STRUCTURE OF A NET POSITIVE ANALYSIS FOR
SOCIAL IMPACT IN THE ELECTRONICS SUPPLY CHAIN

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Introduction

“Methods are always at the service of substance”

Professor Jennifer Greene

Net Positive is becoming one of the sustainability buzzwords of this decade. Beyond the noise, it has the potential to be a transformational movement, helping businesses to redefine their role in society, their social purpose. As an idea, its simplicity and candor make it both extremely attractive and powerful. It poses a great question and sets a challenge: Can we give more to the environment and society than we take? The Net Positive Project and Harvard SHINE have worked to clarify the Principles and methodology that can make the Net Positive concept both actionable and valid. In this report, we develop and demonstrate methods that can be used to assess social Net Positive impacts, which have not been fully addressed by the Net Positive Project to date. This report presents a framework for Net Positive analysis of social impacts.

It also defines how the framework can be applied to the electronics sector. The proposed framework was developed taking in account the broader work of the Net Positive Project and the state of the art in social impact analysis methods and tools. We define the main terms and discuss the strengths and limitations of existing methods and how they may be combined. There are several reasons for businesses to measure their supply chain and operation social impacts. For one, businesses need to assess their social and human rights risks and take steps to manage them. As corporate citizens, businesses have the opportunity to bring changes to improve social conditions and can be recognized by civil society for the positive changes they bring. Finally, companies may be formally appreciated for the (intrinsic) social value of their products. If all of these drivers fall into what has been called Total Societal Impact (TSI) (Boston Consulting Group, 2017), the method used to measure the social risks, the changes due to a company’s action and the social value of the product may differ. Although we will cover all 3 types of drivers, we will focus specifically on the first two.

The first part provides an overview of the most relevant social sustainability concepts and methodologies. The second section of the report discusses the Net Positive approach and principles. Through these sections, we aim to foster understanding about what is Net Positive and provide a practical background to the social sphere of sustainability: how it is defined, considered and measured.
We introduce a structure for Net Positive analysis of social impacts in the third section and discuss models, data and data collection as well as methods. This framework is meant to be practical, actionable and comprehensive.

Finally, we provide a roadmap for the application of this framework in the electronics industry.

**Social Sustainability**

**DEFINITION AND CONCEPTS**

Simply expressed, Social sustainability is about identifying and managing business impacts, both positive and negative, on people. The quality of a company’s relationships and engagement with its stakeholders is critical. Directly or indirectly, companies affect what happens to employees, workers in the value chain, customers and local communities, and it is important to manage impacts proactively (Global Compact, 2017).

Social sustainability usually implies a stakeholder approach where the impacts on different stakeholder categories will be considered. The typical stakeholder categories to be considered are: Workers, Local communities, Value chain actors (suppliers), Consumers and the Society (UNEP, 2009).

The set of aspects or themes that are considered varies but generally falls into the following impact categories: Human Rights, Decent Work and Labor Rights, Governance, Health and Safety, Subjective Well-Being, Socio-Economic Repercussions and Cultural Heritage.
Table 1. Stakeholder categories and Social impact subcategories mapped to the SDGs

<table>
<thead>
<tr>
<th>Stakeholder Category</th>
<th>Social Impact Subcategories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>Wages, Poverty</td>
</tr>
<tr>
<td>Local community</td>
<td>Access to material resources, Poverty</td>
</tr>
<tr>
<td>Consumers</td>
<td>Health and Safety (W &amp; C), Injuries and Fatalities, Toxics and Hazards, Human Health, Safe and Healthy Living, Hospital Beds</td>
</tr>
<tr>
<td>Value Chain actors</td>
<td>Education and Training, Access to Immaterial Resources</td>
</tr>
<tr>
<td>Society</td>
<td>Gender Equity, Equal Opportunity/Discrimination</td>
</tr>
<tr>
<td></td>
<td>Drinking Water, Sanitation</td>
</tr>
<tr>
<td></td>
<td>Education and Training, Access to Immaterial Resources</td>
</tr>
<tr>
<td></td>
<td>Fair Competition, Promoting Social Responsibility, Supplier Relationships, Respect for Intellectual Property Rights, Transparency, Consumer Privacy, End of Life Responsibility, Experiencing Well-being</td>
</tr>
<tr>
<td></td>
<td>Cultural Heritage, Community Engagement, Capacity Building</td>
</tr>
<tr>
<td></td>
<td>Indigenous Rights, Delocalization &amp; Migration, Equal Opportunity/Discrimination, Migrant Workers, Subcontracting/ Home Workers</td>
</tr>
<tr>
<td></td>
<td>Legal System, Corruption, High Conflicts, Delocalization &amp; Migration, Secure Living Center, Access to Immaterial Resources, Secure Living Conditions</td>
</tr>
<tr>
<td></td>
<td>Public Commitment to Sustainability Issues</td>
</tr>
</tbody>
</table>

This section defines and presents relevant concepts and development while the subsequent section will focus on methods for assessing social sustainability.
THE SUSTAINABLE DEVELOPMENT GOALS

To renew global collaboration to improve human well-being worldwide and following global consultation, the UN launched the Sustainable Development Goals (SDGs) in 2015.

The SDGs provide a compelling vision for humanity’s progress that can inspire citizen actions as well as policymaking and business initiatives, within and between countries. This long-awaited roadmap connects with important instruments such as the Paris climate agreement and the UN Guiding Principles and breathes new life into the UN Human Rights Declaration. As the Commission for Business and Sustainable Development argues: “The Sustainable Development Goals (SDGs) present an opportunity not just to update our vision of the role of business in sustainable development, but to change it fundamentally. There is no more pressing or more powerful way for business to accelerate social development than by driving respect for human rights across their value chains.”

The wave of legislation related to the Guiding Principles coupled with strong corporate support for the Sustainable Development Goals, provide a compelling narrative for businesses to establish a process to learn about, prioritize and act upon their supply chain risks.

Table 2 provides an overview of the goals and how they are covered by Social Impact categories referenced in Social LCA.

REFRAMING HUMAN RIGHTS (GUIDING PRINCIPLES)

When the UN Guiding Principles were endorsed by The United Nations Human Rights Council in 2011, Former Special Representative of the United Nations Secretary-General, Professor John Ruggie proclaimed that the era of declaratory Corporate Social Responsibility was over. What he meant was that voluntary CSR was no longer an option and that companies now had to develop and continuously implement a process of “due diligence.” This expression was coined after the term used in the financial sector, where it means that all reasonable steps are taken to verify the good standing of an investment/business relationship.

The UN Guiding Principles on Business and Human Rights clarifies the responsibilities of government and businesses about human rights.
It established a “Protect, Respect, and Remedy” framework, wherein:

PROTECT - States have the Duty to protect human rights of their citizens;
RESPECT - Corporations have the duty to respect those human rights;
REMEDY - States and Businesses have the joint responsibility to provide victims with access to effective remedy.

A human rights due diligence is a reasonable investigation of the human rights risks that may be present in a company’s supply chains. The objective of the Guiding Principles was to develop a framework that would become part of international law and eventually embedded in national legislation. Since then, a growing number of countries have passed laws that integrate the Guiding Principles’ recommendation of requiring human rights due diligence. Within Europe, the French “Vigilance Law”, the UK Modern Slavery Act, the Swiss referendum for due diligence, The Netherlands’ Child Labor Due Diligence Law, and the EU non-financial reporting directive all seek to foster human rights accountability within global supply chains. In North America, the U.S. has the Trade Facilitation and Trade Enforcement Act (H.R. 644), with Section 910 having been fortified to empower restrictions on the import of goods produced with forced labor.

Table 2. Human Rights Due Diligence and supply chain related regulations

<table>
<thead>
<tr>
<th>Country</th>
<th>Regulation</th>
<th>Year of Adoption</th>
<th>Focus/ Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Duty of vigilance law</td>
<td>2017</td>
<td>The law provides that multinational firms carrying out all or part of their activity on French territory shall establish mechanisms to prevent human rights violations and environmental damages throughout their supply chain (HR DD). The law applies to large French companies. Between 150 and 200 companies are covered.</td>
</tr>
<tr>
<td>UK</td>
<td>Modern Slavery Act</td>
<td>2015</td>
<td>Requires businesses to publish an annual statement if they have an annual turnover above a threshold (£36 million) and supply goods and services in the UK. The statement must confirm the steps taken to ensure that slavery and human trafficking are not taking place in the business (or in any supply chain) or declare that no steps to confirm the existence of slavery or</td>
</tr>
</tbody>
</table>
Trafficking have been taken. Around 12000 companies covered.

