

Building the Social Capital Protocol: Insights into employment, skills and safety

About this document

In June 2015, the WBCSD launched [A Call for Collaboration](#), initiating the development of a Social Capital Protocol – a harmonized approach for businesses to measure and value their interactions with society.

In the months since, the WBCSD has been compiling the experience and insights of member companies to develop the first draft of the Social Capital Protocol. This has been developed based on leading practices in the measurement and valuation of 3 subjects core to business - employment, skills and safety – and will be illustrated with tools, insights and company examples in these three areas.

The Social Capital Protocol will be released for pilot in May 2016. We are now inviting companies to trial its application for the subjects of employment, skills and safety within their organizations. Feedback received from these pilots will be used to refine and strengthen the Social Capital Protocol process, guidance and tools before they are released more widely.

By providing an insight into the ongoing development of the Social Capital Protocol, this document aims to:

- Share progress to date in building the Social Capital Protocol.
- Bring the Protocol to life by describing the what, why and how of each of its steps, with insight and illustrative examples from participating companies.
- Inform and engage companies and potential partners in the pilot and ongoing development of the protocol.

To find out more or to get involved in the ongoing development of the Social Capital Protocol

Visit: www.wbcds.org/socialcapital.aspx

Kitrhona Cerri,
Manager, Social Impact
Cerri@wbcsd.org



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1. DIVING INTO THE SOCIAL CAPITAL PROTOCOL

“Generating sustainable returns over time requires a sharper focus not only on governance, but also on environmental and social factors facing companies today. These issues offer both risks and opportunities, but for too long, companies have not considered them core to their business – even when the world’s political leaders are increasingly focused on them [..]. Over the long-term, environmental, social and governance (ESG) issues – ranging from climate change to diversity to board effectiveness – have real and quantifiable financial impacts.”

Larry Fink, CEO, Blackrock, February 2, 2016 in letter to CEOs

From Vision to Action

The landscape of sustainable development is undergoing a transformation. In September 2015, 17 Sustainable Development Goals (SDGs) were ratified by all 193 UN Member States providing a joint framework for global prosperity within the safe operating space of a stable and resilient planet.

For the first time, business has been a key stakeholder in the UN consultation process, and this new framework aligns perfectly with the WBCSD’s [Vision 2050](#) where the 9 billion people live well, within the limits of the planet. The WBCSD’s [Action2020](#) platform is helping to facilitate this transition to a more sustainable world in three ways:

1. **Innovation** - generating business solutions: business-led ventures that, as well as being profitable, are impactful, scalable, measurable, replicable and go beyond business as usual to drive the achievement of Vision 2050 and the SDGs;
2. **Collaboration** - facilitating new forms of cooperation between business, governments, academia and civil-society;
3. **Integrated Performance Management** – advancing the measurement, valuation and reporting of non-financial aspects of business performance.

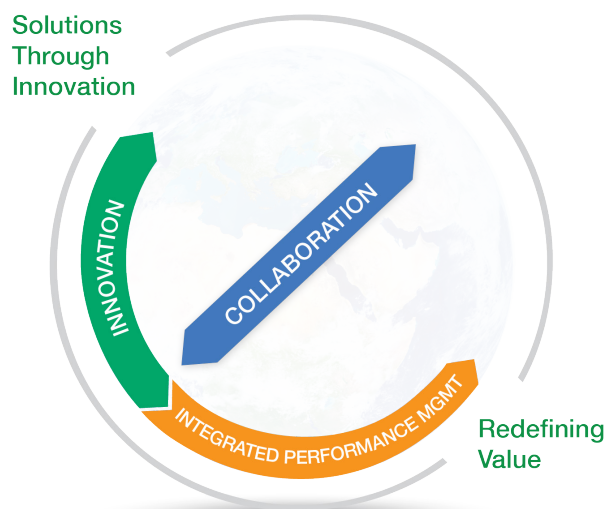
Momentum from the global agenda, government policy, investor requests and consumer sentiment is driving companies to better understand, manage and communicate their true impact on society and the economy.

To facilitate this transformation, information on environmental and social value is needed alongside financial information to drive informed decisions by managers, executives, board members and investors.

Despite growing awareness, there is little consensus on how companies can assess the value of these intangible assets. This means that most CEOs, investors and other key decision-makers are operating without essential information about these assets to make sound business decisions. In many cases this leads to undervaluing company assets and the benefits they receive and consequently, under-investment in the social capital on which they depend. Put simply, you don’t value what you don’t value.

