



# C2CPII Training for v4 Social Fairness Requirements



Module 4  
July 16, 2020

## ■ TRAINING CURRICULUM

### Four sessions:

1. Defining Human Rights & Social Fairness Expectations
2. How a Company is Expected to Manage Human Rights
3. Verifying Social Fairness Requirements
4. Beyond Compliance

### Zoom housekeeping:

- + Be present – 2 hour session
- + Please turn on your camera!
- + Virtual Engagement: Use the Chat function & dedicated Q+A periods
- + There are no “good or bad” questions...



## TODAY'S AGENDA

- + Recap Training Module 3 → Participant Discussion – Q&A
- + Beyond Compliance
  - Key concepts & maturity model
  - Accountability & scaling solutions
  - Gold & Platinum levels→ Participant Discussion – Q&A
- + Verification Requirements
  - [8.10 Social Impact Project](#)
  - [8.11 Transparency & stakeholder Engagement](#)
  - [8.12 Collaborating to Solve Social Issues](#)
  - [8.13 Building a Culture of Social Fairness](#)→ Participant Discussion – Q&A
- + Conclusion of Training Sessions → Participant Discussion – Q&A



## RECAP TRAINING MODULE 3

- ✓ Defining Assessor Expectations
- ✓ Social Fairness Toolkit – *focus on Desktop Verification Tool & Documentation for Verification*
- ✓ Deep Dive on Section 8.5 – Key Concepts
  1. Qualified Parties
  2. Requirements for performance data & verification
  3. Use of other standards for performance measurement
  4. Corrective Action Plans
- ✓ Deep Dive on Section 8.5 – Verification Details
  1. Requirements for performance measurement at different achievement levels
  2. Issues of High Concern (Bronze + Silver)
  3. Poor Performance Issues & Supplier Management (Bronze + Silver)
  4. When social audit performance is not available (Silver)
  5. Gold Level requirements
- ✓ Case Studies



## VERIFICATION REQUIREMENTS – SECTION 8.5

Assessors must verify the performance data submitted meets requirements, including:

- ✓ **Review the locations for which performance data is being provided**
  - Requirements for high risk vs. low risk locations, for all location types
  - Where required, Qualified Parties must have specified social audit credentials
  - Certification required for Gold level
- ✓ **Verify the Applicant's answers and supporting documentation**
  - Performance data must be provided for all human rights issues in an Applicant's human rights policy
  - And for additional issues identified in the Risk Assessment
  - When data is not available from high risk tier 1 suppliers, Assessor must verify efforts to obtain  
Continued lack of data shows distrust and lack of transparency – requirement to verify the Applicant  
has taken steps to suspend or terminate the relationship
- ✓ **Confirm corrective action is being taken and tracked**
  - Issues of High Concern must be resolved prior to certification
  - When poor performance is identified for other issues, Assessor must verify CAP has been created,  
progress, and remediation (Silver level and at Silver level re-certification)