<table>
<thead>
<tr>
<th>Country</th>
<th>Measure</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>Referendum for a due diligence</td>
<td>2018-19</td>
<td>Requires companies to carry out due diligence regarding human rights and environmental risks. June 14, 2018, the counter-proposal was approved by the Swiss National Council. 2018</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>Child Labor Due Diligence Law</td>
<td>2017</td>
<td>All companies that sell to Dutch consumers need to assess risk of child labor in their supply chains and create a plan of action. A company has to declare it has applied due diligence on child labor and develop a plan to respond to surfaced risk.</td>
</tr>
<tr>
<td>Europe</td>
<td>EU non-financial reporting directive</td>
<td>Take effect in 2017</td>
<td>Disclosure of non-financial and diversity information by certain large undertakings and groups in the strategic report. The aim of the EU non-financial reporting Directive (EU NFR Directive) is to improve the transparency of certain EU companies as regards non-financial and diversity information. Around 6000 companies in EU are covered.</td>
</tr>
<tr>
<td>California</td>
<td>California Transparency in supply chains Act</td>
<td>2010</td>
<td>Requires certain companies (large retailers and manufacturers of tangible goods) to report on their specific actions to eradicate slavery and human trafficking in their supply chains. Aimed at mid-size and large retailers and manufacturing companies with worldwide annual revenues of $100 million or more, the law’s chief goal is to ensure companies provide consumers with information that enables them to understand which ones manage their supply chains responsibly.</td>
</tr>
<tr>
<td>Europe</td>
<td>EU wide legislation on</td>
<td>Considered 2018</td>
<td>Could be similar to France’s new law.</td>
</tr>
<tr>
<td>Country</td>
<td>Human Rights Due Diligence</td>
<td>Year</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>----------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Australia</td>
<td>Modern Slavery Act</td>
<td>Mid 2018</td>
<td>Very similar to UK Modern Slavery Act. Entities with total annual revenue &gt;100 million AUD are required to publish annual statements on anti-slavery DD structured around mandatory reporting criteria.</td>
</tr>
<tr>
<td>France</td>
<td>Anti-corruption law Sapin II</td>
<td>June 2017</td>
<td>Requires anti-corruption compliance programs for French business.</td>
</tr>
<tr>
<td>Global</td>
<td>Binding international treaty on business and Human Rights</td>
<td>ongoing</td>
<td>UN Human Rights Council discusses a legally binding treaty that could hold corporations accountable.</td>
</tr>
<tr>
<td>Germany</td>
<td>Voluntary HRDD requirement threshold or law</td>
<td>2016</td>
<td>If more than 50% of companies in Germany with 500 employees or more are not able to integrate HRDD then government will formulate law on this.</td>
</tr>
<tr>
<td>OECD</td>
<td>OECD guidelines for multinational enterprises</td>
<td>Updated in 2011</td>
<td>Including a stand-alone chapter on human rights aligned with the UN GP on Business and HR.</td>
</tr>
<tr>
<td>UK</td>
<td>Bribery Act</td>
<td>July 2011</td>
<td>Establishing company liability for corrupt acts committed by persons acting on behalf of the company.</td>
</tr>
</tbody>
</table>
The concept of shared value can be defined as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates (Porter and Kramer, 2011).” In short it is a framework for companies to find opportunities to do well by doing good.

Shared value creation focuses on identifying and expanding the connections between societal and economic progress. The concept rests on the premise that both economic and social progress must be addressed using value principles. Value is defined as benefits relative to costs, not just benefits alone. Businesses have rarely approached societal issues from a value perspective but have treated them as peripheral matters. This has obscured the connections between economic and social concerns and represent the strength of the shared value approach. For shared value advocates, traditional corporate philanthropy, and CSR activities are focused on “giving back” or minimizing the harm business has on society. They argue that a shared value approach empowers business leaders to maximize the competitive value of solving social problems in new markets, cost savings, talent retention, and more.

Value creation is an idea that has long been recognized in business. However, in the social sector, thinking in value terms is less common. Social organizations and government entities often see success solely in terms of the benefits achieved or the money expended. It is also arguably controversial to put a value on basic human rights, freedoms or life.

**Economic and social impact is about purpose, not only profits, in the social and environmental spheres** (O’Donohoe et al, 2010: 5)

Shared Value is created when businesses can generate economic value by producing societal value. The literature shows three distinct ways to do this:

1. Reconceiving products and markets,
2. Redefining productivity in the value chain, and
3. Building supportive industry clusters at the company’s locations.

Each of these may become part a virtuous circle of shared value; where improving value in one area gives rise to opportunities in the others.

Is Shared Value just old wine in new bottles?

The idea that doing good makes economic sense is nothing new (Sen, 1993). However, not considering externalities have also shown to be profitable (at least in the short term) if there is no harm to a company’s reputation (IMF, 2017). Measuring the impacts of shared value creation constitutes a challenge (Deve, 2015). All in all, the license to operate remains a driver.

A shared value lens can be applied to a variety of company decisions such as:
- Could our product design incorporate greater social benefits?
- Are we serving all the communities that would benefit from our products?
- Could our new plant be constructed in a way that achieves greater community impact?
- How could we enhance our community as a business location?
- If sites are comparable economically, at which one will the local community benefit the most?

These are all great questions but there is a need to clarify the measurement framework. The shared value initiative (2017) points out that even the companies that are most advanced in pursuing shared value lack the data they need to optimize its results, and we would argue that also missing are the methods for assessment. This is important because businesses cannot know the extent to which they are creating shared value if they do not measure their progress on social objectives and the degree to which social performance improves economic value for the business. When companies do not understand or rigorously track the interdependence between social and business results, they miss important opportunities for innovation, growth, and social impact at scale (Shared Value Initiative, 2017). However, this is complex to achieve. Social Return On Investment Initiatives and WBCSD Social Capital Protocol are providing additional insights on how shared value may be measured.
METHODS

This section discusses the most relevant methods for net positive assessment. These are: Social LCA, the Social Capital Protocol and Well-Being assessment. It defines them and compares their scope, objectives and main characteristics. This will serve to establish the background necessary to discuss our social net positive assessment framework.

Each of the methods discussed here goes beyond the ethical compliance framework commonly implemented by businesses. The ethical compliance approach builds on the international legal framework and enacted country laws to develop codes of conduct and verify suppliers’ compliance with the criteria comprised. When compliance is not successfully or fully achieved, capability development projects and training are developed and implemented in order to optimize performance. The compliance framework is usually applied to first tier suppliers and sometimes is expanded further up the chain. It uses proprietary scoring systems that may obscure some of the issues. For instance, excessive working time may be maintained over a number of years because it is not a required criteria (account for additional points). Recently, some businesses and systems have started to integrate information that goes beyond compliance to cover good practices such as worker well-being. Social auditing is one of the main vehicles for social data collection.

The Electronics industry has been a leader in establishing a common code of conduct for its entire industry, via the Electronic Industry Citizenship Coalition (EICC) which is now called the Responsible Business Alliance.

Figure 1. HUMAN RIGHTS AND SOCIAL COMPLIANCE
SOCIAL LCA

Social Life Cycle Assessment (S-LCA) is a technique used to assess the social and socio-economic impacts of products or organizations along their life cycle from extraction of raw materials to final disposal (cradle to grave approach).

Life Cycle Assessment deploys or rests upon a combination of methods, models, and data. S-LCA methods can be found in reference documents like the Social LCA Guidelines published by the United Nations Environment Programme and the Society for Eco-Toxicology And Chemistry (referred to as S-LCA Guidelines); the Pré Roundtable Handbook for social impact assessment, and various journal articles. Models are used to provide a representation of a product system; several types can be used. Data is the engine that enables the assessment to take place.

S-LCA employs the modeling capabilities and systematic assessment process of LCA combined with relevant social sciences methods. The social aspects assessed in S-LCA are those that may affect stakeholders positively or negatively across the supply chain or life cycle of a product/organization. The impact categories covered are largely defined by the international community through its policy frameworks and other social responsibility references, and in respect to best available science (a top down approach) (see Table 2).

S-LCA can either be applied on its own or in combination with E-LCA. It differs from other social impact assessment techniques by its objects -- products and services -- and by its scope: the entire life cycle.

Table 3. SLCA Scope, object and impact types

<table>
<thead>
<tr>
<th>Scope</th>
<th>Impact types</th>
<th>Object</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life cycle (cradle to grave) and Supply Chain (cradle to gate)</td>
<td>Social and Socio-economic</td>
<td>Organizations, products or services (but can also be applied to individual, countries, etc.)</td>
</tr>
</tbody>
</table>

The scope (the life cycle) and the methodology (a systematic process of collecting and reporting about social impacts and benefits) are both key aspects that draw interest in the technique (Benoît et al., 2010).

1 The word social will be used to cover social and socio-economic impacts for brevity
Social LCA uses the same ISO14040 framework as Environmental LCA. Therefore, it includes four phases: Goal and Scope, Life Cycle Inventory, Life Cycle Impact Assessment and Interpretation.

Figure 2. Four phases of Social LCA

In the same way, Social LCA is an iterative technique which means that we can improve the assessment over time, going through several assessment loops and moving from more generic/potential results to more site- and case-specific results. Because product systems may include thousands of separate unit processes, it is necessary to focus resources. For instance, the S-LCA Guidelines recommend carrying out a social hotspots assessment in order to prioritize data collection activities. A social hotspot assessment is the identification of production activities and locations (also defined as country-specific sectors) in the supply chain that contributes most to social risks, that are more salient. The outputs from this analysis can then be used to identify and prioritize potential actions around the most significant social sustainability impacts or benefits associated with a specific country, city, industry sector, organization, product portfolio, product category or individual product or service. Hotspots analysis is often used as a pre-cursor to developing more detailed or granular sustainability information (UNEP-SETAC, 2017).
Criteria may be used to select production activities that should be investigated further. Once results of the social scoping assessment are obtained, the goal and scope can be revised and, if part of the scope, further data collection activities may take place. After conducting the life cycle inventory analysis of the site-specific investigation, the goal and scope may be revised once again based on data availability for example.

