate and future pollution impacts from its activities and production processes as measured by the degree of the environmental burden to society to restore the environment to its original natural state. The company makes sufficient financial provision for expected pollution impacts and does not abuse tactics related to bankruptcy or the sale of ownership as ways to try and evade accountability.
- C1.14 The Company has a designated person to provide assurance of compliance with its environmental policies.
- C1.15 The Company has established a regular procedure to monitor the environmental impact of the production process on the health and safety of workers and regularly reports on this with such reports made available in clear non-technical jargon and local languages.

- C1.16 Prior to development, the company establishes a process for determining the benefits and safety of GMOs through independent stakeholder groups in order to satisfy stakeholder concerns, such as, unknown long-term effects of GMOs on human and animal health, soil ecology and local germplasm.
- C1.17 Prior to the introduction of GMO products, the company initiates and makes public a study that takes into account the impact on land, soil, natural limits on gene flow, indigenous farming techniques and the sustainability of local agriculture and forest management.
- C1.18 The Company adopts a policy of consultation with credible and recognized local and national bodies, especially civil society, before exporting GMO products.
- C1.19 The Company adopts a policy of transparency so that consumers can make fully informed choices about GMO ingredients in food.
- C1.20 In a committed effort to mitigate climate change impacts resultant from its projects, products and services, the company identifies all sources of direct and indirect GHG emissions and tries to eliminate or reduce to a minimum their further impact.
- C1.21 If the company significantly produces GHG emissions, it should measure, record and report on its GHG levels using methods defined in internationally agreed standards.

Bench Marks

- B1.1 Natural resources, which become an asset to the company, are stated as a debit to the community, which the company addresses in a mutually agreed negotiation with the community.
- B1.2 Environmental assessments are made periodically and include, but are not limited to:
- environmental impact;
 - physical infrastructure impact;
 - social infrastructure impact;
 - cumulative (synergistic) impacts.
- B1.3 The Company has a policy, which includes performance standards relating to:
- irreplaceable natural assets ;
 - sustainable use of renewable natural capital stocks and flows;
 - reduction and disposal of wastes;
 - reduction of anthropogenic greenhouse gas emissions;
 - the development of renewable and alternative energy sources in place of reliance on fossil fuels;
 - energy conservation;
 - risk reduction;
 - safe products and services;
 - renewable natural capital restoration;
 - Informing the workers involved and the public.

- The company has adopted and implemented at least one or more of the recognized environmental monitoring programmes.
- B1.4 Environmental performance standards are set and applied on a comparable basis throughout the company's operations and supply chains.
 - B1.5 The company is in full compliance with all international, national, and sub-national environmental regulations and breaches are recorded. Where local regulations are lacking or insufficient, the company complies with best international practice standards.
 - B1.6 The company discloses for each of its operations the same or better categories and levels of information as are required in their 'home' country.
 - B1.7 An annual, standardized, environmental report, including data on the extent to which performance goals have been met, is publicly issued and its contents are verified by an independent authority.
 - B1.8 On-going environmental performance evaluation is conducted and the results are periodically audited by an independent auditor. The results of the audit are reported to the stakeholders.
 - B1.9 The company supports and contributes valuable resources to local and international conservation efforts of Critically Endangered Species.
 - B1.10 When a company encounters historical pollution such as land or ground water contamination, it helps to identify the actors responsible for mitigation measures. In the absence of any culpable entities, the company collaborates with relevant stakeholders to address all risks to further contamination and to ensure the restoration of the ecosystems.
 - B1.11 Employee remuneration/compensation packages, especially those of senior executives, are linked to corporate environmental performance.
 - B1.12 The company produces useful products which fulfill community needs and which avoid built-in obsolescence. It employs process technology that reduces life-style impacts.
 - B1.13 The company commits to the on-going transparent and independent monitoring of environmental, social and health impacts accompanying any production of GMOs.
 - B1.14 The company publicly reports on the results of testing for long-term safety of its crops, organisms or products on humans, animals, the environment and local agronomic cultures.
 - B1.15 The company develops its GMO policies based on the recommendations of the International Treaty on Plant Genetic Resources for Food and Agriculture and other relevant Protocols (e.g. Cartagena and Nagoya) within the Convention on Biological Diversity.
 - B1.16 The company clearly labels its GMO food products to inform consumers of the genetically engineered ingredients.

- B1.17 The company implements GHG reduction actions such as reducing dirty energy use, switching over to renewable or low carbon energy sources, adopts more environmentally friendly technologies preventing harmful emissions, and implements projects such as sustainable agricultural practices, reforestation, greener urban planning and building design, carbon capture and storage, etc.
- B1.18 The company implements and supports societal actions to adapt to climate change such as: more sustainable land use and planning; infrastructure design and maintenance; and industrial, medical, agriculture and water, food and energy security supporting techniques and technologies — enhancing resilience to increasingly severe weather impacts such as floods or droughts.
- B1.19 The company collaborates with, local, national and international government structures and helps increase climate change awareness through education and communication.

2. NATIONAL COMMUNITIES

Principles

- P2.1 The company is fully committed to the principles promoted by internationally recognized human rights standards, such as the Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, corresponding international covenants adopted by the General Assembly of the United Nations, and International Labour Organization Conventions and standards found in International Human Rights Law and International Humanitarian Law.
- P2.2 The company recognizes that the state has a duty to protect and promote internationally recognized human rights standards and is aware that human rights treaties, which are legally binding on states that ratify them, require the state to regulate the behaviour of the private sector as non-state actors in respect of the rights guaranteed by treaty.
- P2.3 The company makes a commitment to, as a minimum, the internationally recognized standards of performance in each and every country in which it operates.
- P2.4 The company, in all its locations, holds it to be the responsibility of every employee to ensure that there is full compliance with all internationally recognized labour, health, environment and safety standards.
- P2.5 The company contributes in a responsible and transparent way to each society's efforts to promote full human development for all its members.
- P2.6 The company respects the political jurisdiction of national communities.
- P2.7 The company does not use the mobility of capital and the immobility of labour as a tool against workers.

- P2.8 The company subscribes to the principle that every person has the right of access to health care, including access to affordable therapies and medicines.
- P2.9 The company views health in holistic terms of body, mind and spirit, rather than the absence of sickness.
- P2.10 The company actively encourages and demonstrates respect for human rights and continuously promotes economic and environmental sustainability; and therefore invests in the necessary human and capital resources to attain these goals.
- P2.11 The company integrates sustainable social development considerations as part of all its business practices and relations, including its investments and recruitment, training and compensation policies with employees and contractors.

Criteria

- C2.1 The company adopts a comprehensive and verifiable human rights policy which includes an explicit commitment to secure the principles and values contained in the Universal Declaration of Human Rights and its two covenants and the International Labour Organization standards.
- C2.2 The company links executive compensation to social as well as financial performance, including the company's efforts to secure basic human rights within its operations.
- C2.3 The company carefully considers the international human rights implications of entering into business relationships, either as a direct partner or through a third-party venture in which it holds an interest with the parties or entities of any state recognized or known for its widespread violations of international human rights standards.
- C2.4 In instances where legislation or the actual practices of any public institution violate fundamental human rights, the company does everything in its power to secure those fundamental rights in its own operations. The company also seeks to exercise its corporate influence to contribute to the establishment of such fundamental rights.
- C2.5 The company has a policy that, when there is a movement from within the country calling for withdrawal, in instances where there are gross and systematic violations of human rights, it will withdraw from that country.
- C2.6 An active human rights committee, with a designated responsible person, has been established by and reports to the Board of Directors and publicly discloses any significant material human rights impacts on the company's stakeholders.
- C2.7 A drug company creates and implements a policy of price restraint on prescription drugs, utilizing a combination of approaches to keep drug prices at affordable levels, and refrains from enforcing patents in developing countries where this will exacerbate health problems.
- C2.8 A tobacco company acknowledges the inherent hazards connected to the use of its products.

- C2.9 The company ensures that its activities respect all life on the Planet.
- C2.10 The company develops a strong social policy underpinned by fair and safe living conditions, investment in community development and enhancement of workers' safety, work satisfaction and productivity.
- C2.11 The company commits to full disclosure of human rights issues in all its operations. It records human rights abuses made against it and reports on remedial action taken.

Bench Marks

- B2.1 The company's human rights policy is integrated across all its operations and business relations and is readily available in various formats, languages and locations and easily accessible (understandable and meaningful) to whom it applies.
- B2.2 A senior executive in each operation is responsible for all matters of human rights and reports to the appropriate management committee and the committee of the Board of Directors established for human rights matters.
- B2.3 The company by policy and by practice does not commit or engage in activity which leads to the abuse and violation of internationally recognized human rights standards, nor does it assist in abuses and violations committed by others, be they government authorities, paramilitary organisations, armed gangs or other non-state actors.
- B2.4 The company, in consultation with the stakeholders, uses a checklist, which guides its approach to human rights.
- B2.5 The company adheres to the relevant codes of the World Health Organization (e.g. The International Code of Marketing of Breastmilk Substitutes) and the relevant International Labour Organisation's recommendations on health and safety, on the health of young persons, the health of women, the use of chemicals, occupational diseases, compensation for occupational injury and other related issues.
- B2.6 The company develops its health policies based on 'Beyond Philanthropy Benchmarks' published by Oxfam UK, VSO and Save the Children (July 2002).
- B2.7 The company subscribes to the principles expressed in the 1977 International Labour Organization Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.
- B2.8 The company discloses labour and human rights tribunal cases and lawsuits settled or decided against the company, in addition to any pending lawsuits that might have a significant material effect on the company.
- B2.9 Operations in countries, which consistently violate the Universal Declaration of Human Rights, are reviewed annually by the Board of Directors
- B2.10 All contraventions of human rights are reviewed and recorded, and corrective action is taken.

- B2.11 All contraventions of health and safety laws are reviewed and recorded, and corrective action is taken.
- B2.12 A tobacco company ceases all advertising and promotion of tobacco targeting young people, and supports efforts to make enclosed spaces smoke-free.
- B2.13 A full audit has been conducted for a complete picture on community impacts regarding resource use, waste and community health and safety considerations and a baseline measurement tool exists to track remedial steps accordingly. The Audit must involve community organisations and NGOs to ensure impacts are correctly captured.

3. LOCAL COMMUNITIES

Principles

- P3.1 The company recognizes its political and economic impact on local communities especially where it is the principal or key employer. Its programmes, policies and practices help promote a full range of human rights within each community where it operates.
- P3.2 The company takes account of local culture in its decision-making processes while not condoning cultural patterns, which denigrate human beings on the basis of gender, class, racial/ethnic origin, culture, ethnicity, religion, sexual orientation, caste, tribe or disability.
- P3.3 The company affirms the central importance of sustainability for communities, in the present and the future, for the integrity of human beings, culture, society, economic well-being, environmental responsibility and the way of life of the people.
- P3.4 The company respects the inclusive involvement of all stakeholders in developing civil society partnerships and host community agreements.
- P3.5 The company accepts the principle of prior engagement, including Free, Prior and Informed Consent with relevant community groups, non-governmental organisations and civil society.⁷
- P3.6 The company consistently engages with civil society, home and host governments to prevent and mitigate any potential for conflict or human rights abuses, including potential problems related to migrant labour affecting the dynamics of local communities.

⁷ The principle of free, prior and informed consent [or FPIC] is useful and meaningful to promote community participation in decision making about the feasibility of new development projects on community land and management of ongoing impacts. In terms of international law, including “soft law” such as the World Bank Safeguard Measures, indigenous communities have a veto right to say no thank you to development proposals that they do not agree to. In the context of Africa and in particular Sub Saharan Africa, communities that live under customary law which requires community consent processes, are afforded the same rights of veto and negotiation. Communities with FPIC rights can be supported by NGOs civil society to use the rights in a developmental manner.

P3.7 The company commits to the higher standard where there is a misalignment between sustainability and human rights standards and the level and legal enforcement of local standards, while publicly advocating for the raising of the bar.

Criteria

- C3.1 The company develops a policy statement that measures its social, environmental and economic impact on local communities affected by its operations.
- C3.2 The company, in consultation with the local community, establishes a policy that incorporates into its business plan the best interests of the community, both now and into the future.
- C3.3 The company evaluates all of its operations in the light of community sustainability.
- C3.4 Respect is shown by the company for the local community, especially with regard to water, land, air, food, energy, religion, gender and culture.
- C3.5 Employees are encouraged to participate in local community activities and organisations.
- C3.6 The company seeks to develop long-term business relationships in local communities and does not terminate its operations without assessing the long-term environmental, social, cultural and economic sustainability impacts on the local community.
- C3.7 The company is careful of the impact of its power and influence especially in its use of the local media and its advertising strategies.
- C3.8 The company recognizes the potential for driving change through procurement of products and services by seeking supplier diversity in the local community through the contracting of marginalised groups such as women, the disabled and informal businesses.
- C3.9 The company is committed to philanthropy and social investment in the surrounding (local community) to facilitate local procurement through financial incentives, training, skills development, education programmes and bursary schemes.
- C3.10 The company aspires to integrating the interests of all stakeholders with that of its own business goals.
- C3.11 The company recognizes various stakeholder groups and establishes an inclusive and exhaustive consultation process with them including obtaining the Free, Prior and Informed Consent of indigenous and customary communities. In particular the company also recognizes those groups who are most critical of the company's potential social and environmental impacts who seem adversarial to their operations.
- C3.12 The company and its security service provider develop a policy on the Rules of Engagement, based on preventative and defensive action and the protection of human rights, in close cooperation with the local community.

Bench Marks

- B3.1 Company decisions are made while being cognizant of preventing potential breaches to international human rights standards such as the Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination against Women and the International Convention on the Elimination of All Forms of Racial Discrimination.
- B3.2 The company establishes a transparent process to gain the Free, Prior, and Informed Consent (FPIC), in a language they can understand, of the local/surrounding and impacted community prior to establishing its operations in that community.
- B3.3 The company establishes a consultative structure, including a senior director and representatives of stakeholders identified by local communities, society and its own workforce, which meets on a regular basis to discuss the company's business goals in relation to community needs, including social and environmental concerns.
- B3.4 The company develops specific indicators (such as on local employment, natural capital and ecosystem services, health, infrastructure, preservation of cultural values) to measure how it contributes to community sustainability and reports publicly.
- B3.5 The company reports in oral and written form, on its community impact in a manner that is accessible to local communities in the local language.
- B3.6 The company communicates to its shareholders and the public all environmental liabilities, disclosed in details (per site or event), so as to answer the information needs of local stakeholders, even if found not to be financially material as per International Financial Reporting Standards.
- B3.7 The company makes available its returned, second-hand, and reject goods and outlet samples through local independent distributors.
- B3.8 The company has a plant closure policy, which provides transitional arrangements for employees.
- B3.9 The company has a formal social contract with the local community wherein the greatest challenges and local vulnerabilities to sustainable development are prioritized according to an agreed Road Map for remedial action.
- B3.10 The company continuously engages with labour unions, workers groups and representatives of the local community to assess performance, identify inefficiencies and reach corrective decisions accordingly.
- B3.11 The company has a philanthropic and social investment programme aimed at the upliftment of the local community in place.