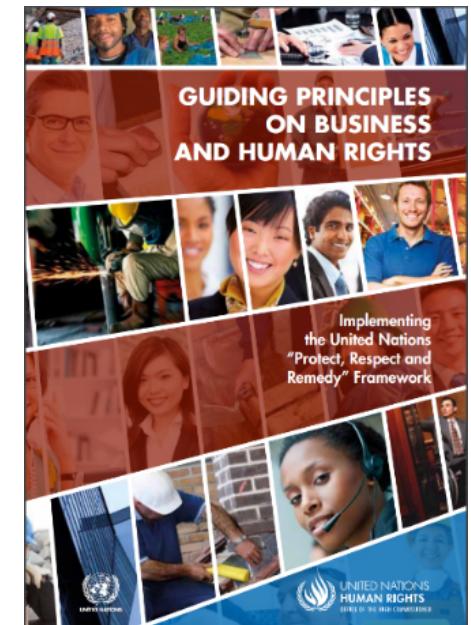


# BEYOND COMPLIANCE

## ■ UNGP CORPORATE RESPONSIBILITY TO RESPECT

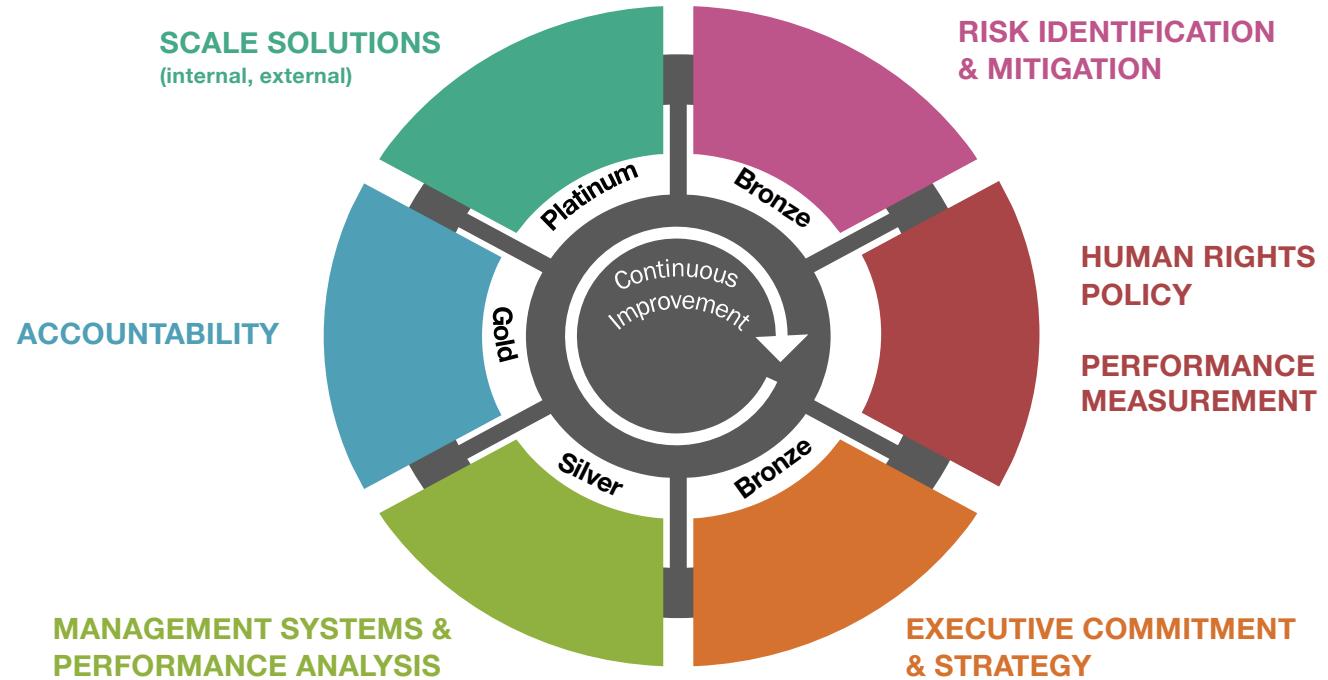
Business enterprises should respect human rights, meaning they should avoid infringing on human rights of others and should address adverse human rights impacts with which they are involved.

- + Human rights defined as risks to people
- + Focus on risk assessment & risk management  
*including prevention, mitigation, and remediation*
- + No “social offsets”
  - Business enterprises may undertake activities to support & promote human rights, but...
  - The UNGPs make clear support for human rights cannot substitute for respect for human rights
- + Applies to all enterprises
  - Regardless of their size, sector, operational sector, ownership and structure
  - SMEs may have less capacity and more informal processes/ management structures... severity of impacts should be the lens for prioritized actions and management



## SOCIAL FAIRNESS REQUIREMENTS

Applicant companies commit to uphold human rights and apply fair and equitable business practices.



2 <sup>nd</sup> DRAFT V4 Social Fairness Requirements	
BRONZE	<ul style="list-style-type: none"> <li>Human rights risk assessment for applicant company through tier 1</li> <li>Human rights policy based on international standards and risk assessment</li> <li>Strategy for policy implementation, including performance objectives</li> <li>Performance measured, corrective actions planned, and progress at renewal (applicant and final manufacturing)</li> <li>Select corrective actions complete, e.g. child or forced labor, structural safety</li> <li>Executive commitment to achieving high levels of performance</li> </ul>
SILVER	<ul style="list-style-type: none"> <li>Performance data requested from tier 1 suppliers in high-risk locations, corrective actions planned and tracked</li> <li>Performance data analyzed to measure progress on achieving strategy</li> <li>Management systems for implementation and oversight of policy</li> <li>Grievance mechanism (applicant)</li> <li><b>Positive social impact project</b></li> </ul>
GOLD	<ul style="list-style-type: none"> <li>Human rights risks assessed for product components and raw materials</li> <li>Certified materials to address risk of child labor, forced labor, or conflict</li> <li>Responsible sourcing management system</li> <li>Grievance mechanism (contract manufacturing)</li> <li><b>Positive social impact project – impact assessment</b></li> <li><b>Open, transparent governance and reporting; stakeholder engagement and feedback informs strategy</b></li> </ul>
PLAT	<ul style="list-style-type: none"> <li><b>Collaboration to solve an intractable social issue</b></li> <li><b>Diverse, inclusive, engaged work environment and living wage</b></li> </ul>

# BEYOND COMPLIANCE

A Beyond Compliance approach creates positive outcomes for multiple stakeholders. This approach goes beyond risk assessment and risk management.