**Goal and Scope**

The purpose of the goal and scope phase is to:

- clarify the objectives of the study (design, human rights due diligence, social footprint calculation, responsible purchasing)
- set the scope (eg. product, product line, company)
- select the database(s) and model(s) to be used and
- define the functional unit.

The functional unit serves to model the product system in social LCA. The choice of the functional unit will depend on the goal but will also largely depend on the type of model and data used for product system modeling. If a Social LCA Input Output database is used then the functional unit will be expressed in economic value (e.g., dollars) of output from a sector. If a traditional LCA database will be utilized then the functional unit may be expressed using physical quantities such as surface area protected for a given number of years, mass transported over a given distance, etc.

If the functional unit is not used to communicate about the social impacts then what can be used to link the social inventory information to the product system? The S-LCA Guidelines suggest utilizing Life Cycle Attribute Assessment (LCAA) (Norris, 2006) to resolve this issue. LCAA consist in quantifying the % of an activity variable that possesses an attribute of interest (e.g. a high risk of a social issue, a certification etc.). LCAA enables us to speak about results in a way that carries information about the scope of the life cycle. This presents a viable alternative to the use of the functional unit when presenting results, which enables to relay the results without losing sight of the scope and in a way that may better reach the audience.

Therefore, S-LCA also requires activity variable data. Because the activity variable data is used as a vector, to give an appreciation of the magnitude of the supply chain where an issue or opportunity is found (in $ and labour intensity), a proven relationship with the attribute of interest is not necessary. The literature (Dreyer and al. 2010; Hauschild and al. 2008; Andrews and al. 2009) describes a few potential activity variables (also referred-to as product relation factors) with worker hours being the most popular. Among other potential activity variables, we note value added, acreage of land use, volume of
water usage, and economic value of output. Worker hour data provides a meaningful parameter to help prioritize further action such as additional data collection.

Thus, worker hours play the role of what environmental LCA refers to as an “elementary flow” – the basic or first-order “intervention” by a production process, that ultimately is linked to outcomes or impacts of interest. The results are expressed in the following way if LCAA is used for the purpose of communication: % of workers hours that present a high or very high risk of child labor, or % of worker hours which are paid a fair wage.

**Life Cycle Inventory**

Life Cycle Inventory is the data collection phase of a Life Cycle analysis. Several types of data are required in S-LCA and are presented in the Table below.

### Table 4. Data required in S-LCA and resources

<table>
<thead>
<tr>
<th>Data required</th>
<th>Included in SLCA database</th>
<th>Other resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data for modelling the product system</td>
<td>X</td>
<td>Technology or other models (see table 5)</td>
</tr>
<tr>
<td>Data for Life Cycle Attribute Assessment (worker hours)</td>
<td>X</td>
<td>Site specific</td>
</tr>
<tr>
<td>Generic data about the social issue/ performance (Baseline)</td>
<td>X (generic)</td>
<td></td>
</tr>
<tr>
<td>Site-specific data about the social issue/ performance</td>
<td></td>
<td>Social audits, workers’ wellbeing surveys, field assessment</td>
</tr>
<tr>
<td>Data about the performance reference points for generic data (characterization)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Data about the performance reference point for site-specific indicators</td>
<td></td>
<td>Pré Social Roundtable handbook</td>
</tr>
</tbody>
</table>

Data may come from an S-LCA database, a literature review, social audits or from other types of site specific data collection activities.
Appendix A present the potential impacts currently considered by Social LCA main references. It maps the impact subcategories to the UN Sustainable Development Goals and provides a definition for each metrics and data sources. The table also indicates which impact subcategories are assessed via a Worker Well-Being survey. This is a valuable resource to plan a study.

Different approaches can be implemented to calculate or model a product system. While databases exist for process-based models and Economic Input-Output approaches, a more involved approach is necessary for value chain mapping and using technology.

Table 5. Modeling approaches

<table>
<thead>
<tr>
<th>Process based model using unit process as a basis</th>
<th>Economic Input Output (Global IO or Multi Regional IO)</th>
<th>Value Chain Traceability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptive</td>
<td>Comprehensive</td>
<td>Qualitative</td>
</tr>
<tr>
<td>Engineering type</td>
<td>Trade based model of economic exchanges</td>
<td>Descriptive model</td>
</tr>
<tr>
<td>model</td>
<td></td>
<td>developed through stakeholder interviews</td>
</tr>
</tbody>
</table>

There are two S-LCA databases on the market. The Social Hotspots Database from NewEarth B (USA), which will be used in this project, is the first S-LCA database, provides a homogeneous a consistent framework and it also provides an online risk mapping. PSILCA from Greendelta (Germany) uses a very similar approach. They both provide a Global IO model and worker hours data. They both offer a version of their database combined with a process based model.

Verisk Maplecroft offers social risks indices by country and for some commodities. Other information providers offer company-based information (Reprisk, Sustainalytics) or a system to share suppliers’ assessments (Ecovadis, SupplyShift) and social audits (SEDEX) or finally a visualization platform to enter supply chain locations on a map (SourceMap).
The Social Hotspots Database is designed to be a modular system, which includes four main components:

1. A trade or supply chain model such as a global Input/Output Model
2. A Worker Hours Model
3. Data on social risks and opportunities
4. An Impact Assessment Method (Social Hotspots Index)

Technically, the SHDB is an extended input/output Life Cycle Inventory database providing a solution to enable (1) the modeling of product systems and (2) the initial assessment of potential social impacts. The SHDB contains data for 57 different sectors, in each of 227 countries and territories. Thus, there is social risk data for 12939 unit processes in the database.

The SHDB provides information on 24 social impact subcategories and over 155 different indicators. The risk data address five main impact categories: labor rights and decent work, human rights, health and safety, governance and community in line with major Social Responsibility references.

The SHDB project draws upon hundreds of data sources ranging from the International Labor Organization, the World Health Organization, the U.S. Department of Labor and State, the World Bank, and more.

Quantitative statistics and qualitative information by country and sector are used to develop characterization models. These models assign a risk (or opportunity) level to the data (Low, Medium, High, Very High, No Data and No Evidence) so that users can identify target areas in their supply chains to verify or improve social conditions. This consistent assessment framework allows risk comparison to be made between countries and sectors.

In order to aggregate impacts for the entire supply chain and to help highlight potential hotspots, a Life Cycle Impact Assessment method has also been developed. Considering the risk characterizations contained across the entire database, we developed a weighting that represents the relative probability of an adverse situation to occur. Relative probabilities are expressed in relation to the medium risk level.
Table 6. SHDB Impact Assessment method

<table>
<thead>
<tr>
<th>RISK LEVEL</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>VERY HIGH RISK</td>
<td>10</td>
</tr>
<tr>
<td>HIGH</td>
<td>5</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>1</td>
</tr>
<tr>
<td>LOW</td>
<td>0.1</td>
</tr>
</tbody>
</table>

This weighting will augment or lower the number of workers hours depending on the risk level. In doing so, it helps identify hotspots or country specific sector where the risk is elevated and the contribution to total worker hours are important.

This basic Life Cycle Impact Assessment Method is offered with the SHDB. It can be modified to serve specific needs. For instance, sometimes practitioners do not want to include worker-hours at low-risk in their results, and in this case the LCIA characterization factor for low risk can be changed to zero in the Life Cycle Impact Assessment method.

**Life Cycle Impact Assessment**

Life Cycle Impact Assessment is the phase where the magnitude of the impact is assessed. It consists of calculating a footprint result by impact subcategories, categories and overall. It also involves the calculation of process contributions to identify social hotspots. A social hotspot is a production activity deemed more at risk in comparison to other production activities for a given impact category.

There are two types of impact assessment methods in Social Life Cycle Assessment: Type 1 also known as Social Performance S-LCA and Type 2 referred to as Impact Pathway S-LCA.

Whereas Type 1 uses aggregation methods to provide results, Type 2 uses impact pathways.

The Type 1 method utilizes performance reference points in order to assess the relative position of the state of a unit process impact subcategory (or indicator) in reference to one or more international instruments or best practice (threshold). This LCIA method helps understand the magnitude and the significance of the data collected in the inventory phase. Most of the characterization models developed apply performance assessment (eg. Franze and al., 2011, Revéret and al., 2012, Benoît Norris and al., 2011,
This method requires collecting information specific to these performance reference points (Benoit Norris and al. 2011). Performance based impact assessment methods generally use an ordinal scale that either describes the risk (from extremely high to low), the performance (from non-compliant to best practice) or the degree of management from uncontrolled to under control. Some methods also compare the results in a given life cycle to performance levels in the surrounding context.

Social Life Cycle Impact Assessment may also include the development of indices. As we have seen the S-LCA process requires multiple aggregation steps. One or more indicators may assess each subcategory and each impact categories are assessed by multiple subcategories. Ordinal scales may be used at each assessment step and points can be assigned according to the rank order to render an overall assessment for the impact category under study.

Some of the developed LCIA methods allow calculating the impact in relation to the functional unit while most of them don’t. Using Life Cycle Attribute Assessment allow calculating the scope of the life cycle (where, for example, labor rights issues are under control), bringing back the crucial life cycle perspective to the assessment.

A type 2 method assesses social impacts using impact pathways. Each impact pathway makes use of a specific characterization model that translates inventory results into midpoint and endpoint impacts. The latter attempts to isolate cause and effect chains caused by a specific pressure. For example, requiring excessive working time may cause workers to experience higher stress levels; high stress levels may cause depression (midpoint); depression will result in a loss of (psychological) wellbeing and human health (endpoints).