4. INDIGENOUS COMMUNITIES

Principles

- P4.1 Where, in a specific national context, there exists constitutional legislation, or where recognized agreements exist, determining policies of reconciliation with indigenous peoples, (“First peoples”) and/or communities, the company seeks to develop its policies in accordance with that legislation or agreement.⁸
- P4.2 The company where it operates in post-conflict and/or oppressive situations seeks to implement existing policies of reconciliation where they are in place.
- P4.3 The company respects the cultural, religious and social customs and traditional knowledge of members of indigenous communities.
- P4.4 The company strives to contribute to the long-term environmental, social, cultural, and economic sustainability of the indigenous peoples, nations or communities in which it operates.
- P4.5 The company respects the bio-cultural integrity of indigenous peoples and their lands and traditions.
- P4.6 The company only pursues economic development in land claim areas upon prior resolution and completion of the settlement of land claims between the indigenous people and the appropriate government(s) and/or other involved or relevant parties.
- P4.7 The development of joint working agreements between indigenous communities and companies is a prerequisite to building business relationships and commitments.
- P4.8 Indigenous peoples, by virtue of their inherent rights, are entitled to full participation in the business decisions which pertain to their ancestral lands and their way of life. Free, Prior, and Informed Consent (FPIC) need to be obtained from both indigenous communities and African communities that apply customary tenure law on their land, even where the rights are informal or unwritten.⁹
- P4.9 The company is committed to respecting fully the rights of indigenous peoples and customary communities as they are recognized by the appropriate jurisdictions and laws and adheres to the principle that the real value of land in monetary and useful terms belongs to the people.

⁸ It is recognized that in Africa, and in particular Sub Saharan Africa, the principle of FPIC applicable to indigenous peoples, has been extended to communities which live under customary law. Their land cannot be developed and they cannot be relocated without agreeing thereto. In addition, under the African Charter, communities claim the right of all peoples and communities to choose their own development path.

⁹ Traditional leaders and customary law institutions play an important role in upholding customary law values and participating in community decision making. A traditional leader and his or her council cannot give free, prior, informed consent on behalf of a customary community. Rather, the participatory decision making processes of customary law must be followed as well as the democratic precepts of the African Charter.

- P4.10 The company is committed, in spirit and practice, to align its objectives with traditional values of indigenous and customary communities, and generally of all communities, except in cases where such values are not aligned with universal human rights.
- P4.11 The company respects indigenous medicines and medical practices.

Criteria

- C4.1 The company seeks to develop long-term business relationships in indigenous communities and does not terminate its operations without assessing the long-term environmental, social, cultural and economic sustainability impacts on the indigenous community.
- C4.2 The company communicates its business plans in a way that the local indigenous community can understand and seeks to be actively involved in the development of indigenous businesses based on traditional values and religious concepts.
- C4.3 The company seeks and receives approval from the legitimate local indigenous leadership prior to beginning any business activities.
- C4.4 The company, with the co-operation of the indigenous peoples concerned, performs a holistic comprehensive study of its potential environmental, physical, social, economic, cultural and spiritual impact on the community and modifies its business plan to ameliorate potential harm.
- C4.5 The company negotiates a just and equitable economic settlement with the indigenous community(ies) involved, including adequate monetary compensation based on the real value of land as based not only on market values but also on the use derived from it in social, cultural and socio-economic terms, including access to ecosystem services (e.g. clean water, fish, etc.) and future economic opportunities; and where relevant, shares of benefits from exploited resources (e.g. royalties).
- C4.6 The company's employment policies and practices fully accommodate the cultural, spiritual and social needs of employees who are members of indigenous communities.
- C4.7 The company develops a transparent process for the inclusion of indigenous peoples as full participants in business decisions.
- C4.8 The company provides employment and training opportunities for, and actively recruits from, indigenous communities for all levels of employment.
- C4.9 The company provides opportunities for all its employees to obtain an understanding of indigenous culture, treaties, history and current issues.

Bench Marks

- B4.1 The company, through its programmes, policies, practices, and communications implements the principles expressed in the International Conventions on Human Rights, Agenda 21 and the

International Labour Organisation Convention Concerning Indigenous and Tribal Peoples in Independent Countries, Convention 169.

- B4.2 The company adheres to the International Convention on Bio-Diversity and ensures the protection of bio-cultural integrity and intellectual property rights of the indigenous community(ies).
- B4.3 The company, as a matter of policy, refrains from litigation that obstructs the implementation of the recognized rights of indigenous peoples and respect of local customs and traditions.
- B4.4 The company, as a matter of policy, refrains from using any imagery, which is offensive to the indigenous community in product marketing, advertising, endorsements, sponsorships and promotions.
- B4.5 The company's business plans, and its employment policies and practices are communicated clearly and are available in indigenous languages in both written and oral form.
- B4.6 The company, together with the legitimate representatives of the indigenous community jointly establishes clear decision-making processes and structures with a recognized programme that monitors their implementation.
- B4.7 The company's approach to sustainable development and social upliftment in operations on tribal land reflects the traditional values and traditions of the indigenous community.

5. RELOCATED COMMUNITIES¹⁰ — FORCED, VOLUNTARY AND INVOLUNTARY REMOVALS

Principles

- P5.1 The company shall respect and protect the community they intend to relocate by accepting and implementing the principles of full compensation and reparation, and, in the case of indigenous and customary communities, the principle of free, prior and informed consent.
- P5.2 The company agrees to continuous free, prior and informed consent of indigenous and customary communities during and after its activities (e.g. mining).
- P5.3 The company will provide the community with full complete factual, scientific, technical knowledge of the proposed site (e.g. mine, dam or other construction, etc.) before the relocation of the community, and all social, economic, land and environmental impacts of the activities and on the community in particular.

¹⁰ Communities, for the sake of this section, cover indigenous communities and customary communities which have FPIC rights, but also all other communities whose land, tenure rights and environmental rights may be affected whether they their formal ownership rights are recognized or not and which may be governed by a traditional authority. Where such a community agrees to relocation, it shall be afforded full compensation and reparation to ensure the continued development of community livelihood including its institutions. The affected community members and households are similarly entitled to full compensation and reparation of their livelihoods.

- P5.4 The company is honest, giving full information on how planned relocation activities will impact economic, social, cultural, customary, ancestral, heritage and spiritual dimensions of communities.
- P5.5 The company shall supply such information in an easily digestible manner and put the information on their website for public comment.
- P5.6 The company will contribute into a Fund that the community could use to pay for a range of expertise which will enable them to make an informed decision on the company's proposed activities (e.g. mining) — thereby giving them access to their own (and unbiased) expert advice.
- P5.7 The company will safeguard the community livelihood practices, kinship relations, spatial arrangements, ancestral, customary and spiritual traditions.
- P5.8 The company does not divide communities or offer other inducements aimed at circumventing the full exercise of the communities' right to full information and to determine their own destinies.
- P5.9 The company commits to live by the principle that relocation must put the community in a better position, ecologically, spiritually, economically, socially and politically.
- P5.10 The company will deal directly with impacted communities. It will not take any shortcuts by avoiding direct contact with impacted communities by going through local government or chiefs to gain consent.
- P5.11 The company does not employ outside consultants to consult on their behalf unless they are fully mandated with decision making powers from the CEO, and does not set up its own community vehicles or structures to relocate communities.
- P5.12 The company ensures that if a community agrees to relocate that they are not worse off but better off, applying the principles of no-net-loss of livelihoods and ecosystem services.
- P5.13 The company supports proper social, ecological and financial compensation, taking into account the community losses not only during the period of project activities (e.g. mining) but also after project activities. The compensation must be continuous, taking into account how communities would have sustained themselves had the industry not come along.
- P5.14 The company accepts that compensation for lost livelihoods and community as well as share of the profits for the community as a whole is an inviolable principle of justice.
- P5.15 The company pays particular attention and ensures the full participation of women in decision making and this includes their right to say NO to relocation if the impacts outweigh the benefits for women and children.

Criteria

- C5.1 Where there are risks of social harm or disruption associated with its activities, the company shall do a proper human rights, and social due diligence impact assessment on the potential and actual

impacts of its operations on the local and indigenous communities; also ensuring a role for non-governmental organisations and local communities input.

- C5.2 The company applies the equivalency (like-for-like) and no-net-loss principles for land and natural capital for relocation purposes and ensures communities have access to safe and secure water, decent housing, arable land, transport and infrastructure.
- C5.3 The company preserves social networks and structures and communities must be regrouped according to the same units and constellations and ensures that displaced people do not suffer isolation and discrimination.
- C5.4 All community relocations are treated with the same regard, care and consideration for the inconvenience and human rights risk as would have been caused by forced and involuntary removals; and the highest standards are adhered to, such as the International Finance Corporation guidelines on forced and involuntary removals.
- C5.5 The company upholds communities' human rights, including the right to water, food security, health and reproductive health, and sustainable livelihoods development.
- C5.6 The company pays particular attention to women and the impacts on women, their way of life, subsistence and dignity by ensuring their access to food, fuel, water, or employment.

Bench Marks

- B5.1 The company respects the rights of communities to freely associate, protest and demonstrate against any impact on livelihoods, way of life, social and economic security.
- B5.2 The company respects the right of the community to say no to its activities (e.g. mining) on their land, especially when it can be demonstrated that the community will be the loser in the long-term and that their economic and livelihood and way of life will be destroyed.
- B5.3 The company does not co-opt local authorities, traditional leaders, politicians who are allied with or have interest in the project.
- B5.4 The company does not conduct smear campaigns, direct persecution, criminalisation, harassment, arrest and abuse by private security and public security forces of communities.
- B5.5 The company subscribes to the UN Declaration on Human Rights Defenders adopted in 1998 that states that everyone has the right to individually and in association with others, to promote and to strive for the protection and realisation of human rights and fundamental freedoms at national and international levels.
- B5.6 The company will abide by its own due diligence and that done by outside agencies that interrogate right to life, integrity, security, health, and freedom of expression, association and assembly, freedom from torture and cruel inhumane and degrading treatment and non-discrimination.

- B5.7 The company will demonstrate that relocated communities are better off and compensation is given not only in monetary value, but in equivalent natural capital (arable land, water, wild foods, wood, etc.) with a minimum target of no-net-loss and ideally a net gain, and all other ways that preserve the communities' basic human rights to life, reproduction, and livelihoods.
- B5.8 The company treats relocated communities as aggrieved parties and right-bearers and not as beneficiaries.
- B5.9 The company goes beyond legal compliance such as local laws that might be discriminatory and demonstrates through outcomes that communities are fairly treated and better off.
- B5.10 The company ensures communities have sufficient knowledge and expertise to advise them when engaging communities on possible relocations.
- B5.11 The company supports communities' rights to access to justice and adopts a grievance mechanism independent of the company to resolve disputes and abides by the findings of any dispute outcome.
- B5.12 The company keeps a record of all engagements with communities such as the outcomes of each meeting.

6. PEACE-MAKING, SAFETY AND SECURITY

Principles

- P6.1 The company is committed to peace-making, peace-building, safety and security in all its endeavours.
- P6.2 The company that produces arms or raw materials for arms, safeguards participation of all stakeholders in lobbying for the restructuring of companies so that workers' interests will not be threatened.
- P6.3 The company aims at converting from arms production to the production of socially useful life sustaining products that promote peace.
- P6.4 The company acknowledges that safety and security are fundamental needs shared by all stakeholders operating globally and that the balance between security and respect for Human Rights can and should be consistently maintained.
- P6.5 The company understands the importance of safeguarding the integrity of personnel and property in accordance to the laws of the host country and in compliance with the highest applicable international standards and law-enforcement principles.
- P6.6 The company understands that credible information/intelligence is a critical component of safety, security and human rights and is fully committed to sharing relevant experiences regarding best

security practices and procedures, human rights situations and public and private security dimensions.

- P6.7 The company refrains from the militarization of its security services and seeks to install consensus-making, dispute-mediation and social solidarity mechanisms, rather than violent security measures.

Criteria

- C6.1 The company is committed not to involve itself in military or war activities, or to populate its security structures with ex-militants/army combatants, or other forms of local or foreign military forces, militia or mercenaries.
- C6.2 The activities of the company are geared towards safety, security, peacemaking and support of sustainable policing.
- C6.3 The company involved in the arms industry will adopt a policy for the conversion of its products from military to civilian use.
- C6.4 The company will compile accurate security risk assessments based on the following considerations:
- Timely identification of security risks to personnel, assets and national/local communities;
 - Potential for violence, which could develop with little or no warning without proper engagement with civil society and affected communities;
 - Previous human rights records of security operatives (public, private and paramilitary security forces) to assess past abuses and allegations to prevent recurrences and promote accountability;
 - The capacity of prosecuting authorities to adhere to the Rule of Law and respect universal human rights;
 - Conflict Analysis to fully grasp and understand the nature of conflicts as well as the adherence to human rights by key actors (host governments, unions and security forces) in order to develop strategies for managing inter-stakeholder relations; and
 - Plans for equipment transfers of both lethal and non-lethal assets to mitigate negative consequences and accidents, which may cause human rights abuses;
- C6.5 Where private security is contracted by the company, strict observance of the company's policies on ethical conduct and human rights are required. Companies in the extractive and energy sectors are guided by the Voluntary Principles on Security and Human Rights;
- C6.6 All allegations of human rights abuses by private security providers should be properly investigated and acted upon;
- C6.7 The company will ensure that private security providers act in a lawful manner with restraint and caution and consistent with applicable international guidelines, including the UN Principles on the Use of Force and Fire-arms by Law Enforcement Officials and the UN Code of Conduct for Law

Enforcement Officials. Companies in the extractive and energy sectors are guided by the Voluntary Principles on Security and Human Rights.

- C6.8 The company seeks to establish an independent fund, run by a 3rd party nominated by the community that supports community capacity building so communities can have access to their own expertise to advise them. In addition, to support independent grievance mechanisms that could assist community members in obtaining adequate peaceful means of raising grievances about rights abuses and achieve conflict resolution according to the rule of law. The company adheres to the outcomes of dispute resolutions and all its responsibilities in maintaining peace and justice.

Bench Marks

- B6.1 The company by policy and by practice does not commit or engage in activity which leads to the abuse and violation of internationally recognized human rights standards, nor does it assist in abuses and violations committed by others, be they government authorities, paramilitary organisations, armed gangs or other non-state actors.
- B6.2 The company adopts a security policy that protects human rights and is consistent with international standards of law enforcement. Such standards include the UN Basic Principles on the use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials, as well as Voluntary Principles on Security and Human Rights.
- B6.3 The company distributes a comprehensive and independently verified report on the production and use of its products in the arms and security industry.
- B6.4 A company which manufactures or trades in armaments ensures independent monitoring by civil society of the company's operations.
- B6.5 The company strictly controls its arms sales, by establishing a clear system of accounting of the use of the arms and reports the information to the public.
- B6.6 The company develops a plan for the conversion of its products from military to civilian use and ensures that workers' interests will not be undermined in the process.
- B6.7 The company consults regularly with host governments and national communities about the potential impact of their activities and communicates their policies on ethical conduct and human rights to security providers;
- B6.8 The company demands transparency on security arrangements by the host government, subject to over-riding safety and security concerns, based on the following considerations:
- Individuals implicated in previous human rights abuses should not be deployed to provide public security services to the company;
 - Force should only be used when strictly necessary, be defensive in nature and aimed at protecting all lives and property in the community and company. Protective force should only be implemented after all peaceful means (including mediation and arbitrations) have been

exhausted or would not have been possible, such as in emergency situations when people and property are protected against malicious attacks. Defensive force should then only be implemented in less or direct proportion to the threat; and

- The rights of individuals to freedom of association, peaceful assembly, collective bargaining and/or any other right of company employees as contained in the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights to Work, should not be violated and/or abused.