## Capability Building

Investment in building deeper relationships, overall capacity, and business value

- Culture of Social Fairness
- Internal consulting and training
- Responsible Sourcing Management
- Empower suppliers and vendors towards greater accountability of their supply chain

## Industry Participation

Explore opportunities for more proactive engagement, learning, and input in global industry initiatives



## Community Investment

Support empowerment, realization of rights, and access to basic needs, as a complement to risk management.

- Stakeholder engagement aligned in every action
- Align positive investment with corporate strategy and production implementation
- Support for community programs

## Transparency & Stakeholder Engagement



## ■ Q&A – PARTICIPANT DISCUSSION

### Beyond Compliance

- Questions / comments about UNGP Corporate Responsibility to Respect – no “social offsets”?
- Questions / comments about Beyond Compliance approach?
- Questions / comments about Beyond Compliance in the v4 Social Fairness requirements / achievement levels?



# VERIFICATION REQUIREMENTS

## 8.10 POSITIVE SOCIAL IMPACT PROJECT

**Social Fairness Requirement:**  
Implement a positive impact project that measurably improves the lives of employees, the local community, or a social aspect within the value chain of the product.

**Definition:** A Social Impact Project is a project implemented often through community investment or community development efforts, where an Applicant is engaged in activities to help address wider issues affecting people – including employees – in the communities where the applicant does business or its products are made.



## 8.10 POSITIVE SOCIAL IMPACT PROJECT

Silver Level

**REQUIREMENT:** Implement a positive impact project that measurably improves the lives of employees, the local community, or a social aspect within the value chain of the product.

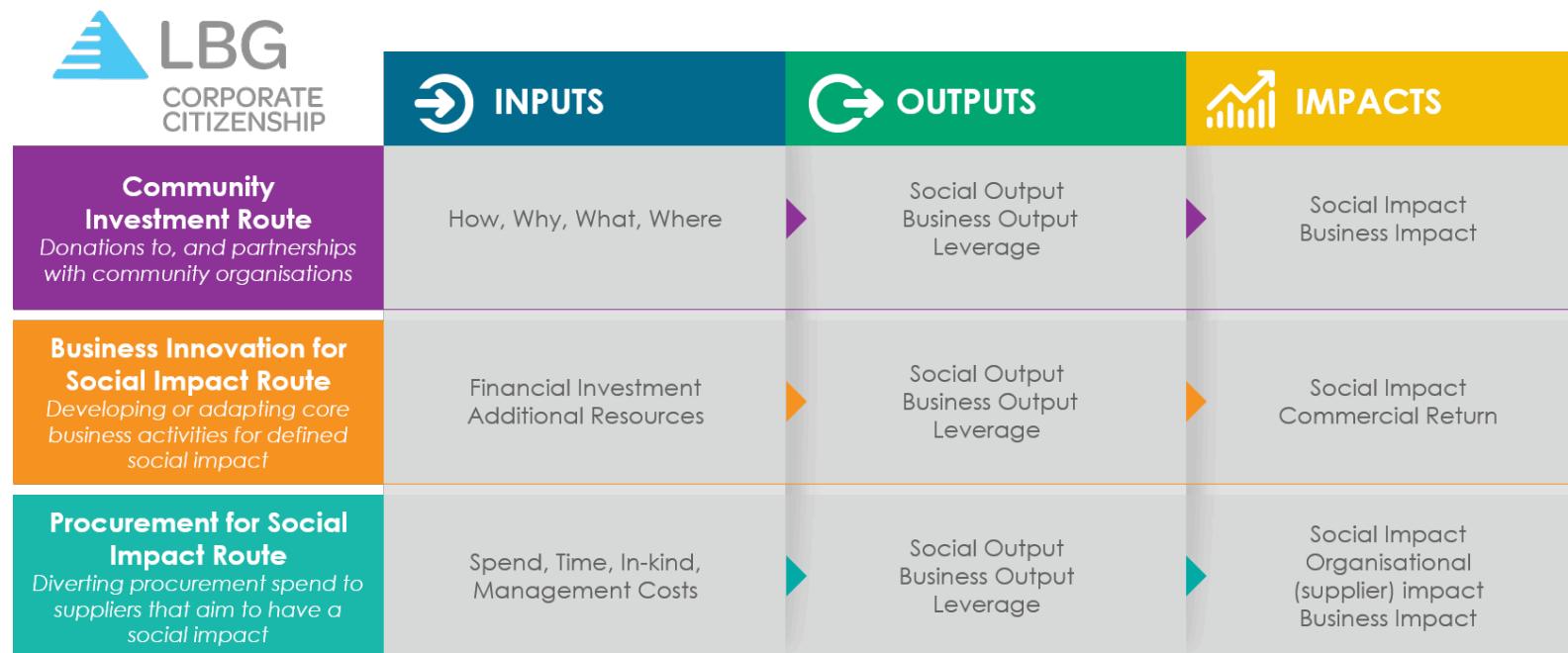
Requirement details:	Documentation for Verification
1. The Applicant must invest in a social impact project that involves issues or opportunities that were <b>identified in the risk assessment</b> process (per Section 8.3) or that are otherwise material to the company.	<ul style="list-style-type: none"><li>• Description of which issue(s) or opportunity(ies) are addressed from the risk assessment process.</li><li>• If the project focuses on an issue separate from those identified in the risk assessment process, provide an explanation of how this issue was chosen - which must include relevance to at least one stakeholder group (as defined in 8.3).</li></ul>
2. The project goal(s) must be supported by one or more <b>key performance indicators</b> that are tracked before, during, and after the project.	<ul style="list-style-type: none"><li>• Description of measurable outcomes that are planned for the project, and one or more KPIs that is being tracked, before, during and after the project to demonstrate improvement/ change.</li></ul>
3. Project selection must incorporate <b>employee input</b> .	<ul style="list-style-type: none"><li>• Documentation of employee input received and/or employee engagement process. This could include email communication, meeting notes, or survey responses, etc.</li></ul>