Because data, models and experiences with causal chain modeling are at a minimum they will only be discussed briefly. Early work in S-LCA proposed some impact pathways. Norris, 2006 characterized health effects resulting from changes in economic activity reconstructing the Preston curve. Hutchins and Sutherland (2008) examined the relationship between infant mortality and GDP per capita and measured the effect of changing one supplier (from a different country). Weidema (2006 & 2016) proposed an approach to social LCA causal chain modeling using quality adjusted life years (QALY). Feschet and al. (2012) published an article about the development of the “Preston Pathway” aiming at measuring changes in economic activity generated by the functioning of a product chain and the changes in health status of the population in the country where the economic activity takes place. Most papers conclude by highlighting the limitations of the impact pathway method (e.g., local context is not taken into consideration,
necessity of having more than one pathway to analyze etc.) and the necessity for further development.

**Interpretation**

Interpretation is a systematic process for the identification, description, estimation and presentation of all the information that have been derived from the other stages. The purpose is to analyze results and derive conclusions and recommendations that allow for follow-up decision-making and actions. Interpretation includes the identification of the most significant social issues, the assessment of data quality and an evaluation of the exhaustiveness, completeness and consistency of the study. It represents a systematic evaluation of the needs and opportunities to reduce social risks and impacts and to enable increased shared benefits. Thus, interpretation should take place continuously during the study. The final output of the analysis can be a set of improvement opportunities or scenarios.

**Calculating an organizational Social footprint**

Calculating a product social footprint or an organizational footprint follows the same process. There is a specific guidance on organizational LCA (Blanco et al., 2015) (OLCA and SOLCA for social) (Blanco et al., 2015) but it is more a conceptual difference than a difference in how impacts are to be measured.

To calculate the footprint of an organization, data on purchases (spend data) are needed. Sometimes, referred to as a social spend analysis, the spend data needs to be organized and mapped to the supply chain model that will be used.

Usually, not all spend data is relevant to calculate the social footprint and expenses of certain services (e.g. accounting, law firms) or fees (e.g. bank fees) can be discarded. It makes sense to apply the 80/20 rule.

Once mapped to the product system model classification (e.g. GTAP industries), data can be entered in the software (such as SimaPro). The life cycle impact assessment can then take place using the default impact assessment method available in the SHDB or an adjusted method. Social hotspots and footprint results are calculated and made available by the software.

The model can then be refined either by changing where inputs are sourced from (tier 1, 2 etc.) if this information is known, or by changing risk level, when social audit or other such data exist and can support the change.
SLCA and Positive impacts

SLCA needs to provide users with the possibility to include positive impacts, not as variables stipulating lack of negative impacts, but rather as fulfilment of positive potentials. (Ekener et al., 2015)

The question of positive impacts in Social LCA has been considered ever since its inception. The Guidelines for Social LCA express the aim of Social LCA as to improve social conditions in supply chains worldwide (Benoit et Mazijn, 2009). In particular, Social LCA is defined as a tool to support decision-making (Jorgensen, 2012). This can include:

- Helping to select most beneficial production/material and supply chain options
- Investing resources where they are most needed to address social hotspots and
- Creating the most beneficial scenarios for all stakeholders involved.

However, in reality, very few journal articles have been published or guidance issued specifically on how to address positive impacts.

Our research using the Harvard Hollis library system has returned only 3 journal articles focusing on the topic of positive social impacts in relation to product life cycles: one overall literature review on positive social impacts in Social LCA (Di Cesare, 2016), one article discussing approaches and a proposal (Ekener et al., 2015) and one focusing on societal value (societal benefits/social utility, of a product during a product use phase) (Shin et al, 2015). The two first articles review how positive impacts have been handled in case studies and in the literature.

Building on their analysis and adding ours, we suggest that there are 5 main ways that the question of positive impacts has been handled so far:

1. By identifying which subcategory of impacts has a positive connotation (eg. job creation) (Ekener et al.).
2. Through the use of performance reference points/assessment scales where companies’ performance is assessed on a scale ranging from non-compliant to
best practices. Scale levels above “compliance” are considered to be “positive” (e.g., Pré Social Impact handbook, AGECO, Ciroth et Franze, Ugaya).

3. By considering the absence of a negative impact to represent a positive impact (e.g., no forced labor) (Traverso et al.)

4. By appreciating the social/ societal (intrinsic positive) value of the product (e.g., vaccines, water treatment)

5. By making use of correlations between economic activity or economic development and gains in public health (e.g., Norris 2006).

Ekener et al. recognizes the importance of the context in the assessment of positive impacts but the solution they propose consist in developing a “positive impact” database in the same form as the Social Hotspots Database. This turns out to be more similar to the first approach listed which consists in identifying the types of impacts that are naturally connoted positives.

Both articles appreciate that there might be a cultural component to how we perceive the quality of an impact. They admit that perception may differ and that a positive impact for one stakeholder category might mean a negative one for another. They also both refer to the difficulty of aggregating positive and negative impacts together in a meaningful way and Ekener et al. calls for exploring Multi Criteria Decision Analysis methods for that purpose in more depth.

The first initiative set up by the UN to develop principles on business and human rights started by a process which attempted (and failed) to identify which human rights applied to businesses (UN ECOSOC Responsibilities of transnational corporations and related business enterprises with regard to human rights). In the same way, we believe that restricting ourselves to impacts which may have a positive inclination is misinformed. The positive quality, we associate with these impacts may be refuted. The list is also short compared to the enormous potential associated with business enterprises.

An important part of the developments related to Type 1 Impact Assessment methods in S-LCA has been about the creation of ordinal or Likert performance assessment scales. These scales assess the performance of a company/ supplier on a set of criteria. The scales usually range from below compliance to best practices or beyond expectations. The performance assessed as being beyond compliance are sometimes identified as positive impact. However, these beyond compliance performances may just be usual practice for the industry so not a clear marker of positive impact. When S-LCA Likert scale questionnaires have been used in a sector (for instance by AGECO) the results have served to establish a “social responsibility” baseline for the industry.
There is some controversy around considering the absence of a negative impact to represent a positive one. While some authors implement this approach, others criticize it as not truly being about positive impacts. We agree that the absence of a negative impact in itself is not sufficient for being considered a handprint. Appreciation of the social value of a product (that we call static contribution analysis) is often cited as another way for company to have positive impacts.

S-LCA researchers have also tried to assess positive impacts by applying the Preston curve. This curve developed in economics science, shows that with increased economic activity through growth in income, improvements in the health of a country’s population is achieved. Norris (2006), demonstrated this impact pathway by calculating the health benefits impact related to the purchase of electricity in the Netherlands. He concluded that, although a very small fraction of the economic activities related to that supply chain was from outside the OECD, this fraction still represented the biggest share of the health benefits generated. While the existence of positive impacts from income generation in developing economies has been supported in many studies, a number of cautions have also been raised, including from Norris (2006).

“For example, international time series studies of the influence of economic growth on poverty reduction and health improvement increasingly find that while economic growth appears to bring improvements in average health indicators, this response is highly variable among countries (World Bank 2002). Positive impacts on income poverty and public investment do not necessarily follow at all from increased economic output. Poverty alleviation requires that the wage and employment benefits reach people who are otherwise in poor socioeconomic status. Likewise, increased tax receipts by the government can improve health if the increased receipts cause an increase in health-promoting public investments.”
SROI AND SOCIAL CAPITAL PROTOCOL

The Shared Value framework discussed earlier calls for the valuation of social impacts and benefits. It provides a set of principles and there are case studies to consult, but it doesn’t provide a measurement framework.

The World Business Council for Sustainable Development has developed a Social Capital Protocol (2017), which present a consistent process designed to generate fit-for-purpose information for business decision-making in the spirit of the Natural Capital Protocol. It still falls short of offering a full fledged measurement framework but it proposes a process and exposes relevant methods that may be used by businesses.

The WBCSD Social Capital Protocol argues that the measurement and management of corporate performance must evolve to incorporate social performance alongside financial and environmental performance. Therefore, its developers are working towards creating “a credible, comparable and broadly accepted approach to social impact measurement and valuation”.

In their words, the Protocol seeks to “determine how (and by how much) a business activity increases, decreases, and/or transforms social capital; and the extent to which organizations depend on social capital for their operations.”

While they believe the Protocol can be used to measure and value the social capital impacts and dependencies of a whole company or an individual project, product or operation, they warn that it is not designed as an approach to individual program evaluation. A program evaluation focuses on whether an intervention is achieving its intended aims and outcomes.

The Protocol defines impacts on social capital as the extent to which a company’s actions or decisions contribute positively or negatively to a change in the welfare, capabilities, relationships or livelihoods of people living in society.

• A positive impact is a benefit to society, and a negative impact imposes a cost on society.
• In addition to impacting social capital, all companies also depend on social capital.

WBCSD conceptual framework applies the term ‘social capital’ to refer to the resources and relationships provided by people and society. This encompasses human capital (people’s skills, knowledge and wellbeing), and societal capital (societies’ relationships, shared values and institutions).
Because valuing social impacts and dependencies can be a controversial activity (e.g. putting a price on freedom, child labor etc.) WBCSD has also developed an Ethical Charter to highlight key ethical issues that should be considered by users of the Social Capital Protocol. It is made available to help ensure that the application by business of the concept of social capital through the Protocol leads to the protection, maintenance and, where possible, enhancement, of people’s rights, skills, experience, knowledge, and well-being in addition to societies’ shared values, norms and institutions.