B6.9 The company and its security service provider has a policy on the Rules of Engagement based on preventative and defensive action only and its conduct is consistently monitored.

B6.10 The company includes the principles outlined above as contractual provisions in its contractual agreement with private security service providers

B6.11 The company consults with industry, government officials and civil society regarding the track-record of private security providers and actively seek to employ security providers from the local community.

7. RESOURCE USE AND EXTRACTION

Principles

P7.1 The company conducts the extraction and/or exploitation of natural resources such as minerals, land, timber, oil and energy sources, including hydro-electric power, in such a manner as to avoid conflict with the human rights, the sustainability of the environment and the economic survival of national, local and indigenous communities.

P7.2 The company is careful to control its exploitation, management and extraction of natural resources, especially non-renewable resources, in countries where environmental laws and regulations are inadequate or are improperly enforced, or where there is protracted internal or regional conflict to which the government is a party.

P7.3 The company recognizes local communities as important stakeholders and encourages and enables local communities to participate to the satisfaction of the whole community in the planning and development of natural resources projects to ensure a lasting social contract also beneficial to the community in terms of achieving a net positive social impact.

P7.4 The company strives to ensure the application of fair, equitable and benefit sharing principles in relation to local and national communities when extracting or exploiting natural resources.

P7.5 The company affirms the global importance of improving efficiency in the consumption of all natural and manufactured resources or materials.

P7.6 The company recognizes that water, including the supply of clean and sustainable drinking water and sanitation services, is critical to human security and is a basic human right.

- P7.7 The company strives towards greater energy efficiency by seeking to reduce energy demand for production processes, buildings, logistics, storage and transportation, electronic equipment, and the delivery of services.
- P7.8 The company does not make unfettered exploitation of natural resources, especially non-renewable resources, against the wishes of national, local or indigenous communities, nor in such a way that it damages or dramatically changes the ecosystem. The company is guided by the no-net-loss principle in terms of its impacts on biodiversity.
- P7.9 The company recognises that resources which it may wish to extract from a particular area are an asset of that community and conducts its business in accordance with that recognition.
- P7.10 The company adopts a policy of extractive transparency whereby disclosure standards derived from international legislation and best practices are applied to all projects. This includes disclosures related to the use of conflict minerals.
- P7.11 The company does not involve itself in any activity where it profits from conflict or its operations result in violence or social disruptions of community well-being.
- P7.12 The company, if it is unable to provide proper security for its workforce in zones of conflict does not enter into an engagement to conduct such extractive business or if already engaged, it withdraws from such locations.
- P7.13 The company does not engage in resource extraction in highly vulnerable and non-sustainable communities without ensuring that its operations are designed to benefit the local community and monitors the impact of its engagement.
- P7.14 The company recognizes the importance of more efficient and sustainable material/input product use as it could cause various environmental problems such as result in toxic releases (to air, water or ground) during the use, transportation and processing of materials.

Criteria

- C7.1 The company ensures that its policies in regard to resource extraction do not infringe the human rights of local populations and do not contravene local laws and regulations.
- C7.2 The company only proceeds to extract natural resources in situations where their renewal is guaranteed or where, in the case of non-renewable resources, it has made provision for the creation of sustainable alternatives.
- C7.3 The company has a strategy whereby proper compensation for the extraction of resources is made to all the relevant national, local and indigenous communities for the acquisition of their assets.
- C7.4 The company enhances local ownership and participation in resources extraction projects by developing local supply chains and employment within surrounding communities, as well as supporting local companies to service the projects.

- C7.5 The company implements and measures performance against the following 10 principles based on the ICMM commitments of 2003:
- Implement and maintain ethical business practices and sound systems of corporate governance;
 - Integrate sustainable development considerations within the corporate decision-making process;
 - Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by extractive activities;
 - Implement risk management strategies based on valid data and sound science;
 - Seek continual improvement of health and safety performance;
 - Seek continual improvement of environmental performance;
 - Contribute to conservation of biodiversity (by implementing the principles of no-net-loss and net-positive-gain), as well as integrated approaches to land use planning;
 - Facilitate and encourage responsible product design, use, re-use, recycling and disposal of products;
 - Contribute to the social, economic and institutional development of the communities in which the companies operate;
 - Implement effective and transparent engagement, communication and independently verified reporting arrangements with all stakeholders.
- C7.6 The company contributes to broader value addition by supporting the processing of natural resources before export and forges links between extractive industries and domestic suppliers and markets.
- C7.7 In instances where the extraction of resources either, violates human rights or where the extraction can only be carried forward with the aid of military intervention in zones of conflict, the company does not proceed with the work programme.
- C7.8 Where the company is engaged in the extraction of natural resources in zones of conflict, it holds host governments security forces and private security service providers to account by properly investigating and acting upon abuses of human rights and contravention of the company's policies on ethical conduct.
- C7.9 The company publicly discloses all royalties, taxes, fees, payments and any other revenue paid to state or parastatal partners as derived from project partnerships.
- C7.10 The company ensures that its activities do not disrupt safe and legal artisanal/small-scale mining in circumstances where it provides precious jobs, by seeking constructive arrangements that recognize and support the rights, health, safety and security of artisanal/small-scale miners.
- C7.11 The company does not contract with or collaborate with governmental military authorities or with local militias to facilitate the extraction of natural resources.

- C7.12 A company which is engaged in resource extraction, on discovering previously unknown vulnerabilities or non-sustainable situations immediately seeks to withdraw in such a way as to ensure that these works are not proceeded with by other agencies or companies.
- C7.13 The company has a consultation and appraisal process in place that involves all local communities where new developments of resource extraction are contemplated.
- C7.14 The company conserves and reuses water in its own operations and also promotes water conservation in all potential areas of influence.
- C7.15 The company supplements or replaces its use and consumption of non-renewable resources with renewable and low environmental impact sources e.g. increasing use of organic products; recycling waste and using recycled materials for inputs; implements energy efficient equipment and reusing water.
- C7.17 To the best of its financial and technical capacity, the company implements an effective materials efficiency programme to limit the environmental liability resulting from materials used in production processes or in the delivery of its services.

Bench Marks

- B7.1 The company, in its endeavours to ensure the human rights of the peoples who live where it is extracting natural resources, has policies that specifically ensure the human rights of communities within the terms of the Universal Declaration of Human Rights and its two covenants and the International Labour Organisation's standards.
- B7.2 The company ensures social sustainability by maintaining effective broad-based consultations with local communities (and other relevant stakeholders) from the exploration phase through the extractive and processing phases to the mine closure and rehabilitation phase. The company does this to ensure that community concerns are incorporated into the design and implementation of the projects.
- B7.3 The company ensures that when extracting non-renewable resources it creates and puts in place alternative and sustainable benefits for the future of the community in which it is operating, for instance building, farming or manufacturing businesses that could sustain communities and support current and future job creation.
- B7.4 The company has an agreed policy whereby compensation for the removal of natural, non-renewable assets is fully paid to all impacted stakeholders (e.g. national, indigenous and surrounding communities and all efforts should be made to supply communities with similar / equivalent access to natural non-renewable natural capital stocks and services.
- B7.5 The company has in place performance standards for the monitoring of the extraction of natural and especially non-renewable resources.
- B7.6 The company, as a minimum, adheres to the Voluntary Principles on Security and Human Rights to ensure respect for human rights and fundamental freedoms in their security operations.

- B7.7 During projects that require significant amounts of water, the company implements measures to limit usage to minimum levels in order to not adversely affect other water users now and in future. The company always strives to achieve water impact neutrality.
- B7.8 Improvements in energy efficiency are complemented by increases in use of renewable resources such as solar energy, hydroelectricity, tidal and wave energy, geothermal energy, wind power and biomass.

8. CIVIL SOCIETY RESPONSIBILITY

Principles

- P8.1 The Civil Society Organisation (CSO) accepts and affirms that it must set an example in society by behaving like a responsible citizen in terms of practicing the *Principles for Global Responsibility* towards its employees and other stakeholders, as well as the environment.
- P8.2 The CSO recognizes that it is a platform for the expression of diverse interests and should lobby for the needs and concerns of the general public about the roles and performance of companies and thus speaking out without fear or favour.
- P8.3 The CSO always retains its independence from government and/or corporations when practicing its activities to the betterment of society, especially in situations where conflicts of interest could arise.
- P8.4 Besides acting as a responsible citizens itself, the CSO accepts the responsibility to monitor how companies act in society and should raise public concern about any abuse of power resulting in negative human rights or environmental impacts.
- P8.5 The CSO bases its monitoring strategy on three core elements:
- Independence and reliable information backed up with evidence and or experience of impacts
 - generally accepted standards, derived from consultations and agreements with other CSOs, government structures, and/or a company or industry;
 - an inclusive and transparent process; and
 - credible monitors who understand the interests first and foremost of communities and needs of society to hold corporations in check to ensure promotion of sustainability practices in corporations
- P8.6 The CSO continuously considers different approaches of action (e.g. standard setting, campaigning, monitoring, certifying, partnerships with government and/or private sector, etc.) aimed at best effecting industry-wide reform towards more global responsibility.

Criteria

- C8.1 The CSO promotes public participation around CSR issues by means of educating and empowering people about their rights and how to enforce them, and providing support to community campaigns voicing opinions on corporate impacts.
- C8.2 The CSO helps to further develop values and principles of CSR: including human rights, labour standards, environmental and climate protection, tolerance, moderation and sustainable production and consumption, compromise, and respect for people and their cultures or potential opposing points of view.
- C8.3 The CSO ensures that not only the resourceful members of society, but also the vulnerable communities or groups, get organized, have their voices heard and interests looked after in the face of corporate impacts.
- C8.4 The CSO keeps the public informed about important issues affecting society, e.g. climate change. Mass media, social media, as well as public forums for debating corporate policies/practices, are used to distribute information and also often challenge inaccurate corporate propaganda.
- C8.5 The CSO plays an important mediating role in helping to resolve industrial conflicts such as labour unrest. Some measures include the provision of formal facilitation programmes and training to solve disputes through negotiation and compromise.
- C8.6 When confronted with irresponsible corporate policies/behavior that threatens human rights and environmental wellbeing of the planet, the CSO, where appropriate, implements direct actions such as helping to organise boycotts or strikes or mobilising peaceful public protests against the relevant company.
- C8.7 The CSO influences corporate behavior towards more responsibility by lobbying investors into implementing shareholder resolutions that can, for instance, call for the introduction of a code of conduct or for more transparency by publishing information about a certain corporate activities.

Bench Marks

- B8.1 The CSO challenges irresponsible corporate policies/behavior by means of formal complaints or legal action. The CSO can act directly as plaintiffs in court, but also indirectly by supporting or organising legal campaigns of affected workers or other civil society actors.
- B8.2 The CSO uses the gathering and distribution of scientifically researched information as an integral mechanism to bring about responsible company or industry performance. By publishing reliable information, public awareness is increased and opinions (e.g. of consumers, investors or other stakeholders) are developed, which could also support further forms of civil society action.
- B8.3 The CSO participates in the establishment of standards for corporate behavior, including CSR guidelines, codes, measuring and reporting instruments. Both general and industry-specific

instruments that can be used by all stakeholders to measure the social and environmental performance of companies are considered as vital.

- B8.4 The CSO participates in the auditing of measurement processes used to gauge company performance against certain standards/codes, in order to ensure the validity and reliability of reported information. In this regard, the CSO implements consistent systems for measuring, monitoring or certifying corporate performance.
- B8.5 As part of the monitoring process of corporate/industry behavior, the CSO reports and publicize its findings on the extent to which companies/industries are enforcing CSR codes and standards. Public opinion is used to pressure companies, where appropriate, for initiating change.
- B8.6 As a general and continuous role, the CSO influences all potential investors in society into making better socially responsible investing (SRI) choices: avoiding stocks in companies associated with harmful practices; and also to invest in stocks of responsible businesses known for products/services that contribute to sustainability.

9. GOVERNMENT RESPONSIBILITY

Principles

- P9.1 The functioning of the state, through all levels of government, is based on ethical values, the rule of law, transparency, accountability and committed to protect human rights within its jurisdiction by formulating effective policies, legislation, regulatory frameworks and adjudication.
- P9.2 Government reflects compliance with international obligations and protocols in respect of social responsibility, environmental sustainability and financial integrity within its sovereign territory.
- P9.3 International cooperation for economic development shall be such as to further the development of the citizenry and shall be based upon respect for sovereignty over natural wealth and resources, which belong to the people of the land.
- P9.4 Government acknowledges that violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary to the spirit and principles of the Charter of the United Nations and hinders the development of international co-operation and the maintenance of peace.
- P9.5 Government requires companies to disclose their natural capital impacts and uses in quantitative and economic terms and also push for the disclosure of their net impact / contribution to society
- P9.6 Government applies the rule of law by ensuring equality before the law, fair application and adherence to accountability, legal certainty and procedural transparency.

- P9.7 Government requires adherence to ethical conduct, social responsibility, transparency, financial integrity and respect for human rights as per its regulatory framework for business enterprises, not only domiciled within its jurisdiction, but throughout its operations abroad.¹¹
- P9.8 Government leads by example in terms of the protection of human rights and strict observance of socially responsible indicators in state-owned/controlled business enterprises (SOE's) in order not to violate the state's own international obligations.
- P9.9 Government ensures that executive remuneration and performance bonuses are in direct relation to financial, social upliftment and environmental sustainability outputs, which are open to public scrutiny.
- P9.10 Government enters into commercial agreements with business enterprises that are compliant to the laws and regulations aimed at supporting corporate social performance.
- P9.11 Government accepts that its primary responsibility is to all citizens and not to corporations, and prevents improper corporate influence affecting fair governance or regulation and equal service delivery.
- P9.12 Government ensures that there never occurs a 'revolving door' situation between corporate interests and government policies/projects, e.g. government officials serving on the boards of companies benefiting from government policies or projects.
- P9.13 Government ensures that its tax arrangements with corporations are always transparent.
- P9.14 Government is required to issue an unequivocal public statement informing on its intention to implement the Extractive Industries Transparency Initiative (EITI) principles.

Criteria

- C9.1 Government implements laws to facilitate respect for human rights and enhance social responsibility and periodically review such laws in order to address deficiencies.
- C9.2 Government ensures that the policy framework designed to regulate business enterprises does not constrain business, unless such constraints advocate for local economic development, value creation, and promotes development of other industries, but serves as enabler to fulfill its social responsibility imperatives.
- C9.3 Government provides guidance to business enterprises on human rights protection and encourages communication on human rights impacts.
- C9.4 Government agencies/ministries to which management of SOE's (State-Owned Enterprises) report are transparent and accountable to taxpayers through parliamentary oversight are

¹¹ States are not currently obliged under international law to regulate the extra-territorial activities of businesses but nor are they prevented from doing it. The trend, however, is to insist on 'parent companies' to report on human rights practices (and abuses) abroad in order to protect the state's own reputation.

committed to full disclosure on the implementation of socially responsible requirements and due diligence in the protection of human rights;

- C9.5 Government includes the provision of full legislative compliance to its CSR framework in all contracts entered into for commercial purposes;
- C9.6 Government's mineral and mining industry policies are aligned to and harmonized with the policies, standards and regulatory frameworks of its regional economic sub-region.
- C9.7 Government has stated publicly its commitment to the EITI principles and protocols. Government should specifically account for natural capital stocks and flows over the whole country so as to be able to properly do decision-making involving all stakeholders for land use planning for instance.