## 8.10 POSITIVE SOCIAL IMPACT PROJECT

Key Performance Indicators (KPIs) must be selected and tracked before, after and during the project. It is important to understand the difference between inputs, outputs, and impacts.

The LBG Measurement Framework defines these different types of indicators as follows:



Source: <http://www.lbg-online.net/framework/>



## 8.10 POSITIVE SOCIAL IMPACT PROJECT

Gold Level

**REQUIREMENT:** Implement a positive impact project that measurably improves the lives of employees, the local community, or a social aspect within the value chain of the product.

Requirement details:	Documentation for Verification
Conduct an <b>assessment to determine the impact</b> of the positive impact project using quantitative metric(s).	<ul style="list-style-type: none"><li>A quantitative impact assessment has been conducted to evaluate the impact of the project.</li></ul>
1. For the Gold level, impact assessment must be performed based on the defined key performance indicator(s).	<ul style="list-style-type: none"><li>A copy of impact assessment report, including tracking of defined KPI(s) for evaluation.</li><li>The impact assessment must draw on the KPI(s) that were developed at the Silver level, and must evaluate and demonstrate measurable progress since the project initiation.</li></ul>
2. For recertification, measurable progress must be demonstrated.	<ul style="list-style-type: none"><li>The impact report indicates an improvement in KPI(s) demonstrating positive impact.</li></ul>

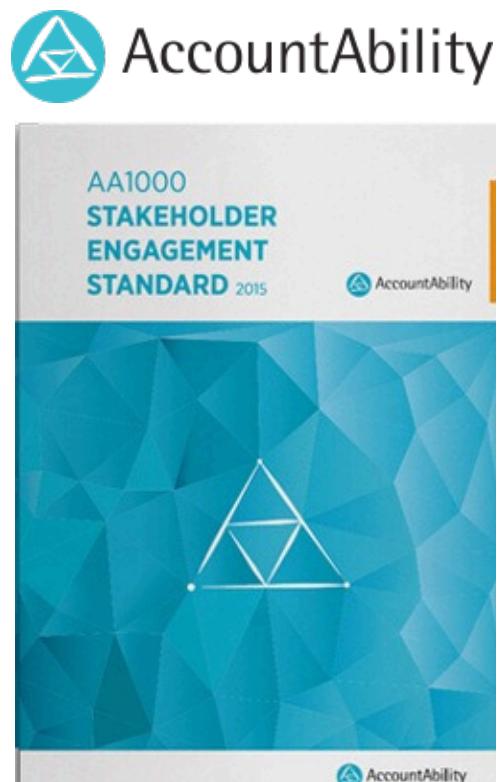


## 8.11 TRANSPARENCY & STAKEHOLDER ENGAGEMENT

**Social Fairness Requirement:**  
Use open and transparent governance and reporting, incorporating stakeholder engagement and feedback to shape strategy and operations.

**Definition:**  
Transparency is the effort to make information available, clear, and understood.

Stakeholder engagement is the process used by an organization to engage relevant stakeholders for a purpose to achieve agreed outcomes.