The WBCSD’s [Redefining Value](#) program is working to integrate natural and social capital measurement and valuation into corporate performance management and decision-making and improve the effectiveness of non-financial reporting so that it progressively reflects the true value, true costs and true profits of a company.

In this context, the Natural Capital Protocol and Social Capital Protocol are two ongoing projects to develop standardized frameworks for a business to measure and value its interactions with nature and society for management decision-making. Both protocols will be internationally applicable, relevant to any industry and collaboratively produced.



2. THE SOCIAL CAPITAL PROTOCOL: AN OPPORTUNITY AND A CHALLENGE

“Developing a credible and broadly accepted approach is essential, not only to demonstrate our performance to stakeholders and shareholders, but also to ensure the effort of measuring and reporting informs a continuous movement towards more socially sustainable practices.

Only by working together can we ensure an outcome with the power to truly transform the way we do business.”

The WBCSD Redefining Value Board, June 2015

In June 2015, the WBCSD launched **A Call for Collaboration**, initiating the development of a **Social Capital Protocol** – a harmonized approach for businesses to measure and value their interactions with society.

The Social Capital Protocol will provide a critical part of the evolving business toolkit by bringing together the currently fragmented landscape of social measurement and valuation. Alongside the **Natural Capital Protocol**, it will provide the universal processes, principles and tools needed by business to ensure social risks and opportunities are considered in corporate strategy and decision-making, and lay solid foundations for **Integrated Reporting**.

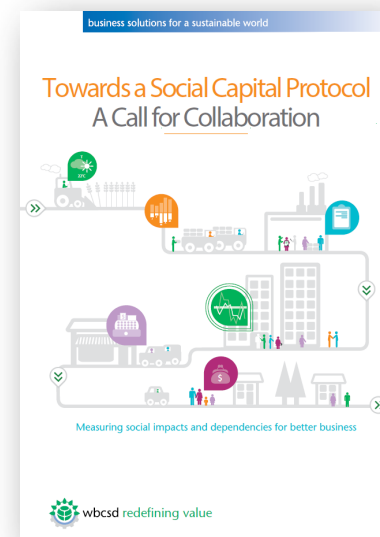
The benefits of a harmonized framework for social impact measurement and valuation are increasingly clear. Companies must understand the value they create for their shareholders and for society. They must also understand how trends and shifts in society present risks and opportunities for their business. In doing this, companies aim to compete based on performance, not methodologies. Developing a broadly accepted approach is essential to reliably demonstrate credible, sustainable performance to stakeholders, shareholders and investors, and to ensure the effort of measuring and reporting informs a continuous movement towards a more inclusive economy.

The Challenge

The scope of the Social Capital Protocol is vast. The WBCSD defines Social Capital as the resources and relationships provided by people and society. This means the Protocol should bring together the full array of social issues, ranging from individual wellbeing, job creation and labor standards, to community relations, customer loyalty and economic development. Attempting to measure and manage this sea of social issues can seem daunting and intangible in equal measure.

At the same time, the Social Capital Protocol needs to bring together and help companies navigate practices and techniques that are currently siloed – including socio-economic footprinting, development impact assessments, social return on investment analysis, product social lifecycle analysis, and emerging monetization approaches.

Each of these practices is giving rise to numerous tools, methodologies and frameworks which are based on different assumptions, offer different functionality, suit different purposes and increasingly compete for uptake.



SOCIAL CAPITAL

The resources and relationships provided by people and society.
This encompasses:

HUMAN CAPITAL
Skills, knowledge, wellbeing

SOCIETAL CAPITAL
Relationships, shared values, institutions

Together, these resources need to be maintained and enhanced to make society more cohesive and resilient, and to make business more successful.



3. THE WBCSD APPROACH: DIVE IN!

To avoid being paralyzed by complexity, WBCSD members are tackling the Social Capital Protocol development by subject area.