Bench Marks

- B9.1 Government has a clear policy framework that is effectively implemented, ranging from non-discriminatory labour laws to environmental, property, privacy and anti-bribery legislation.
- B9.2 Government's foreign investment agreements entered into and/or between countries are observed in good faith based on respect of the sovereignty of people and nations over their natural wealth and resources in accordance with the UN Charter and its principles.
- B9.3 Government advises business on human rights due diligence on issues of gender vulnerability and/or marginalization and/or the specific challenges faced by indigenous peoples, women, national or ethnic minorities, religious and linguistic minorities, children, persons with disabilities, and migrant workers and their families.
- B9.4 The relevant state agencies/ministries responsible for SOE's report annually on social and environmental goals, including human rights abuses, in an open and transparent manner.
- B9.5 Government adopts a policy for executive compensation of SOE's that is designed to bridge the inequality gap, as well as limiting performance bonuses during economic volatile times;
- B9.6 The composition of the Boards of Directors of SOE's reflects social diversity and comprises independent stake-holders with the capacity to uphold financial integrity and strict compliance to socially responsible indicators;
- B9.7 Government's mineral and mining policies are standardized and reflect alignment to the national policies, laws and regulations of the broader economic sub-region.
- B9.8 A high-level government official has been appointed to lead the implementation of EITI.

Section Two

THE CORPORATE BUSINESS COMMUNITY

10. THE EMPLOYED: CONDITIONS

Principles

- P10.1 The company is guided by the various International Labour Organisation's (ILO) standards as a minimum governing its employment practices and industrial relations. This standard includes genuine respect for employees' right to freedom of association, labour organization, free collective bargaining, non-discrimination in employment and a safe and healthy working environment provided for all employees.
- P10.2 The company does not in any way interfere with the independent functioning or administration of workers' organisations. It specifically avoids all actions which could be interpreted as illegitimate influence (e.g. bribing or manipulating) of the representatives of workers' organisations, or without circumventing elected workers' representatives.
- P10.3 The company does not discriminate on the basis of gender, racial/ethnic origin, social or ethnic origin, culture, religion, age, disability, sexual orientation, nationality, citizenship or political opinion.
- P10.4 The company values all its employees in terms of their social, intellectual, economic and personal contribution to the company in every sector of its operations.
- P10.5 The company ensures that each employee is treated with respect and dignity.
- P10.6 The company recognises open and honest dialogue in the workplace as a fundamental part of its responsibilities in ensuring that employees have adequate means of communication with senior management about their interests or concerns around labour issues. The company pursues an open-door policy with regard to all worker grievances.
- P10.7 The company ensures its labour force and managerial employees are proportionally representative of the communities in which it operates.
- P10.8 The company seeks to maximize long term contractual relationships with its employees and to safeguard employees' future employability.
- P10.9 The company pays sustainable living wages, which enables employees to meet the basic needs of themselves and their families, as well as to invest in the on-going sustainability of local communities through the use of discretionary income.
- P10.10 The company provides equal pay for work of equal value.

- P10.11 The company ensures work schedules that are reasonable and enable employees and their families to live in a sustained and healthful manner; the company does not rely on production based on unpaid labour.
- P10.12 The company recognizes the need for supporting and/or providing the essential social infrastructure of child care, elder care and community service in order to facilitate access to employment and the full participation of employees in the workplace.
- P10.13 Where accommodation is provided to employees (including migrant workers), other community members or company stakeholders, it is done in a negotiated manner which would ensure human dignity, non-discrimination and equal opportunity.
- P10.14 The company will endeavor to provide safe, adequate and subsidized transport for its employees in cases where the place of work (e.g. mining site or factory) are not easily reachable and affordable transport services do not exist in nearby communities.
- P10.15 The company does not institute garnishee orders without consulting workers concerned.

Criteria

- C10.1 The company ensures that no person is subject to any discrimination in employment, including recruitment, hiring, remuneration, benefits, advancement, discipline, termination, or retirement, on the basis of gender, racial/ethnic origin, social or ethnic origin, culture, religion, age, disability, sexual orientation, nationality or political opinion.
- C10.2 The company accommodates the cultural, religious and social needs of employees.
- C10.3 The company ensures that no employee is subject to any physical, sexual, psychological or verbal harassment or abuse.
- C10.4 The company has a policy, which prohibits health testing as a condition of employment including pregnancy testing.
- C10.5 The company actively recruits and employs for all positions at all levels, including management, from the local population.
- C10.6 Training, development, promotion and advancement opportunities within the company are available to all employees of the company, regardless of status, whether full-time, part-time, short-term, permanent, or with any other contracts of employment.
- C10.7 All who work within and on the company's premises, whether permanent, temporary or contracted employees, migrant workers, as well as those engaged in day labour, receive equal protection, especially in provision of equipment and information concerning their health (including health cover) and safety at work. This information is provided in the languages of the workers.

- C10.8 The company devotes time and resources to employee education and skills training during working hours, as well as the provision of tools/technologies that would empower them to attain further occupational development outside of work.
- C10.9 The company efficiently plans its workforce to increase its permanent employee capacity and prevents as far as possible the use of casual or temporary labour, except in cases of real short term or seasonal task requirements.
- C10.10 The company recognizes the responsibilities of all its workers to their families, and provides paid maternity, paternity, family and compassionate leave.
- C10.11 The company supports and/or provides the essential social infrastructure of child care, elder care and community services which allow workers, especially women who have traditionally done this work as unpaid labour, to participate as employees.
- C10.12 Where accommodation and/or transport services are provided to workers as a subsidy, the company will implement policies which would ensure the sustainable quality and management of the accommodation and/or transport.
- C10.13 A company implementing projects relying on migrant labour (e.g. some in the extractive, construction, energy sectors, etc.) need specifically to ensure availability of decent accommodation (e.g. by means of own supply, high subsidization, arrangements of rental stock or sufficient wages, etc.), whilst promoting holistic development of informal communities surrounding projects.
- C10.14 Employees are free to organize and join workers' organizations without discrimination or interference and to engage freely in collective negotiations to regulate the terms and conditions of employment. No employee is discriminated against for engaging in union organizing and collective bargaining activities and other worker committees.
- C10.15 The company has in place programmes, policies and practices with specific goals and time lines to ensure equal pay for work of equal value.
- C10.16 The company ensures that, as a minimum, all employees are paid a wage, which, at least, provides sufficient purchasing power to enable employees to meet the basic needs of themselves and their families.
- C10.17 The company uses an established process to calculate a sustainable living wage. The process to determine a sustainable living wage is used in each of the geographic areas where workers live.
- C10.18 The company limits overtime work to a level that ensures humane working conditions, especially for young workers.
- C10.19 In situations where corporate restructuring is taking place, the company provides the opportunity for redeployment and retraining of employees in order to offer sustainable patterns of employment. The company should ensure that all workers receive notice of dismissal and severance payments as mandated by law, or in the absence of law - by international best practice, and collective agreements in a timely manner.

- C10.20 The company implements a standard grievance procedure allowing for progressive steps and channels to resolve grievances, where in the case of a grievance not being resolved at company level, provision is made for the employee to follow the appropriate legal route or additional grievance procedures through independent mechanisms the company helped to establish in consultation with the employees and the community. The company undertakes to inform workers of their rights and assists them in this regard.
- C10.21 The company agrees to implement a grievance procedure, which is easily understood by workers.
- C10.22 The company adopts a policy not to discriminate against employees exercising their basic rights.
- C10.23 The company limits overtime work to minimum levels, and further endeavours to reduce overtime with a view to increasing overall employment levels whilst addressing the health needs of workers.
- C10.24 The Company implements mechanisms of identifying genuine garnishee orders against fraudulent and suspicious ones and where the amount constitutes more than a quarter of the employees income act cautiously and assists employees to deal with this.

Bench Marks

- B10.1 The company adheres to ILO conventions regarding basic employment practices, equality of opportunity, and the elimination of all forms of discrimination.
- B10.2 The company adheres to the principles set out in the International Labour Organisation Conventions on Freedom of Association and Free Collective Bargaining.
- B10.3 The company makes available to independent monitors the work records of employees when there is question of discrimination against labour organizing or other collective bargaining activities.
- B10.4 The company pays all legally mandated benefits as a minimum standard.
- B10.5 The company does not require employees to work overtime on a regular basis and does not require young employees to work overtime. Employees may refuse overtime without any threat of penalty, punishment, demotion or dismissal.
- B10.6 The company keeps a record of all grievances lodged, how they were resolved and actions pending against the company. The company shall handle all grievances and reports of its own non-conformances company employment policies in a confidential manner.
- B10.7 The company reports publicly on the frequency of training and education of workers on their rights and responsibilities in line with best practice and industry developments. It undertakes such training that is free and compensated.
- B10.8 The company does not adopt the quota system for production or any forms of penalty.

- B10.9 Formal redundancy/layoff policies are only adopted as a last resort; and prior to implementation, the company will carry out a thorough and honest analysis of alternative measures, in full collaboration with affected employees or representatives. The process must be non-discriminatory and reflects transparent consensus seeking consultations with workers, as well as including measures to reduce the adverse impacts of retrenchment on workers.
- B10.10 The company has in place a financial education programme informing workers of their rights and steps they can take should they have financial difficulties. It aims to prevent its employees from incurring bad debt and provides consultative support and/or fair financing mechanisms, where possible, to protect employees and prevent overburdening from outside entities (especially from 'predatory credit providers') through garnishee orders.
- B10.11 The Company pays all its employees on the level of a 'Sustainable Community Wage' whereby they can meet basic needs, make provision for their future and have enough discretionary income to allow employees to support the development of small businesses in a local community including the support of cultural and civic needs of the community.

11. THE EMPLOYED: HEALTH AND SAFETY

Principles

- P11.1 The company provides a working environment that supports health and wellness.
- P11.2 The company affirms that workers have a right to a workplace that is free of toxic substances and all forms of health hazards, including second-hand smoke.
- P11.3 The company subscribes to the principle that every worker has the right of access to health care, including accessible and affordable medicines.
- P11.4 The company views health in holistic terms of body, mind and spirit, rather than the absence of sickness.
- P11.5 The company regularly analyzes existing and future potential health and safety hazards involved in its activities and maintains open communication about health and safety information with employees.
- P11.6 The company respects the principle that health and safety measures at work should not result in any monetary or other material expenses carried by workers.
- P11.7 The company recognize the right of employees to refuse to work under unsafe conditions.

Criteria

- C11.1 The company adopts specific policies to ensure that the workplace is free from toxic substances and all kinds of risks; is properly ventilated and appropriate, free, protective equipment and

hygienic bathrooms and changing rooms for workers, especially for women and young workers are provided.

- C11.2 The company ensures participation by workers¹² from all levels of employment, in education, training (e.g. first aid; avoidance of toxic substances; safe handling of dangerous equipment; or other health and safety drills), examination and the monitoring process on issues of occupational health and safety.
- C11.3 The company provides all the necessary health and safety equipment (such as protective clothing and safety gear) for the prevention and management of occupational accidents and injuries, as well as for dealing with infections or other health dangers.
- C11.4 The company recognizes the right of the worker to refuse to do work for which proper training has not been provided for ensuring health and safety.
- C11.5 The company provides equal health and safety protection for all workers (i.e. permanent and casual or part-time labourers), including sub-contractors operating on its sites.
- C11.6 The company records and investigates all health and safety incidents and concerns raised by workers in order to learn from and prevent their reoccurrence and to minimize other future risks, in order to learn from incidents and train workers to not make the same errors in future.
- C11.6 The company has a policy, which prohibits health testing as a condition for employment, including pregnancy testing.
- C11.7 Where governments do not provide universal health coverage, the company provides adequate coverage for its employees and their dependents. This includes necessary essential medicines, including antiretrovirals for HIV / AIDS.
- C11.8 The company adopts a policy of non-discrimination and commits to programmes to overcome discrimination and stigmatization of employees with HIV / AIDS.
- C11.9 The company implements strategies to minimize and eliminate psychosocial and mental health hazards in the workplace which could jeopardize the general well-being and safety of workers. The company provides Post-traumatic Stress counselling after health and safety incidents/accidents.

Bench Marks

- B11.1 The company adheres to the relevant codes of the World Health Organization (e.g. The International Code of Marketing of Breastmilk Substitutes) and the relevant International Labour Organisation's recommendations on health and safety, on the health of young workers, the health of women workers, the use of chemicals, occupational diseases, compensation for occupational injury and other related issues.

¹² *Workers* refers to all people working on the company's premises or projects and includes all permanent employees, temporary employees and/or sub-contracted labourers.

- B11.2 The company has clear communication policies on occupational health and safety, stress issues and all forms of harassment, through a variety of means, including a clear checklist and a worker-friendly handbook.
- B11.3 The company ensures that workers can elect representatives through democratic processes to factory Health and Safety Committees. They have rights to have regular monitoring of the factory, to have full access to all the information related to the occupational health and safety issues, and they will not be penalized when they assume these duties.
- B11.4 The company accepts independent monitoring by civil society groups and qualified inspectors and provides access for the inspection of plant facilities. The company agrees to take action to rectify any problems in a timely fashion.
- B11.5 The company ensures that workers can stop work if they find themselves at risk and that workers injured at work will be provided with suitable jobs after medical and psychological treatment.
- B11.6 Where provided, the company ensures healthy food and decent accommodation for the workers.
- B11.7 The company provides on-going education on the prevention of HIV / AIDS, training to overcome the stigmatization of employees with HIV / AIDS, and provides support systems to employees and their families such as counselling.
- B11.8 In cases where workers, who suffered work related injuries or diseases which resulted in disability or inability to continue working; the company ensures they are provided with adequate rehabilitation and/or compensation.

12. THE EMPLOYED: PERSONS - Women in the Workforce

Principles

- P12.1 The company values women as a vital group of employees who have a significant contribution to make to the work of all companies.
- P12.2 The company is aware that the rights of women are often violated by business policies and practices, which contribute to the 'feminization of poverty' and exacerbate gender inequalities. It seeks to neutralize the impact of any such policies or practices on their employees.
- P12.3 The company ensures that there is equal remuneration for work of equal value.
- P12.4 The company ensures that the social and biological determinants that affect women because of gender are addressed by appropriate policies within the work place, including, but not limited to, pregnancy leave, maternity leave, medical leave.
- P12.5 The company provides protection from unfair dismissal and/or discrimination against women on the basis of maternity leave and in respect of workers with family responsibilities in accordance with ILO Conventions Numbers 156 and 183.

P12.6 The company allows for appropriate paternity leave in terms of international norms and best practice for fathers to facilitate care and the strengthening of family ties.