Reminder: Types of Stakeholders

**Affected stakeholders** include employees, contract workers, workers in the supply chain, and community members or groups located where the Applicant operates in or its products are produced.

**Stakeholder representatives** are groups that represent affected persons, which may include unions, employee or worker committees and community groups. Affected stakeholders are either internal or external stakeholders.

**Internal stakeholders** are typically anyone employed directly by the company.

**External stakeholders** include suppliers, communities, buyers, investors, civil society organizations, customers, and end-users of products.



## 8.11 TRANSPARENCY & STAKEHOLDER ENGAGEMENT

Gold Level

**REQUIREMENT:** Use open and transparent governance and reporting, incorporating stakeholder engagement and feedback to shape strategy and operations.

The Applicant must make the following information available to stakeholders:	Documentation for Verification
1. The <b>human rights policy</b> , objectives, progress towards achieving objectives, and a description of impacts.	<ul style="list-style-type: none"><li>The Applicant makes its human rights policy, objectives and activities available to stakeholders either via public disclosure or upon request.</li><li>If information is available in the company's Sustainability Report, website, Human Rights Report, or Modern Slavery Act, a link to where this information is disclosed publicly must be provided.</li><li>If the information is only available upon request, the Applicant must provide documentation of how stakeholders make such a request (e.g. statement on its website or other public location) and an example of what information is shared when a request is received.</li></ul>
2. Sourcing information including <b>number of suppliers by geographic location</b> . Required for the final manufacturing stage, direct suppliers to the final manufacturing stage, and high-risk components and raw materials (per Section 8.3).	<ul style="list-style-type: none"><li>A link to where the Applicant publicly discloses the number of suppliers by country, indicating what type of supplier by final manufacturing stage and/or high risk components or raw materials.</li></ul>
3. The Applicant must have a <b>robust process for accepting or soliciting, and responding to, stakeholder feedback</b> . Input from stakeholders must be regularly obtained and used to shape the strategy for implementing the human rights policy, management systems, and related operations.	<ul style="list-style-type: none"><li>A written process for accepting or soliciting, and responding to, stakeholder feedback.</li><li>This could be a defined process and/or disclosed in an external document like a Sustainability report, Human Rights report, or Modern Slavery Act statement.</li></ul>



## 8.12 COLLABORATE TO SOLVE SOCIAL ISSUES

### **Social Fairness Requirement:**

Collaborate to develop and scale solutions to an intractable social issue within the value chain of the product.

#### **Definition:**

Multi-stakeholder programs bring together businesses, governments, civil society, and/ or other stakeholders to address issues of mutual concern. Credible multi-stakeholder initiatives have well-established program governance, membership criteria, participation qualifications, and requirements for implementation.

- Multi-stakeholder programs bring together businesses, governments, civil society, and/ or other stakeholders to address issues of mutual concern.
- This requirement is focused on the need for collaboration and scale to drive solutions for the industry and society.

#### **Seven success factors for effective partnership:**

1. Openness, transparency and clear communication to build trust and mutual understanding;
2. Clarity of roles, responsibilities, goals and “ground rules”;
3. Commitment of core organizational competencies;
4. Application of the same professional rigour and discipline focused on achieving targets and deliverables that would be applied to governing, managing and evaluating other types of business alliances;
5. Respect for differences in approach, competence, timeframes and objectives of different partners;
6. Focus on achieving mutual benefit in a manner that enables the partners to meet their own objectives as well as common goals;
7. Understanding the needs of local partners and beneficiaries, with a focus on building their own capacity and capability rather than creating dependence.



*Source: Partnering for Success, World Economic Forum*



## 8.12 COLLABORATE TO SOLVE SOCIAL ISSUES



## 8.12 COLLABORATE TO SOLVE SOCIAL ISSUES

Platinum Level

**REQUIREMENT:** Collaborate to develop and scale solutions to an intractable social issue within the value chain of the product. Collaboration must be with a multi-stakeholder program or consortium that is working on a common goal to comprehensively address a social issue.