Valuation

To value something means to understand what it is worth to us. In the Protocol, valuation refers to the process of estimating the relative importance, worth, or usefulness of social capital to people, in a particular context. In the Protocol, valuation means more than just monetary valuation. It includes qualitative, quantitative, and monetary approaches, or a combination of these, which measure the relative importance of impacts and/or dependencies. The value derived from social capital varies between the parties involved. Applying a value (monetary or otherwise) to social capital does not imply ownership in an economic sense by any of these parties. Note that monetary valuation attempts to generate a monetary measure of the value of social capital for a specific party in the absence of a market that establishes this value. The valuation therefore is based on assumptions (and often proxy indicators) and so should be understood to be an estimate of value. (Social Capital Protocol, 2017)

- **Value protection** is the value saved by avoiding risks such as costly delays in planning, construction and operations, lawsuits or other unforeseen added costs, project cancellation, or appropriation.
- **Value creation** is the excess of benefits over costs. For example, it can be the value from input savings or productivity gains - such as local workforce training that enables the substitution of expensive expatriates with local hires.
- **Value destruction** is the value lost due to the use or impact on social capital.

The Protocol presents 4 Phases: Frame, Scope, Measure and Value, Apply and Integrate. Those phases are somewhat similar to LCA phases (Goal and Scope, Life Cycle Inventory, Life Cycle Impact Assessment and Interpretation). However, it differentiates between the goal and scoping of the assessment, merging data collection and impact assessment and valuation, and it details further the interpretation phase which can include application and integration.
For the first 2 phases the Protocol recommends to:
- Use Human Rights references and SDGs
- Map social issues to the value chain
- Conduct a materiality assessment
- Prioritize social capital issues

The Protocol suggests categorizing the social capital issues by type. These types are:
- Positive or negative
- Social capital impacts or dependencies
- Known or potential issues
- Risks or opportunities

This list of types may be confusing. As we’ve seen, the definition and determination of what constitutes a positive or negative impact may be treacherous. The question of whether a social capital issue may be a risk or an opportunity is also often a question of perspective.

The Protocol establishes that positive socio-economic impacts in one area should not be used as an offset for negative impacts in another (for example impacts on natural capital), which is in line with the Net Positive principles. It further specifies that each impact needs to be considered as a single issue which can be improved, mitigated or remedied, also in line with the Net Positive principles.

The Protocol sets up a step intended to help companies identify how the social issues identified relate to business decisions and thereby create the business case for undertaking an assessment.

As an example, the Protocol lists and defines the following business drivers:

1. Obtain or maintain license to operate
2. Improve the business enabling environment
3. Optimize human resource management
4. Strengthen value chains
5. Fuel product and service growth and innovation

The Protocol presents an impact pathway approach to measurement. Their definition and explanation of the impact pathway differs from what is understood to be one in LCA and Social LCA. It is based on methods of the monitoring and evaluation (M&E) field.
The terminology and framework has also been incorporated into the Social Return on Investment methods, which propose approaches for the valuation of social impacts.

**Social return on investment (SROI)** is a principles-based method for measuring extra financial value (i.e., environmental and social value not currently reflected in conventional financial accounts) relative to resources invested.

Figure 3. Elements of an impact pathway

Reproduced from the Social Capital Protocol, 2017

There are several examples of impact pathways presented. They are mostly at the level of a project (which makes sense since the framing comes from projects and initiatives M&E) and do not incorporate a life cycle perspective. But the Protocol provides a useful framing of a purposeful sequence of activities and their results in terms of outcomes and impacts. There is an agreement amongst evaluation professionals that the difference between these terms is confusing (in particular: inputs vs activities, outcomes vs impacts). Allegedly, the outcomes relate to the project goals and the impacts are the long-term consequences of the project. The literature points out that more often than not, it is very difficult to identify the exclusive impacts of a project since several other projects, not similar in nature can lead to the same impact. However, this is not highlighted in the Protocol.

Regarding valuation, the Protocol presents all the different options recommending “fit for purpose” instead of specific methods. The Social LCA Guidelines are listed as a resource to select indicators.
HUMAN WELL-BEING

The ultimate goal of sustainable development is human well-being, contributing to the needs of current and future generations.

*UNEP SETAC Guidelines for Social LCA*

Human well-being has its roots in the long history of trying to identify basic needs necessary to support human life which goes at least as far back as Aristotle in the western hemisphere. Popular use of the term ‘well-being’ usually relates to health. The World Health Organization defines Health as a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. The fields of Psychology, Philosophy and Economy have all contributed to the development of theories about well-being.

As a result, Human well-being is considered as a multidimensional phenomenon of which income is only one facet. Human development is defined as “a process of enlarging people’s choices” (UNDP 1990) in relation to enjoying a healthy life, acquiring knowledge and achieving a decent standard of living. Ultimately, it is a description of the state of an individual’s life situation.

Many terms are used, sometimes interchangeably, to refer to human well-being. The most common are quality of life, living standards and human development, but the following terms can also be used: welfare, life satisfaction, basic human needs fulfillment, human development, happiness and utility.

Authors have attempted to identify essential human needs, which are not viewed as well-being itself, but rather as preconditions of well-being (Alkire, 2002). Maslow, Max Neef, Alkire, Deci, Finnis, Sen and Nussbaum have all developed different models of human needs.

Maslow’s pyramid is well known. However, when testing it researchers have found: “Although the most basic needs might get the most attention when you don’t have them,” Diener explains, “you don’t need to fulfill them in order to get benefits [from the others].” Even when we are hungry, for instance, we can be happy with our friends. “They’re like vitamins,” Diener says about how the needs work independently. “We need them all.” (McLeod, 2017)
There is an agreement amongst authors that without a minimum level of the basic physical necessities to life such as food, water, shelter, clothing and security, the human body will perish. Research has also demonstrated that without a minimum level of opportunity and freedom, without opportunities to meet basic psychological needs for autonomy, competence, and relatedness (Deci, 1995), the body may survive but the human spirit will wither within.

According to Max Neef, human needs are to be understood as a system i.e. they are interrelated and interactive.

Human Rights and well-being are two concepts that are intimately related but often not aligned in discourses because they stem from different fields of research.

Human rights promote human happiness and wellbeing because they protect people's vital needs and fundamental interests. The protection of these basic rights further enables people to pursue those things they find enjoyable and worthwhile (Burke, 2009). This right is expressed in the Universal Declaration of Human Rights, which states that "everyone has the right to a standard of living adequate for the health and wellbeing of himself and his family, including food, clothing, housing and medical care" (Universal Declaration of Human Rights, Article 25).
Well-being dimensions are generally well covered by the Declaration of Human Rights.

In the sustainability field, generally, Human well-being is referred to as:
- An index to calculate how countries (or states/communities) fare on dimensions related to well-being (e.g., OECD Better Life Index, Social Progress Index, The Economist Quality of Life Index, Gallup Healthways Well Being Index).
- An assessment based on a questionnaire/survey to assess employee’s well-being baseline at a factory or corporate site.
- An endpoint category (area of protection) that can represent a single score social impact results in Social LCA.

**Well-Being and Happiness Index**

The prevalent measure of national success has been and continues to be money, (other than, of course, sports) (Fox, 2012). The specific metric used since World War II is the dollar value of a country’s economic output, expressed first as gross national product, later as gross domestic product. This is certainly an improvement over long-standing ranking by military victories. We also have to say that the era of GNP and GDP has been characterized by a huge global rise in living standards and in wealth (Fox, 2012). However, since the early 2000 and even more so since 2011, there is a movement to replace or complement monetary measure of national success by a measure of its citizens’ well-being or happiness. This type of measures has multiplied recently and allow to rank countries or states depending of their performance on certain human well-being variables. The OECD Better Life Index even allow users to set their own priorities to calculate ranking results. The country of Bhutan has developed its Gross Happiness Index that it uses to make policy decisions instead of GDP.

**Employee Well-Being surveys**

The development of employees’ well-being surveys has grown exponentially in recent years too. This is due to an upsurge of interest in reducing stress and its impact on performance, in part due to difficult economic conditions requiring more innovative and effective ways to cut costs (Young and Chapman, 2012). The stress response causes physiological changes in a person which prepare the body for 'fight or flight'. These physiological responses, although unnecessary today, causes real physical, psychological and business impacts.

Young and Chapman (2012) note that the interest in the stress response began to grow during the 1980s. During the 1990s the prolonged recession prompted organizations
to downsize and flatten their structures resulting in job losses. This resulted in fewer people left to do more of the work. In addition, there were important technological developments which generated increased information and a faster pace of work (e.g., computers). That lead to an increase in the number of cases of stress. This in turn explains companies’ rising interest because of the increased costs due to absenteeism, staff turnover, health insurance (in the US) and litigation. In more recent years there have been significant developments in stress management in the working environment and a significant change of emphasis in terminology. The wider concept of promoting wellbeing became a common way to view the subject, embracing and expanding ‘stress reduction’ efforts.

There is mounting evidence that early methods of stress management in organizations were not effective. Costs to industry and employers have continued to rise. There is now greater awareness of variables affecting well-being at work, notably the role of managers, the quality of the working environment and employee engagement. With continuing pressure for organizations to decrease costs whilst promoting performance, this is an area likely to be of interest for some time to come. In addition, automation may have profound impacts on human well-being in years to come.