P12.7 The company is committed to the eradication of sexual harassment practices in the workplace.

Criteria

C12.1 The company recognizes that there may be particular barriers to the full participation of women and takes positive action to diminish these barriers within the company.

C12.2 The company has in place a ranking of work situations to ensure pay parity among workers.

C12.3 The company works to provide resources of social support to enhance women's economic empowerment.

C12.4 The company deals with discrimination against women in the workforce through:

- appropriate equality policies
- non-partisan investigating mechanisms/swift adjudication/dispute settlement services
- legal assistance to victims
- through an effective policy framework
- through effective monitoring, strong enforcement
- greater awareness and adequately punitive mechanisms
- ensuring appropriate reengineering of its facilities to address gender challenges in the workplace
- Raising awareness and effective communication on the company's zero-tolerance stance on sexual harassment and any discriminatory practices.

Bench Marks

B12.1 The company has in place effective and appropriate policies and statements of equality of opportunity for women in the workforce and these are monitored and maintained throughout all levels of employment. These are available to all workers in the languages of the workers.

B12.2 The company develops specific goals and measurable objectives to provide women with true and equal participation in decision-making.

B12.3 The company provides adequate technical training, which contributes to the advancement of all workers, especially women.

B12.4 The company has a policy of responding flexibly to the needs of women regarding pregnancy and family care without detriment to their employment. The company provides paid maternity and paternity leave. The policy includes, but is not limited to, the following requirements:

- A guarantee that pregnant or breastfeeding women are not required to perform work that poses a danger to the mother's or child's health;
- A provision for no less than nine months paid maternity leave for mothers and paternity leave for fathers according to international best practice; and

- A provision for suitable facilities and daily breaks for mothers to breastfeed her child without a reduction in remuneration.

B12.5 The company encourages or participates in the creation of childcare centres and centres for the elderly and persons with disabilities where appropriate.

13. THE EMPLOYED: PERSONS – Minority Groups

Principles

P13.1 The company does not discriminate on grounds of race/religion/ethnic or social origin/class /age/disability/HIV status/sexual orientation.

P13.2 The company ensures pay parity and parity of opportunity between majority and minority groups in its workforce.

Criteria

C13.1 The company has an employment policy, which enables people from minority groups to be recruited to the company, to achieve progression in employment in the company and to receive training and promotional opportunities without discrimination.

C13.2 The company recognizes that there may be particular barriers to the full participation of people from minority groups and takes positive action to diminish these barriers within the company.

C13.3 The company has a policy that its work force reflects the racial/ethnic origin and cultural composition of the local population at all levels.

Bench Marks

B13.1 The company complies with all forms of international conventions, such as the Wood-Sheppard Principles and does not discriminate on the basis of racial/ethnic or social class, gender, religion, sexual orientation and disability.

B13.2 The company publicly discloses information on the diversity of all of its workforce, including the number of employees by gender, disability and racial/ethnic origin, at every level of the company, including at senior management level.

14. THE EMPLOYED: PERSONS – Persons with Disabilities

Principles

- P14.1 The company ensures that persons with disabilities who apply for jobs with the company receive fair treatment and are considered solely on their ability to do the job with or without workplace modifications.
- P14.2 The company values persons with physical, sensory and/or mental disabilities as full participants in the company workforce.
- P14.3 The company provides full access to educational development, vocational training, rehabilitation and empowerment in terms of promotion opportunities to its workers with disabilities.
- P14.4 The company strictly observes the stipulations contained in the UN Convention on the Rights of Persons with Disabilities in respect of its workforce.

Criteria

- C14.1 The company has in place an operative anti-discrimination policy vis-à-vis persons with physical and/or mental disabilities, with provisions for the monitoring of compliance with the policy.
- C14.2 The company has a policy of employing people with disabilities and of providing the resources and facilities, which enable them to achieve progression in employment in the company and to receive training and promotional opportunities without discrimination.
- C14.3 When a worker employed by the company becomes disabled, the company continues to employ that person and provides the modifications necessary to enable the worker to continue at the previous status. If a worker requires transfer to another position within the company because of disability, wherever possible, this new job is at the same level; where not possible, existing remuneration is protected for a specified period.
- C14.4 The company provides training for all its employees about hiring and accommodating persons with physical and/or mental disabilities.
- C14.5 The company recognizes that there may be particular barriers to the full participation of people with disabilities and takes positive action to diminish these barriers within the company.
- C14.6 The company offers disability awareness training to all employees working with or supervising people with disabilities.
- C14.7 The company adopts a policy whereby managers, particularly those responsible for recruitment and employment matters, are fully versed in obligations to employ and accommodate people with disabilities.

Bench Marks

- B14.1 The company periodically assesses its hiring and employment practices of persons with physical and/or mental disabilities and makes necessary correction in a specified period.
- B14.2 The company regularly consults with organisations with experience and expertise regarding the employment of persons with physical and/or mental disabilities.
- B14.3 The company makes the particular accommodations necessary for persons with disabilities to be able to function in the workplace.
- B14.4 The company monitors and reports on the number of offers made to employees with disabilities for skill development, testing and promotion, as it does for all employees.

15. THE EMPLOYED: PERSONS - Child Labour

Principles

- P15.1 The company does not exploit children as workers.¹³
- P15.2 The company guarantees that neither it nor its contractors employ children in conditions that violate the rights of the child and understands the risk of complicity if child labour is found further down the supply chain.
- P15.3 The company commits to devise strategies and develop practical solutions to reduce or eliminate child labour in its supply chain.
- P15.4 The company:
- does not interfere with the right of a child to an education
 - agrees to abide by minimum age requirements for admission of children to employment as stated in the International Convention on the Rights of the Child
 - accepts appropriate regulation of hours and conditions regarding employment of children
 - safeguards the health, safety and morals of child workers.
- P15.5 The company does not employ persons under the age of majority as a means of avoiding the payment of the full adult wage for doing the same work.

¹³ "Child labour is defined in ILO Conventions. It is work that children should not be doing because they are too young to work, or – if they are old enough to work – because it is dangerous or otherwise unsuitable for them. Not all work done by children should be classified as child labour that is to be targeted for elimination. Children's or adolescents' participation in work that does not affect their health and personal development or interfere with their education, is generally regarded as being something positive. Whether or not particular forms of "work" can be called "child labour" depends on the child's age, the type and hours of work performed and the conditions under which it is performed, as set out in the ILO Conventions." <http://www.un.org/en/globalissues/briefingpapers/childlabour/> While the worst forms of child labour often occur at local levels in informal sectors, Multinational Corporations (MNCs) should set the example and ensure that child labour is totally eradicated from all their labour networks (including subsidiaries) and systems (including supply chains and projects).

- P15.6 The company does not incentivize outsourcing to individuals/sub-contractors using child labour to meet demand (e.g. agriculture)
- P15.7 The company does not allow child labour in illegal artisanal and small scale mining and/or children to get involved in scavenging waste on its land.

Criteria

- C15.1 The company does not employ, in a full-time capacity, in its own workplaces or in that of its subsidiaries and suppliers, any child under the age of completion of compulsory schooling and, in any case, less than the age of 15 years. In countries where the economy and educational facilities are insufficiently developed, companies may, after consultation with the young workers, worker associations, and organizations concerned with children's rights, labour rights and human rights, initially specify a minimum age of 15 years.
- C15.2 The company, when it has taken advantage of the above exception to 15 years, has made a specific public declaration of the reasons for this exception and has determined a date by which it will cease to avail itself of the provisions of this policy.
- C15.3 The company works with organizations concerned with children's rights, human rights and labour rights and within the country of production to ensure that young workers are not exploited.
- C15.4 The company has a precise statement regarding the employment of children and young people. This policy is publicly available throughout the company and its suppliers in the languages of any and all workers. It is clearly communicated to all employees in a manner, which can be understood, and includes verbal communications for employees lacking adequate reading skills.
- C15.5 The company has a Child Labour Policy comprising:
- the key elements of its strategy to respect children's rights to be free of child labour
 - high-level rules and regulations relating to child labour in its own operations and its supply chains
 - management systems to verify age in recruitment practices, internships and apprenticeships
 - relevant guidance in assessing the company's (and its contractors) impact on children's rights related to labour
 - how impact assessments are acted upon – training, communication and coordination mechanisms
 - how the results of the child labour policy are monitored and what is the remediation if child labour is detected.

Bench Marks

- B15.1 The company has in place a monitoring and auditing programme to ensure compliance with its corporate code of conduct. This programme includes internal monitoring and auditing and well as independent monitoring such as a role for community and CSO monitoring.
- B15.2 The company has a precise standard of recording and measurement in place, which enables it to monitor the significance of all exceptions to the pattern of child employment below the age of 15 years. In addition, the company has a precise standard and measurement of any exposure to a potentially hazardous environment for anyone aged 18 or below, subject to an appropriate risk assessment and regular monitoring of health, working conditions and working hours. These records are available for public scrutiny, especially by those groups responsible for human rights, labour rights and children's rights.
- B15.3 If monitoring reveals that children are being exploited, immediate steps are taken to rectify the practice and to provide for the rehabilitation of the children involved. The company does not solve the problem by the dismissal of the children affected.
- B15.4 The company regularly consults with country-specific knowledgeable organizations regarding programmes and practices to remove children from work sites and re-integrate them into home, school and community.
- B15.5 The company has a clear child labour policy that publicly demonstrates its position on protection or safeguarding children in general and in the work-force, in particular.
- B15.6 The company supports capacity building in local communities and local businesses to manage children's human rights issues and to work towards the eradication of child labour. This is done through an effective strategy to create awareness of the relevance of access to basic education to children.

16. THE EMPLOYED: PERSONS - Forced Labour

Principles

- P16.1 The company employs workers who choose to be employed by that company. The company does not use any forced labour, whether in the forms of prison labour, indentured labour, bonded labour, slave labour or any other non-voluntary labour.
- P16.2 The company does not employ trafficked persons (persons who are exploited through different forms of force and/or coercion, abduction, deception and/or abuse of power).
- P16.3 The company acknowledges that working conditions related to over-time can evolve into forced labour if workers under the threat of dismissal and/or salary reduction or salary incentives are driven to exceed over-time hours allowed by law or mutual (collective) agreement.

P16.4 The company supports the host government, as a key stakeholder in the elimination of forced labour and illegal cross-border migration.

Criteria

C16.1 The company has a clearly stated policy in regard to the monitoring of the employment of people under duress. If it is discovered in such monitoring that any workers have been employed under duress, immediate steps are taken to rectify the practice and to provide for the rehabilitation of the workers involved. The company does not solve the problem by the dismissal of the workers involved.

C16.2 The company does not use the threat of dismissal or wage deduction punishments in coercing workers to work more than the legally-mandated amount of over-time per day, week or month.

C16.3 The company treats migrant workers fairly, ensuring that they have written contracts in a language they understand, clearly specifying aspects related to wages, over-time and retention of identity documents and/or passports.

Bench Marks

B16.1 The company adheres to International Labour Organization Convention Number 29 and Convention Number 105 on Forced Labour.

B16.2 The company has a comprehensive Action Plan on forced labour aimed at addressing the menace of forced labour in a systematic and sustainable manner and supports strategic thinking on tackling the worst abuses down the value chain.

B16.3 The company has a co-operative relationship with host government agencies to lobby on public policy matters such as forced labour and cross-border illegal migration.

17. SUPPLIERS (and Local Economic Development)

Principles

P17.1 The company accepts responsibility for all those whom it employs either directly or indirectly through contract suppliers, sub-contractors, vendors or suppliers.

P17.2 The company is responsible for the labour, social and environmental conditions under which and in which its products and services are produced, provided, advertised or marketed under licensing agreement.

P17.3 The company affirms the concept of joint responsibility with suppliers for the additional costs of compliance with ILO labour standards, national law and the company's code of conduct.

- P17.4 The company accepts its duty to ensure that its social and environmental standards are clearly communicated, as well as supported and upheld throughout its supply chain.
- P17.5 The company exercises a positive influence on its suppliers in terms of raising social and environmental operating standards, to levels going beyond mere legal/regulatory compliance, but reaching for the highest possible ethical conduct levels.
- P17.6 The company enhances its supply chain and CSR performance by means of stimulating supplier diversity and preferential procurement from local communities – e.g. purchasing from women and minority-owned businesses.
- P17.7 The company promotes local economic interests and incorporates this into its business model by building up a local supply chain and supporting and maintaining long-term relations with responsible local suppliers.
- P17.8 The company promotes a policy to transfer skills and capacitate local people in its operations, sustainability policies and supply chain by providing the necessary skills development and capacity developments (including on sustainability practices) in accordance with its responsibility requirements.

Criteria

- C17.1 The company has a strong code of conduct for vendors and suppliers which includes, but is not limited to, child labour, forced labour, harassment, nondiscrimination, healthy and safe workplace, freedom of association and right to bargain collectively, sustainable living wages and benefits, hours of work, the environment, supportive social and physical community infrastructure and monitoring mechanisms for compliance.
- C17.2 The company adopts a policy to involve employees and workers in the supply chain in formulating, amending and implementing the company's code of conduct.
- C17.3 The company adopts a policy based on the equitable sharing of all costs relating to the compliance of ILO standards, national law and the company's code.
- C17.4 The company adopts a fair pricing policy that enables the supplier to meet its obligations to labour, social and environmental standards.
- C17.5 The company works with its suppliers to put in place on-going education and training programmes for workers and management on workers' rights and how to achieve and sustain compliance with labour, social and environmental standards.
- C17.6 The company creates and maintains a clear policy containing guidelines for choosing its suppliers, by taking into account their performance against CSR standards such as this *Principles for Global Responsibility: Bench Marks for Measuring Business Performance*.

- C17.7 The company implements mechanisms to reward its suppliers for innovation on and performance towards social and environmental sustainability. The company, for instance, commits to longer-term contracts with suppliers that perform well in terms of its CSR standards.
- C17.8 The company promotes local economic interests and incorporates this into its business model throughout its supply chain network and a clear policy statement that forms part of its performance management system
- C17.9 The company implements programmes to transfer skills and capacitate local people in its operations, sustainability policies and supply chains by providing the necessary skills development and capacity developments (including on sustainability practices) in accordance with its responsibility targets.

Bench Marks

- B17.1 The company clearly communicates to its suppliers, vendors and licensees the company's code of vendor/supplier conduct and its process of enforcement. Violations of the code are effectively addressed. Cancellation of contract is used only as a last resort.
- B17.2 The company develops long-term business relations with its supplier in which job security of workers is considered.
- B17.3 The company, along with its vendors and suppliers, has a plan of action with specific time lines to address code violations. The company has guidelines to terminate its contract if identified code violations are not dealt with in a reasonable period of time.
- B17.4 The company has an effective internal compliance process of training, on-site inspections and audits of suppliers and vendors.
- B17.5 The company accepts the role of workers and unions as monitors of workplace conditions.
- B17.6 To supplement its internal monitoring of code compliance, the company accepts independent monitoring of its suppliers and/or vendors. Sources of independent monitoring include non-governmental organizations, local community groups, religious, human rights, children's rights and labour groups.
- B17.7 The company discloses its supply chain's social and environmental responsibility risks and performance to interested stakeholders in order for suppliers to be easily identified and monitored according to their contributions to the company's overall sustainability standards.
- B 17.8 The company measures itself against international developmental standards by promoting local economic linkages, skills transfer and capacity building of local suppliers to meet its sustainable development goals as linked to international best practice.
- B17.9 The company provides regular reports to all stakeholders that are independently verified on a plan detailing how the company and the suppliers have shared responsibility for compliance.