The Applicant must actively participate in the initiative for the full period of certification. The initiative selected must:	Documentation for Verification
1. Support implementation of the company's social strategy and policy.	<ul style="list-style-type: none"><li>• A description of the initiative with a link to the program's website.</li><li>• Description of how the program aligns with the Applicant's social strategy and policy.</li></ul>
2. Aim to drive progress within an industry or across multiple industries.	<ul style="list-style-type: none"><li>• Documentation of the multi-stakeholder program involving at least one industry to make progress on a shared social issue.</li><li>• This documentation may be a link to a description of the program's website if listed there.</li><li>• If the required documentation is not publicly available from the multi-stakeholder initiative, the Applicant must acquire documentation from the initiative, signed by a staff member. Signature by email is accepted.</li></ul>
3. Ensure that ground rules for the partnership allow for adequate voice for all participants.	<ul style="list-style-type: none"><li>• The initiative must provide bylaws or governance process that indicates how decisions are made. This documentation may be a link to a description of the program's website if listed there.</li><li>• If the required documentation is not publicly available from the multi-stakeholder initiative, the Applicant must acquire documentation from the initiative, signed by a staff member. Signature by email is accepted.</li></ul>
4. Include ongoing assessment of partnership impact.	<ul style="list-style-type: none"><li>• Project plans and/or Applicant documentation indicating that a review of the program and activities occurs regularly.</li><li>• This documentation may be generated by the Applicant to review the effectiveness of the program and its participation there within, or it may be generated by the multi-stakeholder program and distributed to participants.</li></ul>

## ■ Q&A – PARTICIPANT DISCUSSION

### Beyond Compliance

- Questions / comments about 8.10 - Positive Social Impact Project
- Questions / comments about 8.11 - Transparency & Stakeholder Engagement
- Questions / comments about 8.12 Collaborate to Solve Social Issues



## 8.13 FOSTER A CULTURE OF SOCIAL FAIRNESS

### Social Fairness Requirement:

Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

### Section 8.13 includes requirements on:

- Hiring, recruitment and promotion
- Training
- Social performance metrics
- Renumeration and pay equity
- Gender-based violence
- Performance evaluation
- Diversity and equal opportunity
- Living wage
- Employee engagement

Platinum Level



# HIRING & TRAINING



Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
1. New employee and executive selection and <b>hiring processes</b> must consistently include an evaluation of whether the Applicant shares the company's social values.	<ul style="list-style-type: none"><li>Examples of interview questions, hiring criteria to determine if the Applicant shares similar social values.</li></ul>
2. Hiring and promotion processes must be evaluated and amended, if needed, to ensure <b>diversity and inclusion</b> .	<ul style="list-style-type: none"><li>Procedures describing how the Applicant evaluates and updates its hiring and promotion processes to ensure diversity and inclusion.</li></ul>
3. Access to <b>training on key social issues</b> must be provided to all executives and employees.	<ul style="list-style-type: none"><li>Examples of any internal human rights training for executives and employees. Training materials must specifically focus on social issues as identified in the risk assessment (Section 8.3) and/or human rights policy (Section 8.4).</li><li>Provide examples of training materials and a training log to show completion of training. An example of a log is a schedule of training sessions and list of Executive participants.</li></ul>
4. <b>Awareness training</b> must be provided to all staff, including information on, human rights, diversity and inclusion, gender equality, and anti-discrimination.	<ul style="list-style-type: none"><li>Examples of any internal human rights training for executives and employees on topics specified. Training materials and examples must specifically focus on social issues as identified in the risk assessment (Section 8.3) and/or human rights policy (Section 8.4).</li><li>Training KPIs and/or training attendee lists indicating all staff has received this training with examples of training. Attendee lists must indicate the percentage of employees who have participated for the Applicant's entire organization.</li></ul>

# SOCIAL PERFORMANCE METRICS

Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
5. Social performance metrics must include ethnicity-, race-, sex- and age-disaggregated indicators on hiring, compensation, promotion, demotion, training and mentoring for employees of all levels.	<ul style="list-style-type: none"><li>• A list of its social performance metrics that meet the requirements.</li><li>• If the Applicant reports this information externally, provide a link to the relevant indicators.</li></ul>



## Assessor Tip:

The Applicant's metrics must be appropriate for the local and national laws related to gender, racial, ethnic, religious, and economically disadvantaged minorities, as well as accommodations for employment of disabled employees.



# PAY EQUITY

Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
6. Data must be collected to evaluate pay equity. The evaluation must include a comparison of the average wages by ethnicity, race, and gender for work of equal value, and the ratio of the compensation of the CEO or equivalent to the median and average wage of a full-time worker.	<ul style="list-style-type: none"><li>Processes for collecting data to evaluate pay equity.</li><li>Data sheets with the information collected to demonstrate the Applicant conducts all of the indicator-specified wage comparisons.</li></ul>
7. Pay equity data must be published externally and made publicly accessible. An explanation of differences that may be realized or quantified over time must be included.	<ul style="list-style-type: none"><li>A link to the pay equity data the Applicant publishes externally to verify it meets all of the requirements of this indicator.</li><li>If this is published in the company's Sustainability Report, website, Human Rights Report, or other location, provide a link to where this information is disclosed publicly.</li></ul>

## Assessor Tip:

Verify the following as inputs for requirement #6:

- Applicant has made available legally required payroll documents, journals, and reports that are complete, accurate, & up-to date;
- All compensation has been paid by the Applicant in a timely manner within legally defined time limits;
- Compensation calculations include accounting for mandated benefits and accurately calculated legal withholdings i.e. taxes, social security, pension, or healthcare from employee wages as required by law.