SHINE has developed its own employee well-being survey based on leading research and has been one of the first groups piloting worker well-being surveys in supply chains, mainly in the apparel sector. Until now, well-being approaches were mostly focused on developed economies (business’ operation) and rarely applied in a developing economy context (supply chain). The first time it is administered, a well-being assessment provides a diagnostic that will serve as a baseline. Businesses can then implement changes and re-conduct the assessment in the years after to assess if there were improvements or setbacks in the well-being of the workers. Well-being surveys are complementary to compliance instruments because they do not cover many of the international instruments’ criteria. However, they cover other aspects that have not traditionally been captured in social audits such as: supportive supervisor, job autonomy, trust management, conditions that support productivity, co-worker support, etc.

Well-being surveys have the potential to generate a more candid picture of workers’ situation because of the way data are collected. Data collection is more inclusive of their voice, and less bureaucratic than a typical social audit process. There are focus groups and more interviews than in a compliance assessment, and surveys are being conducted by researchers who can convey a genuine interest in the life conditions of workers. Social audits of the recent years resemble more a formal, almost legal exercise with a tight timeline and less flexibility. In that sense, well-being surveys
bring back some of the spirit of participatory approaches developed in the 1980’s and 1990’s in the development field and applied to assess the impact of development projects. However, if workers’ concerns are not addressed following a well-being survey, workers will lose trust in the process. This has become one of the major problems with social auditing, since often actions have not adequately been taken to resolve instances of non-compliance (Locke, 2011). In many cases workers have lost trust that social audits will bring meaningful change to their situations (excessive working time, health and safety etc.).

**Well-Being as an area of protection**

Life Cycle Assessment defines area of protection to ease decision-making by presenting results summarized in relation to the smallest possible set of “areas of protection” or endpoints of ultimate concern, such as human health, ecosystem quality, and resources. Social LCA usually defines one area of protection which is all-encompassing: human well-being. Social fairness/equity is the only other endpoint which has been suggested in the literature. However, as explained in the Social LCA section, there isn’t yet a comprehensive overall model that captures causal chains tracing the impacts from direct effects or characteristics of work processes to a comprehensive set of issues. This is due in part to a lack of other empirical research findings being integrated in Social LCA, but it is also due to the fact that social impacts generally result from a number of causes, and that a cause may or may not be responsible for an impact depending on the situation, individual etc.

Human well-being is also used as a way to refer to a single score in Social LCA (social footprint) and thus refer to all aggregated impact category results.
A Net Positive Framework

DEFINITION AND PRINCIPLES

The idea of Net Positive stems from the realization that if individuals and companies all have sustainability footprints (measurement of the cradle to grave negative impacts on the environment and society) they also have the capability to bring about changes that reduce those sustainability footprints and that also create what are called sustainability handprints (measurement of the cradle to grave positive impacts on the environment and society).

Net positive is defined as “putting back more to society and the environment than we take out.” In short, it means: giving more than we take, or doing more good than harm.

Therefore, a Net Positive assessment entails the measurement of a product or organization footprint and also of its handprint.

For each impact category:

Net Positive = Handprint – Footprint

The Net Positive project considers handprint to be a change to business as usual. For organizations, business as usual is defined simply, as: responding to this year’s demand with last year’s products and processes.

The definition of handprint as changes to business as usual means that reductions to business-as-usual footprint, including reductions to the business as usual footprints of products, count as handprints. It makes sense to count such changes as handprints because they are, after all, beneficial changes that the organization brings in the world, and reductions in humanity’s footprint. Beneficial changes grow an organization’s handprints, while detrimental changes shrink their handprints. If the detrimental changes exceed the beneficial ones, the organization has a negative handprint – not a good thing.

The fact that handprints represent all changes to business as usual means that companies are encouraged to create handprints in part by improving the life cycle performance of their products, increasing the contributions and decreasing the footprints. Handprinting begins by optimizing the positive impact potential to be found within the company’s core business.
The Net Positive project has developed a set of principles that serves as a guide for companies seeking to integrate Net Positive in their strategy, goals or metrics development and that also provides a framework for Net Positive methodology development.

Net Positive methodology for organizations addresses how organizations can measure, compare, and communicate about the positive and negative impacts associated with their products, processes, value chains, and other influences in the world. The following figure presents the 4 Principles and their definition.

Figure 5. Net Positive Principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>Focussing on what matters most</td>
</tr>
<tr>
<td>Systemic</td>
<td>Influencing change beyond an organization’s four walls</td>
</tr>
<tr>
<td>Regenerative</td>
<td>Creating positive self-replicating cycles in nature and society</td>
</tr>
<tr>
<td>Transparent</td>
<td>Sharing progress honestly</td>
</tr>
</tbody>
</table>

These 4 pillars provide a roadmap for companies that seek to become Net Positive. It highlights the importance of prioritization, the creation of ripple effects and consideration of full product/corporate life cycles, making sure the positive impacts do not have an un-addressed dark side, and requiring the transparent sharing of credit among all parties to generate progress. The Principles clarify that Net Positive is a pursuit, and that we are in for the long haul.

Table 7. Description of the 4 Net Positive Principles

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>Net positive strategies focus on those social and environmental issues most impacted by a business and its value chain, as identified by internal and external stakeholders on a routine basis. Positive impact on one material issue</td>
</tr>
</tbody>
</table>
### Systemic:

Net Positive catalyzes change to improve practices across entire value chains and social, economic and environmental systems, with the recognition that just addressing a single organization’s behavior would not significantly change outcomes to society and the environment. These systems, and their underlying relationships, are dynamic and must be continually reassessed to ensure greatest impact.

### Regenerative:

Net Positive revitalizes the natural world, strengthens social communities, improves individual well-being and strives for long-term positive impact. Net Positive does not cause irreversible losses to society, the environment and individuals—protecting human rights, indigenous rights, community development and ecosystems, including critical habitat and specially designated conversation areas. Any footprint resulting from handprints must be addressed.

### Transparent:

Net Positive requires actions, progress, and measurement that are clear, credible, and easily accessible in communications. Attribution of all material impacts, both positive and negative, or said another way to a company’s handprint and footprint, impacts must be measurable and demonstrable.
**SCOPE: A LIFE CYCLE APPROACH**

At the policy level, there is a consensus that a life cycle approach is needed to fully consider the environmental and social impacts of a product or an organization.

“A life cycle approach is crucial to developing reliable information which considers environmental, social and economic impacts along the life of goods and services. It implies the understanding that materials are extracted from the earth, converted into process materials, combined with other materials to make parts, assembled into a finished product, shipped to customers who use the products and finally, the products are disposed of in some fashion. Along that value chain, energy and other natural, social and economic resources are used, waste generated, and the related impacts, both positive and negative, are distributed across societies to varying degrees around the globe. A life cycle approach will help to reduce the negative impacts and accentuate the positive.” (UN Environment, 2017)

The United Nations Guiding Principles on Business and Human Rights (UNGP) has also set the scope of social impact assessment to include anybody involved in or paid for goods and services in an organization’s operations or in its supply chain. This include value chain actors (suppliers), workers and their communities and applies to all tiers, so also includes subcontractors, sub-suppliers and their workers and communities.

Every good and every service, every organization and individual has a supply chain. Those supply chains involve thousands of processes that typically span the globe, and include a diverse set of activities, many of which have important environmental impacts, and many of which have important social impacts.

To assess the full footprint of a product or an organization we need to consider the impacts of the organization’s direct activities plus the impacts of all the processes in the supply chains of all the goods and services that they purchase. This scope is referred to as Cradle to Gate. To implement a full life cycle approach, we also need to consider the impacts of the use phase and end of life. This is called a cradle to grave assessment. The Net Positive Project proposes a scaling process where organizations increase the scope of their footprint and handprint assessment over time with the goal of implementing a full life cycle approach.
MATERIALITY ASSESSMENT

As we have seen, one of the four pillars of the Net Positive principles addresses materiality. It requires that “Net Positive strategies focus on those social and environmental issues most impacted by a business and its value chain, as identified by internal and external stakeholders.”

Historically, sustainability has focused on a company’s responsibility to reduce its footprints: the negative impacts caused by its processes and value chains. For this reason, external stakeholders have tended to focus on what we might call the organization’s material negatives: the social and environmental issues most impacted (negatively) by the business and its value chain.

Net Positive assessment keeps full attention on material negatives, and expands attention to include opportunities for creating material positives. Material positives are those social and environmental issues on which the business has its greatest opportunity or potential to create positive change.

FRAME: FOOTPRINTS AND HANDPRINTS

A pragmatic approach to Net Positive assessment is to use the Footprint of the organization as a measure of what it takes out, and then to use the Handprint of the organization as a measure of what it puts back. If the organization’s Handprint is larger than its footprint on a given impact category, it is creating positive change larger than the burden associated with the operation of the organization. In this sense, the organization could be considered to be Net Positive for this impact category.

Within this approach, we can identify a series of milestones of increasing achievement along the Net Positive journey. These milestones correspond to increasing scope of the footprint that the organization’s handprint exceeds. First, an organization’s Handprint may be large enough to exceed the footprint of its own operations; this is a good start, and a milestone worth celebrating. Next, the handprint may be so large that it exceeds the organization’s full embodied footprint, or “cradle to gate” footprint; this footprint is a measure of the full burdens of its operations plus the full supply chain impacts of all the goods and services needed for the organization to function. The embodied footprint provides a compelling target or hurdle that an organization can seek to exceed with its
Handprint. Having a handprint greater than the organization’s full embodied footprint is an important milestone for Net Positive assessment.