- B17.10 The company adopts a transparent policy and reports publicly to all stakeholders on its compliance programme, the findings, and what changes have been made at the factory level.
- B17.11 The company has clear guidelines for the investigation of possible code of conduct violations, which include a safe, confidential process of interviewing employees without penalizing them or jeopardizing their jobs or safety.
- B17.12 The company provides on-going, free and compensated education and training for workers.
- B17.13 The company monitors its suppliers' CSR performance, reports any relevant negative incidents to its stakeholders, and takes corrective action where appropriate.

18. FINANCIAL INTEGRITY

Principles

- P18.1 The company insists on honesty and integrity in all aspects of its business, wherever business is conducted.
- P18.2 The company does not offer, pay, solicit or accept bribes in any form.
- P18.3 The company, its employees and other stakeholders do not contribute financially or by any other means to political organizations or individuals as a way of gaining unfair business advantage or influencing political direction of the country.
- P18.4 The company ensures that all sponsorships or charitable donations it makes are done with integrity, transparency and not abused as tools for obtaining unjustified favour.
- P18.5 The company has a clear policy or guideline which prevents the abuse of all company gifts or corporate expenses as mechanisms for unfair/uncompetitive gaining of clients or business partners.
- P18.6 The company is committed to transparency in all its accounting and financial reporting statements and communications with shareholders through its compliance with independent auditing and financial reporting principles.
- P18.7 All employees, business partners and other stakeholders are encouraged by the company to report violations of its financial standards.
- P18.8 The financial services and lending practices instituted by the financial institution include investment in the infrastructure and social development of all the communities where they have a presence and an impact.
- P18.9 The company recognizes that it is the responsibility of management to prevent the use of its worldwide operations for criminal purposes.

- P18.10 The company acknowledges that in order for socially responsible investment to take place that it must adhere to the following principles:
- respect for the integrity of creation
 - that socially responsible investment is based on human and community needs
 - that it consults with relevant stakeholders
 - and, that it abides by the recommendations of these stakeholder groups.
- P18.11 The company recognizes that its executive remuneration policy must be ethically and financially justified and restrained. For instance, no extravagant bonuses for top executive/management while normal staff receives unsustainable living wage or experience retrenchments.
- P18.12 The company affirms the importance of sufficiently contributing to the public finances of host countries by paying all its tax obligations in full and on time.
- P18.13 Where operating as part of a global group, the company accepts that unrealistic transfer prices are irresponsible and can deprive governments of their fair share of taxes and therefore do not use it as tool for corporate tax avoidance.

Criteria

- C18.1 All transactions on behalf of the company are appropriately described in the accounts of the company in accordance with established procedures and are subject to audit.
- C18.2 All employees are required to avoid conflicts of interest between their private financial activities and their part in the conduct of company business.
- C18.3 The company implements assessments on itself, preferably by independent examiners, to identify the risk areas of corruption and develops and improves its policies and practices accordingly to counter all types of fraud, bribery or intimidation.
- C18.4 The company maintain an effective system of internal controls to counter corruption whereby employees and outside whistleblowers (including customers and suppliers) are enabled to report, in confidence and without fear of reprisal, their concerns about possible improprieties in financial matters.
- C18.5 The company promotes fair competition by operating in accordance with competition laws and regulations and co-operates with all relevant authorities.
- C18.6 The company publicly discloses all its political contributions, as well as, where appropriate, its charitable contributions and sponsorships.
- C18.7 The company avoids the offering, giving or receiving of gifts or expenditures in situations where they could affect or reasonably be suspected to influence business dealings in an inappropriate manner.
- C18.8 The company's financial reporting policies, procedures and practices ensure that the financial position of the company is fully disclosed to all stakeholders.

- C18.9 The company ensures that the bonuses and incentives of all its employees are directly linked to real performance in terms of the company's aims of sustainable value creation for shareholders and other stakeholders.
- C18.10 The company remunerates all directors and other executives responsibly and in line with real value added for the company. The company also publically discloses the remuneration of its directors and other key executives.
- C18.11 The financial institution has clearly stated policies and practices to promote community reinvestment schemes that include provision for the full range of financial services to the local communities in which they operate or upon which they have an impact.
- C18.13 The financial institution has clear policies, controls and due diligence practices, which ensure that the source of wealth and funds of clients can be reasonably established to be legitimate.¹⁴
- C18.14 The company ensures that socially responsible initiatives are decided upon and agreed by all stakeholders, that the consultation process is inclusive and exhaustive, and that only jointly agreed socially responsible investment is implemented.
- C18.15 The company not only fully complies with the *letter* of the tax laws/regulations of the host country it operates in, but also acts in accordance with the *spirit or broader purpose and objectives* of such laws/regulations: The company therefore fully pays all its taxes and supports initiatives where public finances contribute to sustainable development.
- C18.16 The company does not offer any shares, board positions or lucrative employment or contract opportunities to government officials, politicians or their families, and political office holders.

Bench Marks

- B18.1 As part of their reporting responsibilities, the company's auditors indicate the amount of any consultancy fees incurred, and/or commission payments made, in respect of any contract and the percentage which these fees bear to the total gross value of such contract.
- B18.2 The senior administrative officer of each significant unit of the company, as well as the company Chief Executive Officer, is required annually to sign a letter containing the following representations:
- that neither the company (unit) nor any of its authorized representatives has been party to the offering, paying or receiving of bribes
 - that no payments have been made which knowingly violate the laws of the countries in which the company operates
 - that no receipts or payments of monies or other assets derived from the company (unit) have been either unrecorded or falsified when described in the relevant books and

¹⁴ See the *Global Anti-Money-Laundering Guidelines for Private Banking* Wolfsberg AML Principles at www.wolfsberg-principles.com

records and no other improper accounting practice has been adopted in the period under review.

- B18.3 The company's directors and senior management certify in writing the veracity of all financial statements, and fully disclose and publicly report the financial standing of the company in an understandable manner.
- B18.4 The company implements measures that would increase the transparency of all its activities and strives for open dialogue and interaction with the public to enhance cooperation with the fight against all forms of corruption.
- B18.5 The company cooperates with the competition laws and authorities and implements safeguards against anti-competitive behavior by promoting employee awareness of the importance of fair competition and to report non-compliance.
- B18.6 The company explains in its annual reports the remuneration policies applied for all employees and in particular its payment structures for executive management — all above-average remunerations are justified by, amongst others, taking account of the salaries of lowest paid workers and the local population's socio-economic context and the need to reduce global inequality.
- B18.7 The company timeously provides all the necessary information to relevant authorities to accurately determine its tax liabilities in line with all its operations. A multinational company bases its transfer pricing practices according to the arm's length principle.¹⁵
- B18.8 Given that auditing firms only report on the information as provided to them, the company will allow civil society organisations to have access to audit information and monitor the quality of information provided. Audit firms need to be transparent about the quality of audit information they receive from their clients.
- B18.9 Financial services, including micro-financing, discounted loan services and other fair lending practices are made available to local communities, including those under-served, on a fair and equitable basis. (e.g. financial institutions can reduce interest on loans, reduce profit margins and avoid predatory lending practices.)
- B18.10 The financial institution establishes an adequately staffed and independent department, which regularly reviews client activities and tracks and reports any unusual or suspicious activities to the proper authorities that any alleged criminal activity can be appropriately addressed.

¹⁵ Transfer pricing is the setting of the price for goods and services sold between controlled (or related) legal entities within an enterprise. For example, if a subsidiary company sells goods to a parent company, the cost of those goods is the transfer price (Wikipedia). Transfer pricing is not, in itself, illegal or necessarily abusive. What is illegal or abusive is transfer mispricing, also known as transfer pricing manipulation or abusive transfer pricing (Tax Justice Network); as it results in a tax avoidance method when multinational corporations shift profits to tax havens and deprive the country of its operation (often developing countries) from receiving tax income.

The *arm's-length principle* of transfer pricing states that the amount charged by one related party to another for a given product must be the same as if the parties were not related. An arm's-length price for a transaction is therefore what the price of that transaction would be on the open market (USTransferPricing.com)

B18.11 The company keeps a record of all socially responsible investment initiatives, and reports them in the company's annual report in order that stakeholders may verify this report. In addition, twice-yearly reports shall be given to stakeholders on ideas, work in progress and impact assessment of these initiatives.

19. ETHICAL INTEGRITY

Principles

- P19.1 The company accepts that, being recognized as a legal person, it has the responsibility to be a valued corporate citizen that needs to earn respect of other citizens, by acting respectful towards society and the environment. It therefore accepts that, as a fellow citizen, it has social and moral obligations to fulfill in society.
- P19.2 The company affirms the importance of doing business ethically rather than merely being satisfied with legal requirements or limiting itself to the lowest common denominator of social expectations.
- P19.3 The company will never accept a situation where future generations are burdened as a result of its operations. It acknowledges its ethical obligation to always act with economic, social and environmental sustainability in mind.
- P19.4 The company recognizes that its directors and employees have a central role in upholding the company's ethical standards and codes of conduct – whereby the company shows compassion for the welfare of people, animals and the environment.
- P19.5 The company directly addresses issues of justice in line with criteria developed and endorsed by workers and stakeholders as an expression of its financial, social and environmental reporting.
- P19.6 The company, when lobbying, commits itself to uphold a consistent policy, which *inter alia* supports responsible environmental protection and promotes social, labour and human rights.
- P19.7 The company commits itself to a policy of integrating its corporate social responsibility goals into its lobbying strategy.
- P19.8 In its lobbying with sovereign and international authorities, the company will promote principles, legislation and rules that enhance the social, environmental and financial well-being of all communities and bio-regions where they have a presence and an impact.
- P19.9 The company agrees not to lobby local, regional, national and international institutions to by-pass basic environmental, labour, social and human rights standards.

Criteria

- C19.1 As a responsible corporate citizen, the company does not only protect, but also seek to sustainably enhance the wellbeing of the economy, society and the natural environment.
- C19.2 The company provides training for its directors and employees regarding ethical issues, corporate social responsibility issues and codes of conduct.
- C19.3 The company continuously improves its code of ethics and regularly communicates it throughout its divisions, as well as demonstrating it through virtuous conduct within its business and operations.
- C19.4 The company's actions are, amongst others, guided by the ethical values of:
- accountability (being able to take full responsibility and control over all its actions and their consequences);
 - trustworthiness and dependability (stakeholders can be confident about their support for the company as it can always justify its decisions to them and fully delivers on its undertakings); and
 - equality (seeking fairness and justice in society and also valuing the opinions of all stakeholders and never places its own interest above that of society and the environment).
- C19.5 While upholding human rights standards, the company also shows respect for the welfare of animals by ensuring decent conditions for keeping, transporting, breeding, and using animals.
- C19.6 The company has a mechanism to address ethical issues of concern raised by employees
- C19.7 The company has in place a system of review that aligns and integrates its corporate social responsibility principles in relation to its lobbying activities at all levels.
- C19.8 The company establishes participatory structures representative of all stakeholders to ensure compliance with its lobbying policy.
- C19.9 The company provides training to its employees about responsible political participation and contribution and the prevention and management of conflicts of interest.
- C19.10 The company's policy and guidelines for external and public relations direct that, in its efforts to influence favourable terms of reference with sovereign and international authorities, the company will promote principles, legislation and rules that enhance the social, environmental and financial well-being of all communities and bio-regions where they have a presence and an impact.

Bench Marks

- B.19.1 The company shows that it is an ethical corporate citizen by not only protecting human rights, but by also supporting the development of human and community potential – i.e. building on the strengths and talents that are already present in the society it operates.

- B19.2 The company identifies and addresses situations where local laws and regulations are insufficient or in conflict with ethical behavior — the company therefore does what is right, despite a lack of regulatory commandments.
- B19.3 The company ensures that employees who raise issues of concern do not suffer negative repercussions.
- B19.4 The company ensures that, should the mechanism fail and the employee raises the issue outside the company, there are no negative repercussions on their employment.
- B19.5 The company keeps a record of its lobbying activities and provides regular reports to all stakeholders.
- B19.6 The company, when lobbying United Nations agencies or other institutions, includes in its delegation, groups representative of non-governmental organisations and relevant government ministries.
- B19.7 The company is recognized by civil society organisations as a leader in securing legislation, rules and practices that enhance the social, environmental and financial well-being of all communities and bio-regions where they have a presence and an impact.

20. CORPORATE GOVERNANCE

Principles

- P20.1 The company's governance structure is based on ethical values, including inclusivity, integrity, honesty, justice, transparency and responsiveness to shareowners and stakeholders.¹⁶
- P20.2 The company's governance reflects its obligations to its stakeholders in the social, environmental and financial arenas as well as reflects a culture of integrity throughout its operations.
- P20.3 The company's Board of Directors is characterized by independence, willingness to ask hard questions, diversity of membership, transparency of decision making and accountability.
- P 20.4 The company does not recruit political elites, influential Politian's, former ministers and director generals on to it board or management structure as a way to gain unfair business advantage, but rather incorporates community leaders into all decision making processes.

¹⁶ The corporate governance movement is speeding forward internationally as never before. The changes in laws, regulations, as well as shareholder pressure promoting additional changes, are significant and growing in Canada, South Africa, the United Kingdom, the United States and many other countries. Recommending one comprehensive set of corporate governance standards at any particular moment is impossible. However, the proponents believe that the practices listed in this section are acceptable internationally and are consistent with the values expressed in the other sections of this document.

- P20.5 The company's management promotes democracy and operates at an arm's length to government only abiding by the law and the well-being of society in general and not according to the interests of specific political individuals
- P20.6 The company's Board of Directors continuously monitors the effectiveness of governance practices/systems and addresses deficiencies that hamper proper alignment with socially responsible imperatives by:
- engaging in self-evaluation processes to enhance behavior and efficiency;
 - committing to the strengthening of financial disclosure and transparent communication processes; and
 - being consistently available for dialogue with shareholders and stakeholders on plans and strategies for business acquisitions, mergers and restructuring and its impact on the workforce and environment.
- P20.7 The company's executive compensation and bonus packages are tied to financial, social and environmental performance and are in alignment with community expectations of fair and reasonable compensation.
- P20.8 The company's Board of Directors understands that bribery and corruption are incompatible with good and sustainable governance and creates stringent policies and procedures to mitigate such behavior in the company.
- P20.9 The company's highest decision making bodies are committed to cooperate with local governments and communities in its precinct to improve the quality of life of all people and especially provide opportunities for local communities/workers from disadvantaged backgrounds.
- P20.10 The company relies on the following six building blocks of good corporate governance to achieve its objective of responsible sustainable social development:
- Progressive capacity building and knowledge-sharing among all stakeholders;
 - Ensure a shared understanding of the benefits, costs, risks and responsibility related to all operational activities;
 - Create collaborative processes for engagement throughout the life-cycle of operational projects;
 - Apply transparency in all processes and arrangements;
 - Ensuring thorough compliance, Monitoring and Enforcement of commitments; and
 - Ensure early and comprehensive dispute management.