# GENDER-BASED VIOLENCE

Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
8. Data on gender-based violence in the workplace must be documented where it has occurred.	<ul style="list-style-type: none"><li>• A process to document gender-based violence in the workplace.</li><li>• The Applicant is expected to provide current data as proof that it is actively collecting this data.</li></ul>

## Definition:

- Any form of – or threat of – physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labor discipline.
- Any form of sexual harassment



Gender-based violence uncovered in H&M's and Gap's supply chains

Vivian Hendrikz | Friday, 01 June 2018

Source: Fashion United, 2018.

## Assessor Tip:

- Assessor must review performance data to verify:
  - a. gender-based violence is prohibited
  - b. instances of gender-based violence are tracked when they occur in the workplace



# PERFORMANCE EVALUATION

Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
9. Performance assessments of any executives or employees with designated social responsibilities must include consideration of criteria or metrics derived from the human rights policy and strategy.	<ul style="list-style-type: none"><li>Inclusion of human rights and/or social responsibility goals in annual performance objectives and assessments.</li><li>Metrics included in performance assessments may include implementation of employee training, risk assessment, sourcing decisions that include social performance evaluation, supplier management, evaluation of supplier non-compliances, etc.</li></ul> <p>Applicant must provide a sample of executives or employees performance reviews to demonstrate that designated social responsibility criteria / are included.</p>
a. Social performance results must be considered in compensation packages / incentive plans for top company executives and management with social management or oversight functions (i.e., from C-level executives to business unit and functional heads).	<ul style="list-style-type: none"><li>The Applicant must provide compensation package or incentive plans for executive(s) and/or management with oversight for social fairness.</li><li>Where an Applicant may have several executives and/or management team members with these responsibilities, providing 1-2 plan(s) is sufficient.</li><li>The Applicant must provide a description of compensation package terms for executives and management with social responsibility objectives, to confirm inclusion of social performance results/ criteria.</li></ul>



## DIVERSITY & EQUAL OPPORTUNITY

Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
10. Diversity and equal opportunity employment must be included in the organization's social strategy and implementation. The company must:	<ul style="list-style-type: none"><li>Internal strategy documents and/or external documents indicate diversity and equal opportunity employment is included in the organization's social strategy and activities. External documents may include relevant information provided by the Applicant in an annual report or sustainability report.</li></ul>
a. Conduct an evaluation to understand why ethnicity, race, and gender differences exist in the boardroom, the workplace, and the first tier of the supply chain and put in place a remedial plan.	<ul style="list-style-type: none"><li>Documentation of process for evaluating differences that exist based on ethnicity, race, and gender.</li><li>Documentation of recommendations for increasing diversity and equal opportunity.</li><li>The Applicant must document its understanding of differences based on location, cultural, and legacy contexts in its submission. A statement that evaluation is considered and/or takes place is insufficient.</li></ul>
b. Develop and implement a plan for remedying any differences, if they exist.	<ul style="list-style-type: none"><li>Documentation of the Applicant's efforts to achieve its diversity strategy.</li><li>This may include focused recruiting efforts and internal KPIs to measure the Applicant's progress on its diversity targets.</li></ul>
c. Investigate, encourage, and promote equal opportunities for women and racial, ethnic, religious, or economically disadvantaged minorities into supervisory and management roles in the workplace, particularly if they are under-represented in such roles.	<ul style="list-style-type: none"><li>Documentation of existing demographics in supervisory and management roles to compare to full employee population statistics as baseline information.</li><li>Documentation of activities for promotion of minorities in supervisory or management roles, where under-representation exists.</li><li>Evaluation of the need to create an environment for promoting minorities into supervisory and management roles, which may include an analysis of existing management's willingness to change existing practices.</li><li>Documentation of planning, training, or programs for upward advancement are relevant for both the Applicant and tier 1.</li></ul>