**STRUCTURE OF A NET POSITIVE ASSESSMENT FOR SOCIAL IMPACTS**

**ASSESSMENT FRAMEWORK**

The assessment framework that we propose builds on the work of the net positive project and follows the same principles (material, systemic, regenerative and transparent).

Because the supply chain is often where businesses’ social hotspots are found, an approach reaching towards a full life cycle scope is needed, as proposed already by the net positive project. Therefore, our approach is based on social life cycle assessment. It positions change to business as usual as the key component of the approach. This is a new perspective for Social LCA because positive impacts have not been considered as change before. Even though this is not clearly expressed in the WBCSD Social Capital Protocol, it seems that change is also the basis on which outcomes and impacts are to be measured within the Protocol.

We understand social impact as the effect that a company’s actions have on the wellbeing of people who work in the supply chain, and who live in the communities where these activities are located. We consider Human Rights as a starting point on the way to achieving wellbeing and to make a valuable contribution to the UN Sustainable Development Goals. Our approach integrates the UN Guiding Principles’ key recommendation of conducting human rights due diligence.

Why use change as the determinant of handprint creation? Because it is a clear indication of purposeful action to create positive impacts that goes beyond business as usual. Business as usual is determined based on the past year’s activities. This approach recognizes businesses for taking an active role in the creation of social handprints.

Companies have several touchpoints by which they have leverage on social impacts. A company has tangible touch points with all main stakeholder categories as illustrated by Figure 6. It has also touch points that go beyond its own operations. For instance:

- *The relationship between the business teams and suppliers.*
- *The relationship between the suppliers and their workers/ local communities/ other suppliers.*
- *The relationship between the ethical trade team and suppliers/workers.*
The relationship between the business teams/lobbyists/industry associations and governments.

In addition, a company can have leverage by:
- Joining other organizations in partnerships and collaborations;
- Using certified inputs if the certification manages effectively the social risks and create additional benefits;
- Designing products taking into account the risks and opportunities associated with the potential inputs.

As depicted in the following figure, companies’ supply chains are complex and intricate. A business and each of its upstream suppliers has impacts on workers, communities, society, value chain actors and potentially, consumers.

Figure 6. Excerpt of a business universe of social impacts

The first step for businesses on their path to net positive is to conduct a comprehensive materiality assessment. By comprehensive materiality assessment we mean that it should include stakeholders’ qualitative assessment, potential impacts on the bottom line and social footprint results that ideally would be derived from what LCA refers to as a normalization analysis. It should include the identification of material negative responsibilities as well as material positive opportunities. A social footprint provides
information about the impact categories most at risk for the company or its products, while normalization analysis compares these impacts to those of a larger “reference system” such as all activities in a given region for a given year; normalization results highlight which are the impact categories for which the industry (and its supply chain) accounts for higher contributions relative to their contributions on other impact categories. **Normalization analysis identifies impact categories for which the industry has higher relative leverage than other impact categories.** With the combined information provided by a full materiality assessment, it is possible to prioritize the impact categories that should be considered in the handprint assessment. For each category, a social hotspots assessment is conducted. This will identify which production activities and locations contribute a greater share to the total risk or impact for that category. The social hotspot assessment also provides the baseline against which progress will be measured.

The next step is to collect site-specific information for the hotspot activities, to develop a refined baseline. This site-specific information is obtained by using social audit information, workers’ survey results, participatory evaluation or other similar methods.

**Figure 7. Handprint assessment process**

Once the impact categories and the sites have been identified, a root cause analysis is required. A root cause analysis may be a simple exercise consisting of interviews or a more substantial research based on a literature review, stakeholder survey/interview and field research. A root cause analysis is necessary to evaluate what actions or changes will create the positive impacts desired. Sometimes the root causes may be related to business practices but sometimes the root causes may be related to cultural factors or conditions beyond those generally considered under the influence of a brand. Root causes can then be mapped to a company’s touch points.
The creation of a handprint is the creation of a change, by implementing an intervention found to have leverage over the improvement of social conditions for an impact category.

To measure the social handprint, we need to measure the outcome of the activity or change and its impacts related to the impact category.

Figure 8. Handprint assessment steps and results

As an example, let’s assume that child labor is a material impact for a business, and the business wants to reduce child labor risk at a supply chain location where there is...
currently a high risk. In order to reach a lasting solution to the problem there, we need to understand what are the drivers or cause of child labor. Is it poverty? Lack of schools? Lack of a safe place to keep children? Lack of caretakers? Attempts to avoid child marriage? Strenuous daily production quotas?

When there is an understanding of what the root causes are, the action or “change” can then be planned. This may be a change in purchasing practices, or help/funding provided to suppliers to open a day care. After implementation we can measure direct outcomes, such as the number of children attending the day care or the reduction in daily quota strain. Finally, we can measure the impacts. These may be a reduction in child labor risk which can be expressed using the same units of measure used for social risk footprints, such as medium risk-hour equivalents, or similar. For the same impact category, footprint and handprint measures need to be calculated using the same unit. The handprint will account for the estimated total reduction in child labor risk, whether or not the reductions come within the business’ footprint or not, and whether or not the activities affected participate within the business’ supply chain or not.

Figure 9: Example handprint calculation

**EXAMPLE**

**Company X** identifies a supplier which is a hotspot for child labor risk.

The supplier’s work hours in X’s supply chain represent 40% of X’s child labor footprint. Let’s say initial child labor risk footprint is “10 units”.

- X can reduce its child labor footprint significantly (from 10 to 6) by eliminating this supplier’s child labor risk.

**X purchases 25% of this supplier’s output; the other 75% is sold to companies other than X.**

- The child labor risk associated with this other production is NOT part of X’s footprint.
- This other risk is 3 times the magnitude of its footprint risk (75% / 25%)
- If X reduces this risk too, it will create a child labor handprint.

**Let’s say X virtually eliminates the child labor risk at this supplier.**

- Footprint reduction for X from 10 to 6 (reduced by 40% = 4 units)
- Handprint creation for X = 3 x FP = 12 units.
- X is Net Positive on Child Labor!
WHAT IS NEEDED TO COMPLETE A SOCIAL HANDPRINT ASSESSMENT?

From the discussion above, we see that in order to complete a handprint assessment, we will need to carry several activities. The first are the materiality and footprint assessments. A materiality assessment prioritizes impact categories that have a higher perceived impact on stakeholders and a potentially greater impact on a company bottom line. This is usually done via surveys, interviews or focus groups and the results are compiled by the CSO, business team or consultants charged with the assessment. In addition to this qualitative exercise a social footprint assessment should be conducted, in order to provide information about which impact categories and subcategories are more at risk for the business. Normalized results of the assessment will provide information about the relative leverage of the company’s industry on certain impact categories compared to other categories. The social footprint assessment requires inventory data (purchases by country and sector), a supply chain model and social impact data as explained in the Social LCA section of this report.

The hotspots and baseline analysis build on the social footprint assessment. The hotspot assessment uses the same data, model and methods but identifies the hotspots by looking at the process contribution results. This will highlight which production activities are responsible for the greatest share of the risks/impacts for prioritized impact categories.

These steps are similar to the Social Capital Protocol first 2 phases but instead of qualitatively mapping the issues to the value chain, you conduct a social footprint and hotspot assessment.

The baseline is refined by using site-specific information collected at the facilities via social audits or worker well-being surveys.

A root cause analysis (RCA) is a process used to identify the primary source of a problem (USAID, 2018). For handprint creation, a root cause analysis is used to examine what is happening now (current situation) and how we can change this to reach our vision (Sustainable Development Goals, Human Rights). RCA looks at physical causes, human causes and organizational causes. It involves investigating the patterns of negative effects, finding hidden flaws in the system, and discovering specific actions that may have contributed to the problem. This often means that RCA reveals more than one root cause.

RCA has five steps:

1. Define the problem
2. Collect data
3. Identify possible causal factors
4. Identify the root cause(s)
5. Identify solutions

A root cause analysis could be greatly helped by the creation of a root causes database (“Root Cause Atlas”) where the results of studies about the root causes of social issues in different countries/regions and sectors/commodities could be aggregated and shared.

The planning and implementation of the change(s) (solution) are sensitive activities that require careful design and execution. Some changes are easy to make and don’t require much effort while other interventions will be longer-term and may need to involve a range of stakeholders.

Once an intervention has been successfully implemented the outcomes and resulting impacts can be measured. Impacts can be counted as footprint reduction and handprint creation. They need to be expressed in the same unit for the impact category. At the moment, we suggest using Medium Risk Hours Equivalent for this purpose.

Figure 10. Data and data collection

- Database ➔ Baseline
- Desk research ➔ Baseline/ root cause
- Social compliance data ➔ Refined baseline
- Site specific and suppliers’ surveys ➔ Refined baseline/ Impact assessment/ Root cause identification
- Academic research ➔ Root cause identification/ Impact assessment
APPRECIATION ANALYSIS

While handprints are about change, there is also an important role in the pursuit of Net Positive for Appreciation Analysis, which assesses and quantifies:

- Contributions of a company’s existing products relative to those products vanishing without replacement; and
- Contributions of a company’s existing products relative to those products being replaced by the most likely alternative.