Criteria

- C20.1 The company adopts policies and implementation plans for its environmental, social and financial operations including effective self-evaluation tools.

- C20.2 The company has systems, programmes and measurable goals in place to continuously improve the integration of financial, social and environmental decisions, which are:
- approved and endorsed by all management levels;
 - informed by internal as well as external expertise on socially and environmentally responsible subject matters;
 - inclusive of the expectations of all stakeholders (personnel, business partners and local communities, NGOs, etc.);
 - publicly available and communicated internally and externally; and
 - reflected and communicated in all operational policies and procedures throughout the company.
- C20.3 The composition of the Board of Directors demonstrates diversity (gender, ethnicity, age, background, employee) and includes a majority of independent/non-executive directors, reflecting a mix of individuals including community representatives with relevant knowledge, competence, industry expertise and diversity of perspective to effectively address challenges, and implement objective discussions and decision-making processes. Independent directors are included on all Standing Committees and are the sole directors on Audit, Nominating and Compensation Committees.
- C 20 .4 The company has an enforceable policy to ensure government and party officials do not sit on its board and if done, there must be a cooling off period of 5 years before they can serve on the company.
- C20 5 The company does not solicit high ranking government, state or party officials for favours which would undermine other stakeholder rights and interests. Company management also ensures that its operations are not influenced or abused by corrupt political or politically connected persons for their own gain.
- C20.6 The company adopts a policy to measure executive compensation based on the ratio of top management's compensation compared to the lowest paid worker and takes into account such issues as limiting compensation packages during times of layoffs and economic downturns.
- C20.7 The company undertakes a merger, acquisition or restructuring only if it is consistent with the company's social and environmental goals.

Bench Marks

- B20.1 Top managers report regularly on the ethical issues and corporate responsibilities and programmes and a full report is made public annually.
- B20.2 The company publicly discloses the manner in which its financial, social and environmental goals are being met.
- B20.3 The Board reports publicly on how it is meeting its corporate governance goals.

- B20.4 The company offers stock options to a broad cross-section of employees and calculates stock options as an expense.
- B20.5 The company reports well in advance of proposed mergers, acquisitions or restructuring to secure worker participation in the decision-making process.
- B20.6 The Board and Executive Management of the company comprise suitable individuals committed to the highest socially responsible standards in order to achieve economic and social development, not only for its workforce but also for the local community.
- B20.7 The company's annual reports provide an open and transparent version of its performance in the realm of responsible and sustainable operational activities.
- B20.8 The company's management structure has a clear policy on prevention of conflicts of interest in line with international best practice and legislation seeking to prevent any undue political or business influence of its operations.

21. THE SHAREHOLDERS

Principles

- P21.1 Information, which enables shareowners/shareholders to understand corporate compliance with these ***Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*** as articulated in the Criteria and Bench Marks of this document, is fully available.
- P21.2 The company's corporate governance policies balance the interests of managers, employees, shareowners/shareholders, and other interested and affected parties.
- P21.3 The company neither restricts nor obstructs the legal rights of shareowners /shareholders.
- P21.4 The company respects and treats all its shareholders equitably and upholds the rights of all investors. Minority shareholders such as employees or community members are protected from abuse by decisions or interests of the controlling shareholder.
- P21.5 The company seeks guidance from its shareholders to improve on its social and environmental responsibility performance.
- P21.6 The company inspires and motivates shareholders to act in responsible ways in accordance with the company's goals of value creation and sustainability. The company helps institutional shareholders to recognize their duties in supporting the company's culture of responsibility in terms of long-term interests of all stakeholders.

Criteria

- C21.1 The company ensures shareowners'/shareholders' participation and rights to information while protecting other interested and affected parties.
- C21.2 The company develops a measurable policy balancing the needs of and interests of managers, employees, shareholders, and interested and affected parties, including communities
- C21.3 The company respects the right of shareowners/shareholders to submit proposals for vote and to ask questions at the annual meeting.
- C21.4 The company is committed to meet with shareowners/shareholders to address issues of concern.
- C21.5 The company supports shareholders to take responsibility factors (e.g. ethical business, human rights, and environmental sustainability, etc.) into account when making their investment decisions in order to develop their capacity to improve the CSR performance of the company.

Bench Marks

- B21.1 The company observes a code or codes of best practice or has drawn up its own comprehensive corporate code, which includes guidelines for corporate governance.
- B21.2 Shareowners/shareholders are informed through reports and meetings about significant and material violations of corporate policies, including codes of conduct, adverse decisions by tribunals or courts, and the results of internal audits or analyses of corporate activity.
- B21.3 Shareowner/shareholder proposals and questions are welcomed at the company's annual meeting.
- B21.4 The company's remuneration policies (especially those of executives) and other financial policies that might significantly affect society, should be presented to shareholders at annual meetings in order to obtain their approval.
- B21.5 The company implements and monitors a measurable instrument to ensure it balances the needs of shareholders with employees, impacted groups, interested parties and make this part of performance management contracts

22. FINANCIAL STABILITY AND VALUE CREATION

- P22.1 The company recognizes that when it performs well financially, it must create employment and make a contribution to reducing poverty and promoting economic and social development.
- P22.2 The company recognizes the importance of equitable distribution of its created wealth with workers at all levels and according to merit (and not only management and shareholders), as well as impacted groups

- P22.3 The company has an efficient business model based on sound financial and ethical principles, which would ensure long-term job security and financial stability for its employees (even in bad financial times), as well as satisfaction for shareholders and consumers.
- P22.4 The company produces quality products or services which are highly valued by consumers/clients.
- P22.5 The company manages its finances in a thoughtful and in a sustainable manner (does not waste money).
- P22.6 The company strives to not only increase employment opportunities, but also the quality of employment.
- P22.7 The company gives priority to the provision of employment and occupational advancement opportunities to the nationals of the host country and primarily the surrounding community members, across all its employment levels.
- P22.8 The company supports the principles of local procurement (in terms of its product supply and service needs) for local economic development.

Criteria

- C22.1 The company is able to stimulate economic growth and development for itself and the community; meets its business requirements and raises living standards, whilst collaborating with government structures to enhance sustainable employment
- C22.2 The company incorporates local business in the host economy into its business model and promotes skills transfer, quality requirements and measures its contribution to the local economy that it reports on.
- C22.3 The company regularly evaluates how its business decisions impact on employment creation and, where economically viable, makes specific investments directed at alleviating poverty through employment creation.
- C22.4 The company develops and adapts its business systems, products and services to the enhancement of human security (including water, food & energy security, health, economic, social and political security) and other needs and characteristics of its host country.
- C22.5 The company pays its employees, suppliers and other creditors on time and in full/as agreed.
- C22.6 The company sets up a wage sustainability fund – a standalone fund to minimize or prevent job loss during recessionary periods to ensure sustainable livelihoods for workers and to avoid retrenchments

Bench Marks

- B22.1 The company sustains its current employee base for a very long time and strives to enhance employment opportunities and quality by means of stable finances, job security and focused actions aimed at enhancing worker satisfaction and motivation.
- B22.2 The company promotes sustainable employment opportunities also outside of the company by reaching long term contracts with local businesses for the manufacture of parts and equipment, as well as the use of local raw materials and other local services and products.
- B22.3 The company is continuously innovative in its business approach to society and strives to always add value and quality through its products and servicing activities in order to enhance the economic wellbeing and quality of life of all its stakeholders.

23. JOINT VENTURES / PARTNERSHIPS / SUBSIDIARIES

Principles

- P23.1 When entering into and throughout the duration of joint ventures and partnerships, the company takes into account the ethical implications as well as the financial implications of those relationships.
- P23.2 All parts of the company, associated companies, divisions and units and subsidiary companies abide by the same codes of ethics and conduct as the parent company as a minimum standard.
- P23.3 The company accepts a responsibility to promote its codes of ethics and of conduct with licensees and franchisees.

Criteria

- C23.1 The company identifies, prevents and addresses any actual or potential adverse human rights and environmental impact as a result of its joint ventures, partnerships or subsidiaries.
- C23.2 The company recognizes that unethical behaviour by joint venture and other partners reflects on its own reputation and integrity, and the company has a mechanism to address such unethical behaviour.
- C23.3 The company has a clearly stated policy in regard to the monitoring of the application of codes of ethics and conduct by licensees and franchisees.

Bench Marks

- B23.1 The company has guidelines to assess and determine its course of action when a violation of ethical codes is perpetrated by a partner or subsidiary. These guidelines include, but are not limited to, challenging the partner or terminating the relationship.
- B23.2 The company takes immediate steps to address violations of codes of ethics and conduct by licensees and franchisees. The company only terminates the relationship as a last resort.
- B23.3 The company annually conducts due diligence on joint ventures and partnerships on human rights and reports on these in a transparent manner identifying remedial or other action it has taken.

24. CUSTOMERS & CONSUMERS

Principles

- P24.1 The company adheres to international standards and protocols relevant to its products and services.
- P24.2 The company affirms the importance of providing consumers with the necessary facts about its products/services to make informed choices and to keep them protected from fraudulent advertising or labeling, as well as potentially dangerous content.
- P24.3 The company is committed to a marketing policy whereby it does not produce goods and services under conditions where human rights, labour rights, and environmental standards which are internationally recognized are violated.
- P24.4 The company ensures that its products and services meet customer requirements and product specification.
- P24.5 The company is committed to marketing practices which protect consumers and which ensure the safety of all products.
- P24.6 The company is fully committed to fair trading practices.
- P24.7 The company respects consumer privacy and ensures protection of personal information.
- P24.8 The company affirms the importance of enhancing consumers' range of choice about products and services in order to increase customer/consumer access to affordability and quality.
- P24.9 The company implements and promotes consumers' rights to fair settlement of justified claims, such as compensation for misrepresentation in marketing or poor quality products/services.

Criteria

- C24.1 The company does not market products, which denigrate or supplant sustainable natural products, nor produce them under conditions where human rights, labour rights and environmental standards are violated.
- C24.2 All advertisement and labelling of products is complete, fair and honest. Only claims, which can be substantiated and fulfilled, are made by the company, its employees and its agents.
- C24.3 The company does not market products, which denigrate or supplant sustainable natural products in such a way as to cause harm to the environment or to consumers.
- C24.4 The company does not market products in other countries, which have been found to be harmful in any country.
- C24.5 The company does not engage in cartels, spheres of influence or patent protections, which are deliberately designed to denigrate the rights of others.
- C24.6 The company ensures that products marketed globally have clear, specific warnings in the appropriate local language, about their possible dangers to the consumer.
- C24.7 The company does not take advantage of vulnerable groups through inappropriately directed marketing of unsuitable products (such as toy guns for children and tobacco).
- C24.8 The company effectively addresses consumer grievances by means of implementing transparent procedures that seek to accomplish swift resolutions of disputes without unnecessary burden to consumers.
- C24.9 The company is fully cooperative with relevant authorities in preventing or mitigating threats to public health and safety as a result of the use of their products/services. In the absence of guidance by applicable authorities, the company shows commitment to solve health and safety problems on its own.
- C24.10 The company implements sufficient consumer support, complaint and dispute resolution mechanisms such as warranties and guarantees, technical services regarding use, as well as provisions for return, repair and maintenance.
- C24.11 Where consumer credit is provided, the company gives sufficient details of real interest rates and other costs involved, including the full amount to be paid over the course of payments — while acting ethically to not conclude transactions that would place more debt burden on consumers than they can afford.

Bench Marks

- B24.1 The company complies with human rights, labour standards, and environmental protocols, advertising standards legislation, international standards and protocols, product safety legislation or recognized codes where they exist and this compliance is regularly disclosed.

- B24.2 The company's activities and products have received positive evaluations from independent consumer organisations.
- B24.3 Relevant consumer codes are followed by the company in such a way as to protect vulnerable groups.
- B24.4 There is no evidence of the participation of the company in cartels, spheres of influence or unfair patent protections.
- B24.5 The company designs its products and services to be usable by the greatest amount of people possible, without the need for redesign or adaptation. As such, the company implements *seven principles of universal design*¹⁷: equitable use, flexibility in use, simple and intuitive use, perceptible information, tolerance for error, low physical effort and size and space for approach and use.
- B24.6 In all its communications with customers/consumers, the company discloses all the total costs and taxes, as well as terms and conditions of the products/services including any accessory required for use.
- B24.7 The company implements contracts with customer/consumer that: are transparent and understandable, specifically about responsibilities, terms, conditions and costs; and do not include unfair clauses such as unjustified liabilities.
- B24.8 When a sold product is defective or causes any health or safety hazard, or is found to contain misleading or false information, the company halts its further production and recalls and repairs products by means of efficient communication measures and the least amount of hassle to consumers.
- B24.9 The company provides independently verified information about the sustainability performance and the biodegradability of its products/services in order to enable customers/consumers to make informed decisions about potential impacts their use of products/services could have on society and the environment.

¹⁷ The 7 Principles of Universal Design were developed in 1997 by a working group of architects, product designers, engineers and environmental design researchers, led by the late Ronald Mace in the North Carolina State University. The purpose of the Principles is to guide the design of environments, products and communications.

GLOSSARY OF TERMS

The following is by no means an exhaustive list but is an attempt to provide an introduction to the underlying thinking behind some of the language which is used in the document or which is associated with the concepts of corporate activity and responsibility. The definitions have been culled from various sources and these are, where possible, indicated in square brackets [].

[AICoC] = Apparel Industry Codes of Conduct of the US Dept. of Labor

[CREA] = Center for Reflection, Education and Action, Inc.

[EIRIS] = Ethical Investment Research Service

[FSC] = Forest Stewardship Council

[ICHRP] = International Council on Human Rights Policy

Associated companies

Those companies in which aggregate interest in the equity share capital held by the parent company and its direct and indirect subsidiaries amounts to 20% - 50% inclusive. [EIRIS]

Biological diversity

The variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems. (See Convention on Biological Diversity, 1992) [FSC]

Company

A company is an organization or business entity including all its personnel (i.e. directors, executives, management, supervisors, and non-management staff, whether directly employed, contracted or otherwise representing the company).

Company group

A company whose shares are quoted on the Stock Exchange and all other parts of the company. [EIRIS]

Corporate citizenship

Corporate citizenship is about a new contract between business and society, a vision of partnership between different sections of community, which allies profitable companies with healthy communities because what happens to societies happens to business.

Corporate social responsibility

Corporate Social Responsibility (CSR) is the decision-making and implementation process that guides all company activities in the protection and promotion of international human rights, labour and environmental standards and compliance with legal requirements within its operations and in its relations to the societies and communities where it operates. CSR involves a commitment to contribute to the economic, environmental and social sustainability of communities through the on-going engagement of stakeholders, the active participation of communities impacted by company activities and the public reporting of company policies and performance in the economic, environmental and social arenas.

Customary rights

Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of law within a geographical or sociological unit. [FSC]

Ecosystem

A community of all plants and animals and their physical environment, functioning together as an independent unit. [FSC]

Indigenous lands and territories

The total environment of the lands, air, water, sea, sea-ice, flora and fauna, and other resources which indigenous peoples have traditionally owned or otherwise occupied or used. [FSC]

Indigenous peoples

The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their social, economic and cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other segments of the population which are predominant. (Working definition adopted by the UN Working Group on Indigenous Peoples) [FSC]

The UN has defined indigenous populations in the following way, which combines both objective and subjective elements:

“Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing in those territories, or parts thereof. They form at present non-dominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions, and legal systems.”