## LIVING WAGE

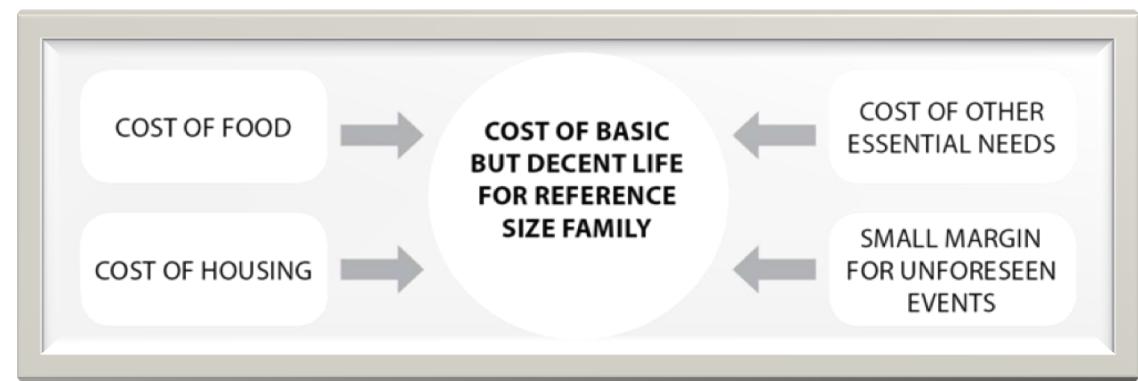
**Definition:** The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.

**Key References:**

- Global Living Wage Coalition
- Anker Methodology



GLWC Managing Partners & Members:



# LIVING WAGE

Platinum Level

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
11. Employees are paid a living wage. This is defined as being paid sufficiently for a standard workweek (i.e. not including overtime) to afford a decent standard of living for their families, inclusive of: food, water, housing, education, health care, transportation, clothing, and other essential needs including savings for unexpected events and some disposable income.	<ul style="list-style-type: none"><li>Analysis for how the Applicant has calculated and implemented a living wage, including supporting evidence (e.g. specific wage data and evaluation of whether wages paid meet criteria for living wage).</li><li>Documentation must include review of the Applicant's lowest paid position compared to the living wage.</li></ul>

## Assessor Tip #1:

- If an Applicant's submission does not utilize the Anker Methodology, or the Applicant's product is not included in the industries or countries listed, the Applicant must provide documentation of their methodology and how it meets the requirements.

## Assessor Tip #2:

- For any alternate methodology for calculating living wage, the Assessor must submit this to C2CPII and include:
  - ✓ A detailed explanation regarding how the living wage has been calculated and references used
  - ✓ The Applicant's rationale for using this method rather than the Anker Methodology
  - ✓ A list of other organization(s) that have used and/or support the method that the Applicant has submitted



# EMPLOYEE ENGAGEMENT

Platinum Level

## Definitions:

- “Involved in, enthusiastic about and committed to their work and workplace.” - *Gallup*
- “Engagement is employees' willingness and ability to contribute to company success.” - *Willis Towers Watson*
- “Employee engagement is ‘the level of an employee's psychological investment in their organization.’” - *Aon Hewitt*

Source: Society for Human Resource Management.

**REQUIREMENT:** Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.

The following are required:	Documentation for Verification
12. Program(s) must be implemented to regularly engage employees (including other workers on the premises or under the supervision of the company) on the company's social vision and goals, and to identify actions that will help the company to achieve them.	<ul style="list-style-type: none"><li>• Any type of employee communication (i.e. town hall meetings, email communication, an associate portal, training, video messages) to engage employees on the Applicant's social vision and how they support activities.</li></ul>



## Assessor Tip:

The Applicant's communication may focus on any part of the Applicant's social vision and goals, and may be documented in Management responsibility for identifying actions, such as part of an Applicant's responses to how management systems are implemented (Section 8.8) or training (Section 8.13).



## ■ Q&A – PARTICIPANT DISCUSSION

- Questions / comments about 8.13 – Fostering a Culture of Social Fairness
  - Hiring, recruitment and promotion
  - Training
  - Social performance metrics
  - Renumeration and pay equity
  - Gender-based violence
  - Performance evaluation
  - Diversity and equal opportunity
  - Living wage
  - Employee engagement
- Other questions/ comments?



# CONCLUSION

## NEXT STEPS

- + We've covered a lot of ground! Training Modules recap:
  1. Defining Human Rights & Social Fairness Expectations
  2. How a Company is Expected to Manage Human Rights
  3. Verifying Social Fairness Requirements
  4. Beyond Compliance
- + Social Fairness Toolkit materials to be distributed
  - [Desktop Verification Tool](#) – *minor update from July 13 version*
  - [Guidance for Verification of Social Fairness Requirements](#) – *complements DVT, primary tool for Assessors*
  - [Certification Preparation Tool](#) – *for Applicants using other standards/ audit reports as primary documentation*
  - [List of Common Supporting Documents](#) – *that Applicants may submit as evidence / supporting materials*
- + Use the materials in the pilots, share your feedback with C2CPII



**ELEVATE**