Appreciation analysis highlights promising business-positive ways to create positive change. A company that makes products whose contribution relative to vanishing exceeds the footprint of creating the product can move towards Net Positive by increasing demand for such products. A company that makes products whose contribution relative to their most likely alternative exceeds the footprint of creating the product can move towards Net Positive by increasing their market share for these products.

Another way to move towards Net Positive – shrinking its footprint and growing its handprint – is through constructive supply chain engagement. For example: a company which transfers the results of root cause assessment and successful interventions to its suppliers in order to reduce their social risk footprint will shrink its own footprint (by reducing the footprint of its purchases) and further grow its handprint by reducing the footprint of the supplier’s other customers.
APPLICATION TO ELECTRONICS SUPPLY CHAIN: A ROADMAP

CONCLUSION

One of the Electronics industry social sustainability journey key milestone was the creation of the Electronics Industry Code of Conduct in 2004, which became the Responsible Business Alliance (RBA) in 2017. Early on, the Electronics industry was able to converge in its approach to supply chain assessment and the sharing of audit results.

The industry has an enormous transformative potential in part because it is integrated with so many other industries, as shown by the current membership of the RBA (which includes retail, auto and toy companies). To become net positive, companies within the electronics sector have to manage their supply chains risks, reduce their negative impacts and create ripple effects through the creation of social handprints.

Materiality assessments are regularly conducted by companies of the electronics sector. This combined with a social footprint and hotspots assessment, form the basis on which the industry, and specific companies, can develop a strategy to become net positive on material impact categories. Because social compliance information is available for part of the supply chains, the baseline can be refined and gaps identified.

Figure 11. Roadmap

With the available information, mapped together, it is possible to plan for handprint creation on material impact categories. Net positive is a journey and we can start with one
or a few impact categories and by limiting the supply chain scope included in the year’s net positive assessment.

The proposed structure integrates human rights due diligence, materiality assessments and is in line with the framework of the social capital protocol, although not proposing at this point that impacts be monetized. This way companies can at the same time satisfy stakeholders, investors and legal requirements and work towards achieving net positive status on impact categories.

While it is already possible to journey through the handprint creation steps proposed here, the developments summarized in Table 8 would help make that journey easier, increase legitimacy and make assessments more precise and comprehensive.

Table 8. Development needs

<table>
<thead>
<tr>
<th>Type</th>
<th>Development need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normalization</td>
<td>Compilation of a social risk normalization dataset (the method exists but the necessary data have not yet been fully compiled)</td>
</tr>
<tr>
<td>Units</td>
<td>Gaining consensus on a unit to use for the footprint and handprint measure by impact category</td>
</tr>
<tr>
<td>Models</td>
<td>Development of more detailed value chain models (including for the sourcing of precious metals)</td>
</tr>
<tr>
<td>Data (1)</td>
<td>Collection of production activity and sub region level social impact data</td>
</tr>
<tr>
<td>Data (2)</td>
<td>Collection of baseline information for wellbeing dimensions not included in social audits</td>
</tr>
<tr>
<td>Root causes</td>
<td>Creation of a database of empirically-established root causes by impact and country/region</td>
</tr>
</tbody>
</table>

The fact that handprints are changes to business-as-usual means that companies are encouraged to create handprints in part by improving the life cycle performance (increasing the contributions and decreasing the footprints) of their products.
Handprinting begins by optimizing the positive impact potential to be found within the company’s core business.

As organizations progress on their net positive journey they may be ready to add accountability for impacts that occur somewhere in its value chain, but which impacts lie outside the scope of its footprint per se. For example, the organization can influence how one of its suppliers produces products that the supplier sells to other companies. The organization can further expand its sphere of influence accountability to include the reduction of footprints at activities that are not part its value chain at all. And finally, it can include the creation of positive impacts that are not logically seen as footprint reductions.

Figure 12: Spheres of Influence for Handprint Creation

Expansion of sphere of influence accountability by an organization in Handprinting involves a profound change, in the sense that it brings both expanded potential for positive handprint (co)creation and may entail expanded (co)responsibility for negative change influence that the organization may wield.

When the largest asset manager in the world (Blackrock) sends a letter to CEOs of public companies asking them to start accounting for the societal impact of their businesses, you
know this is a paradigm shift. Net positive is a promising framework for companies to account for their societal impacts, and the electronics industry is well positioned to start measuring the positive impacts they contribute to create.

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APPENDIX A: LIST OF POTENTIAL TYPES OF EFFECTS
<table>
<thead>
<tr>
<th>Legend</th>
<th>SHDB</th>
<th>UNEP SETAC Methodological sheets</th>
<th>UNEP SETAC Guidelines for SLCA</th>
<th>SHDB, UNEP SETAC Guidelines, SDG Reference</th>
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<tr>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>High Conflicts</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Indigenous Rights</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Corruption</td>
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</tr>
</tbody>
</table>

- **High Conflicts**: Indicators that are present within the social and political sphere, which determine the level of conflict, inter-sectoral or within a country. These indicators can measure the degree to which the society is subject to violence, the state's effectiveness in handling conflicts, and the level of control the state exerts over its territory. The state's effectiveness in handling conflicts varies from minor to severe, while the level of control varies from moderate to total. Conflict can be described as low, medium, high, or very high risk of occurrence.

- **Indigenous Rights**: Indicators that assess the rights of indigenous peoples, including their rights to land, resources, and culture. The indicators can be categorized as low, medium, high, or very high risk of infringement.

- **Corruption**: Indicators that measure the extent of corruption within a country or organization. The indicators can be categorized as low, medium, high, or very high risk of occurrence.

**Addition from Social Compliance**

- SHDB uses several indices and sources. The SHDB uses the UNCTAD Hotspots methodology for covering corruption risk.
- SHDB uses the ITC, the UNEP SETAC Guidelines for SLCA, and other guidelines to cover risks and impacts related to social, labor, and environmental topics.
- SHDB uses several sources, including the UNEP SETAC Guidelines for SLCA, the Global Reporting Initiative, and the World Bank to cover risks and impacts related to social, labor, and environmental topics.

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<table>
<thead>
<tr>
<th>Domain</th>
<th>Indicator</th>
<th>Subcategory</th>
<th>Methodology</th>
<th>Data Sources</th>
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</thead>
<tbody>
<tr>
<td>Labour Rights and Decent Work</td>
<td>Wages</td>
<td>Reduced inequalities</td>
<td>Methodological sheets/ Pré Social Roundtable Handbook</td>
<td>SHDB, Handbook for Product Social Impacts, UNEP SETAC Guidelines for SLCA, WBCSD Chemicals Guidelines. SHDB covers in the UNEP SETAC Guidelines for SLCA. For example: Forced Evictions, UNEP SETAC Guidelines for SLCA. Also included in the UNEP SETAC Guidelines for SLCA.</td>
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<tr>
<td></td>
<td></td>
<td>Responsible consumption and production</td>
<td>Methodological sheets/ Pré Social Roundtable Handbook</td>
<td>SHDB, Handbook for Product Social Impacts, UNEP SETAC Guidelines for SLCA, WBCSD Chemicals Guidelines. SHDB covers in the UNEP SETAC Guidelines for SLCA. For example: Forced Evictions, UNEP SETAC Guidelines for SLCA. Also included in the UNEP SETAC Guidelines for SLCA.</td>
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<tr>
<td></td>
<td></td>
<td>Local Community</td>
<td>Methodological sheets/ Pré Social Roundtable Handbook</td>
<td>SHDB, Handbook for Product Social Impacts, UNEP SETAC Guidelines for SLCA, WBCSD Chemicals Guidelines. SHDB covers in the UNEP SETAC Guidelines for SLCA. For example: Forced Evictions, UNEP SETAC Guidelines for SLCA. Also included in the UNEP SETAC Guidelines for SLCA.</td>
</tr>
</tbody>
</table>
Job satisfaction is the extent to which workers are satisfied with their jobs and different aspects of their jobs. It is the workers' view that they are treated fairly and seen as part of the team. Job satisfaction is how people feel about their jobs and be loyal to their employers. Job satisfaction is the extent to which organizations respect, encourage, and support the well-being of workers. The balance affects the well-being of the workers’ family and social relationships. Workers are protected or at risk of labor rights violations. Subcontractors and home workers are a vulnerable type of workers because they may not fall in typical and protected work arrangements.

Social benefits refer to non-monetary compensation. Social benefits can include: medical insurance, dental insurance, paramedical insurance, including survivors benefits. Social benefits are important to ensure that workers have access to an effective and adequate health insurance and social security.

Labour rights and decent work is about the promotion, protection, and fulfillment of labor rights. Labour rights and decent work is about the workers’ right to form and join trade unions, the right to collective bargaining, the right to freely choose an employment relationship, the right not to be subjected to forced or compulsory labor, and the right to freedom of association and the right to bargain collectively.

Local community is about the promotion, protection, and fulfillment of the rights of local communities. Local community is about the rights of local communities to pursue their cultural development. Local community is about the rights of local communities to make decisions about issues that affect the community. Local community is about the right to take and promote a free, appropriate, and effective education and the right to access to health care services, intellectual property rights, scientific and cultural heritage, and freedom of expression and access to information.

Workers are protected or at risk of labor rights violations. Migrant workers risks. Several metrics can be used and are included in the Pré Social Roundtable Handbook for Product Social Impacts.
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