Many indigenous groups are particularly vulnerable to human rights violations. They frequently suffer discrimination, and their rights to life, to health, to land and to culture have been violated over time and on a large scale in many societies.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) was adopted by the General Assembly on Thursday, 13 September 2007, by a majority of 144 states in favour, 4 votes against (Australia, Canada, New Zealand and the United States) and 11 abstentions (Azerbaijan, Bangladesh, Bhutan, Burundi, Colombia, Georgia, Kenya, Nigeria, Russian Federation, Samoa and Ukraine). The Declaration establishes a universal framework of minimum standards for the survival, dignity, well-being and rights of the world's indigenous peoples. The Declaration addresses both individual and collective rights; cultural rights and identity; rights to education, health, employment, language, and others. It outlaws discrimination against indigenous peoples and promotes their full and effective participation in all matters that concern them. It also ensures their right to remain distinct and to pursue their own priorities in economic, social and cultural development. The Declaration explicitly encourages harmonious

and cooperative relations between States and indigenous peoples. [For further information go to The International Council on Human Rights Policy, www.ichrp.org]

Local laws

Includes all legal norms given by organisms of government whose jurisdiction is less than the national level, such as departmental, municipal and customary norms. [FSC]

Monitoring

Four patterns of monitoring have been defined:

Internal Monitoring conducted by local or regional company personnel or headquarters personnel or a combination of employees from each group.

External Monitoring using the activity of buying agents to monitor compliance with a corporate code.

Outside Audits now a service offered by some accounting, auditing and consulting firms to add to their normal service functions and define corporate code compliance.

Independent Monitoring is a system using local and international non-governmental groups including religious, human rights and labour groups to conduct on-going monitoring of codes of conduct and applicable national laws and international standards. [AICoC]

Parent company

The company quoted on the Stock Exchange. [EIRIS]

Parts of a company

Direct and indirect subsidiaries, associated companies, divisions and units. [EIRIS]

Precautionary Principle

Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation. (*Agenda 21, Principle 15*).

Purchasing Power Index (PPI)

The Purchasing Power Index provides data regarding the ability of workers anywhere in the world to meet their own needs and those of their families. It accurately measures the intersection of prices, wages and inflation while providing data that allows for comparison:

- (a) Trans-temporally: Purchasing Power can be compared over time for a given group of workers;
- (b) Trans-culturally: Purchasing Power can be compared for different groups of workers within a given area, region or country; and
- (c) Trans-nationally: Purchasing Power can be compared for workers doing the same work in different countries.

ADVANTAGES OF THE PURCHASING POWER INDEX

1. The PPI establishes a basis of comparison over time. For example, how many minutes of work are required (at a given wage level) to purchase a kilogram (2.2 lb.) of rice in January 1998. The PPI also allows us to compare purchasing power after three months or six months as a way of determining the effects of inflation, currency re-valuation and/or new contracts.

2. It establishes a basis of comparison between one location and another. Different locations can be any combination of different free trade zone areas within a country, different countries, or urban, suburban and rural locations. The conditions of workers at different plants operating for the same company can be monitored.

3. It allows for the assessment of wage levels without the need to price every item a person might ever need to purchase. By knowing the purchasing power, in minutes of work necessary, to provide basic commodities as well as household expenses, the possibility of meeting basic needs through the normal workweek can be assessed.

4. It removes the question of judgment normally involved in decisions as to how one spends one's money. The PPI states what is possible in terms of the purchasing power that accrues as a result of the normal workweek. Questions as to whether a person spends money in a manner that another person might consider "frivolous" are no longer relevant. What is affordable is emphasized. With 60 minutes in an hour and approximately 40 hours in an average workweek, any person, at any wage level, earns 2400 minutes of purchasing power each week. (50 hours = 3000 minutes) What changes are the "prices in purchasing power minutes" or the "cost in work minutes" according to the varied wage levels.

5. The PPI creates the ability to compare the effects of earned purchasing power at different wage levels. (Contact: CREA Inc., PO Box 2507, Hartford, CT 06146-2507, TEL: 860-527-0455, FAX: 860-233-4673, e-mail: crea-inc@crea-inc.org, website: www.crea-inc.org)

Socially responsible investment/ethical investment

Socially Responsible Investment or, Ethical Investment is the strategy of making investment decisions to achieve a social, environmental as well as financial return. Socially responsible investment identifies companies that are deemed to be financially sound, and then considers labour environmental, social and ethical issues in the assessment opportunity and risk. There are three basic strategies used by socially responsible investors: (1) screening companies based on a range of social and environmental criteria; (2) shareholder activism to change company policy through filing shareholder resolutions and meeting with company management and (3) community investing which provides low interest loans to support development in low-income communities.

Stakeholder

Corporate language generally uses the word 'stakeholder' to include only those who benefit from the company's activities. In the corporate context the company, rather than the community is the starting point of economic life. The proposers of these Principles believe that 'the community rather than the company is the starting point of economic life'.

Subsidiary companies

A company is a subsidiary if another company holds more than 50% of its equity share capital. [EIRIS]

Vulnerable groups

Human rights law has long recognised that certain groups need special protection. Such groups include landless peasants, marginalised peasants, rural workers, rural unemployed, urban unemployed, urban poor, migrant workers, indigenous peoples, children, elderly people, women and the disabled. They are vulnerable to human rights abuses because of their physical attributes (e.g. the disabled) or because they

have suffered discrimination for a long time (e.g. women) and do not have equal power in society preventing them from protecting their rights.

There are two obligations in relation to vulnerable groups. First, businesses should make sure that their activities do not hurt (even unintentionally) these vulnerable groups. Second, human rights law allows, and sometimes requires, temporary positive discrimination in favour of these groups, in order to right a historical wrong that may otherwise never be rectified by time. As an example of human rights guarantees for vulnerable groups, we will look at protections for indigenous peoples. [ICHRP]

Wage levels

Level 1: Marginal Survival Wage: Wage does not provide for adequate nutritional needs. Starvation is prevented.

Level 2: Basic Survival Wage: Wage allows for meeting immediate survival needs including basic food, used clothing, minimal shelter, and fuel for cooking.

Level 3: Short-Term Planning Wage: Wage meets basic survival needs. Possibility of small amount of discretionary income allows for minimal planning beyond living from pay-cheque to pay-cheque. Allows for occasional purchase of needed item(s) as small amounts can be set aside from meeting basic survival needs.

Level 4: Sustainable Living Wage: Wage level meets basic needs including food, clothing, housing, energy, transportation, health care, and education. Ability to participate in culturally required activities (including births and related celebrations, weddings, funerals and related activities). Also allows for the setting aside of small amounts of money (savings) to allow planning for the future purchase of items and the meeting of needs.

Level 5: Sustainable Community Wage: In addition to meeting basic needs and allowing the worker to set aside money for future purchases, allows for the availability of enough discretionary income to allow the worker to support the development of small businesses in a local community including the support of cultural and civic needs of the community. Wage allows for long range planning and participation. [CREA]

Appendices and Websites References

AccountAbility - AA1000 Stakeholder Engagement Standard = <http://www.accountability.org/standards/aa1000ses.html>

Advertising Standards Agency (British Codes of Conduct) = www.asa.org.uk

Agenda 21 = www.users.whsmithnet.co.uk/ispalin/a21/n

Amnesty International = www.amnestyusa.org/undhr.html and www.amnesty.org

Association for Sustainable and responsible Investment in Asia = www.asria.org

BBOP Standard on Biodiversity Offsets = <http://bbop.forest-trends.org/pages/guidelines>

Bellagio Principles = www.iisd1.ca/measure/bellagio1.htm

Beijing Declaration = www.un.org/womenwatch/daw/beijing/platform/declar.htm

'Beyond Philanthropy Benchmarks' of Oxfam UK, VSO, and Save the Children = www.oxfam.org.kh/policy/papers/beyphil/beyphil.htm

'Beyond Voluntarism: Human rights and the developing international legal obligations of companies' = www.ichrp.org

'Business and Human Rights' = www.business-humanrights.org a comprehensive resource with links to information from governments, companies, intergovernmental organizations and NGOs.

CERES Principles = www.ceres.org/our_work/principles.htm

Ceres Roadmap for Sustainability = <http://www.ceres.org/roadmap-assessment>

Code of Best Practice (The Cadbury Code) on Corporate Governance = www.5paisa.com/nevi/cadb.html

Code of Practice on Disability = www.ilo.org/public/english/employment/skills/disability/draftcod.htm

Commission for the Verification of Corporate Codes of Conduct (Guatemalan independent monitoring NGO) = www.coverco.org

Convention on Biological Diversity = <https://www.cbd.int/>

Convention on the Elimination of All Forms of Discrimination Against Women = www.un.org/conferences/women/pubinfo/status/scrn3.htm

Corporate Governance, for corporate governance studies and reports = www.irrc.org

Economic Community of West African States - Sixty Second Ordinary Session of the Council of Ministers - Directive on the Harmonization of Guiding Principles and Policies in the Mining Sector = http://www.comm.ecowas.int/sec/en/directives/ECOWAS_Mining_Directives.pdf

Equator Principles = <http://www.equator-principles.com/>

Extractive Industries Transparency Initiative - The EITI Standard = http://eiti.org/files/English_EITI%20STANDARD_11July_0.pdf

Forest Stewardship Council's Principles and Criteria for Forest Stewardship = www.fscoax.org/html/1-2.html

Genetically Modified Organisms = www.icrisat.org/text/research/transgenics

Global Compact of the United Nations = www.unglobalcompact.org

Global Reporting Initiative = www.globalreporting.org

Global Sullivan Principles of Social Responsibility = <http://www.marshall.edu/revleonsullivan/principles.htm>

Governments, diamond industry, civil society - Kimberly Process Certification Scheme = <http://www.kimberleyprocess.com/en/kpcs-core-document>

Greenhouse Gas Protocol = <http://www.ghgprotocol.org/>

International Finance Corporation (IFC) Performance Standards = http://www.ifc.org/wps/wcm/connect/115482804a0255db96fbffd1a5d13d27/PS_English_2012_Full-Documents.pdf?MOD=AJPERES

International Corporate Governance Network – Global Governance Principles = <https://www.icgn.org/>

Independent Monitoring Group of El Salvador (GMIES), the first independent monitoring group made up of local civil society non-governmental organizations = www.gmies.org.sv

International Committee on Human Rights = www.ichrp.org

International Covenant on Economic, Social and Cultural Rights = www.unhcr.ch/html/menu3/b/a_cescr.htm

International Covenant on Civil and Political Rights = www.cirp.org/library/ethics/un-covenant/

International Convention on Bio-diversity = www.biodiv.org/

International Convention on the Elimination of All Forms of Racial Discrimination = www.hrcr.org/docs/CERD/text/cerd2.html

International Council on Mining and Metals (ICMM) - ICMM 10 Principles = <http://www.icmm.com/our-work/sustainable-development-framework/10-principles>

International Human Rights = www.unhcr.ch/

International Humanitarian Law = www.icrc.org/eng/ihl

International Labour Organization's Conventions = www.ilo.org/public/english/standards/norm/whatare/fundam/

International Labour Organization's Conventions regarding basic employment practices, equality of opportunity and the elimination of all forms of discrimination = www.unhcr.ch/html/menu3/b/d_icerd.htm

International Labour Organization's Conventions on Child Labour = www.ilo.org/public/english/comp/child/

International Labour Organization's Convention Number 29 and Number 105 on Forced Labour = www.ilo.org/public/english/sonormes/whatare/fundam/forced.htm

International Labour Organization's Conventions of the Freedom of Association and Free Collective Bargaining = www.ilo.org/ilolex/english/convdisp2.htm CLICK ON C.87

International Labour Organization's Convention Concerning Indigenous and Tribal Peoples in Independent Countries, Convention 169 = www.unhcr.ch/html/menu3/b/62.htm

International Labour Organization's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy = www.ilo.org/public/english/employment/multi/promact/tridecla.htm

ILO Declaration of Fundamental Principles and Rights at Work = <http://www.ilo.org/declaration/lang--en/index.htm>

ISO 26000 - Social responsibility = <http://www.iso.org/iso/home/standards/iso26000.htm>

KingIII Report on Corporate Governance = <https://www.saica.co.za/Technical/LegalandGovernance/King/tabid/2938/language/en-ZA/Default.aspx>

MacBride Principles for Northern Ireland = www.pittsburghirish.org/AOHDiv32/MacBridePrinc.htm

Natural Capital Protocol = <http://www.naturalcapitalcoalition.org/natural-capital-protocol/developing-the-protocol.html>

Natural Resource Governance Institute - Natural Resource Charter = <http://naturalresourcecharter.org/sites/default/files/Natural%20Resource%20Charter%20second%20edition%202014.pdf>

Organisation for Economic Co-operation and Development, Guidelines for Multinational Enterprises (2000) = www.oecd.org/EN

Purchasing Power Index = www.crea-inc.org. Click on “resources,” then “publications” to locate “Wages and the Purchasing Power Index,” by Ruth Rosenbaum.

SADC Protocol on Mining / SADC&ICMM mining codes =
http://www.sadc.int/files/3313/5292/8366/Protocol_on_Mining.pdf

Southern African Development Community (SADC) - Protocol on Mining =
http://www.sadc.int/files/3313/5292/8366/Protocol_on_Mining.pdf

Social Accountability International SA 8000 = www.sa-intl.org

Structural Adjustment Programme = www.IMF.org

United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials =
www.unhcr.ch/html/menu3/b/h_comp43.htm

United Nations Code of Conduct for Law Enforcement Officials =
www.unhcr.ch/html/menu3/b/h_comp42.htm

Universal Declaration of Human Rights = www.un.org/rights/50/decla.htm

UN Guiding Principles on Business and Human Rights =
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

UN Principles for Responsible Investment = <http://www.unpri.org/about-pri/the-six-principles/>

Voluntary Principles on Security and Human Rights = <http://www.voluntaryprinciples.org/>

White House Apparel Industry Workplace Code of Conduct & Principles of Monitoring =
www.fairlabor.org. Go to code of conduct and monitoring sections

Wolfsberg AML Principles = www.wolfsberg-principles.com

Wood-Sheppard Principles on racial equality in employment = www.industrialmission.org

Worker Rights Consortium = www.workerrights.org. Click on model code of conduct.

World Bank Safeguard Policies =
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTSAFEPOL/0,,menuPK:584441~pagePK:64168427~piPK:64168435~theSitePK:584435,00.html>

Worldwatch Institute for State of the World report 2003 and other resources, including Paper 164. ‘Invoking the Spirit: Religion and Spirituality in the Quest for a Sustainable World’ =
www.worldwatch.org

Index of Issues & Industry Specific Concerns

Whereas most **Principles, Criteria and Bench Marks** apply to the majority of companies there are some which relate specifically to a particular sector or industry. Also, there are some important issues, which are highlighted here to supplement the headings in the Table of Contents. The Index attempts to provide a more detailed guide to some of these but this should not be regarded as being an exhaustive listing.

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