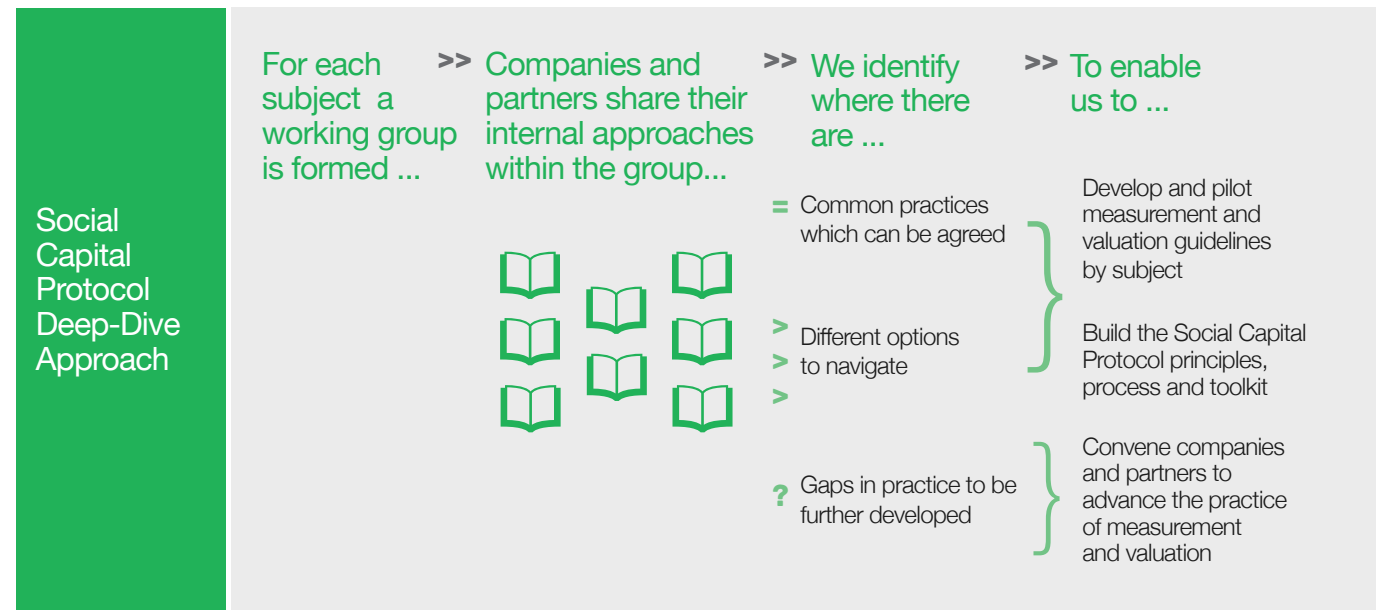
We are selecting specific “Deep-Dive” subjects which impact upon social capital to:

- provide proof of concept,
- demonstrate the alignment of diverse measurement and valuation methodologies, and
- build momentum for the development of the Social Capital Protocol.

By developing and applying a standard approach to share methodologies and analyze their similarities, differences and gaps, we can provide input, updates and additions to the Social Capital Protocol.

We can also draw upon this experience to:

- structure the Social Capital Protocol network and technical development,
- define priority areas to advance the practice of social capital measurement and valuation, and
- identify additional partners.



4. THE FIRST SOCIAL CAPITAL PROTOCOL DEEP-DIVE: EMPLOYMENT, SKILLS AND SAFETY PRINCIPLES

In October 2015, 15 WBCSD member companies came together to dive into the subject of employment, skills and safety.

These companies shared and analysed their internal approaches to the measurement and valuation of employment, skills and safety. Their combined experiences have provided the material to demonstrate how the Social Capital Protocol could be implemented for these three subjects.

Based on their input, the first Social Capital Protocol guidance is being developed. This guidance will walk companies through the process and tools required to implement the Protocol within their own organizations for the subjects of employment, skills and safety.



Starting with employment, skills and safety

Human Capital – the stock of skills, knowledge, experience and wellbeing possessed by individuals and populations - is a well-accepted concept within business strategy and operations and is recognized as an integral source of value for a company and for an economy.

Regardless, there is no commonly accepted approach to understand and manage business value creation or destruction of this important asset.

Employment, skills and safety were chosen as initial subjects:

- which are recognized as fundamental to all companies, regardless of industry or sector
- where multiple measurement and valuation approaches exist which are relatively mature and are already being actively applied by companies
- where business and broader society face shared challenges, and where the expectations of business responsibility and action are shifting. This is motivating companies and stakeholders to seek a better approach to understanding and managing companies' influence.

Contributing to Action2020

WBCSD has defined a “must-have” for the year 2020: to accelerate progress towards productive employment and decent work for all:

- Create 300 million additional good and decent jobs
- Significantly reduce the number of unfilled positions in business due to skills shortages
- Significantly reduce the number of people in vulnerable employment.

The WBCSD aims to catalyze collective business action—aligned with strategic and commercial drivers—to develop skills for the future, enhance employment opportunities, and promote good working conditions within companies and throughout their supply chains. Helping companies to measure, value and improve their impacts on human capital is an essential first step.

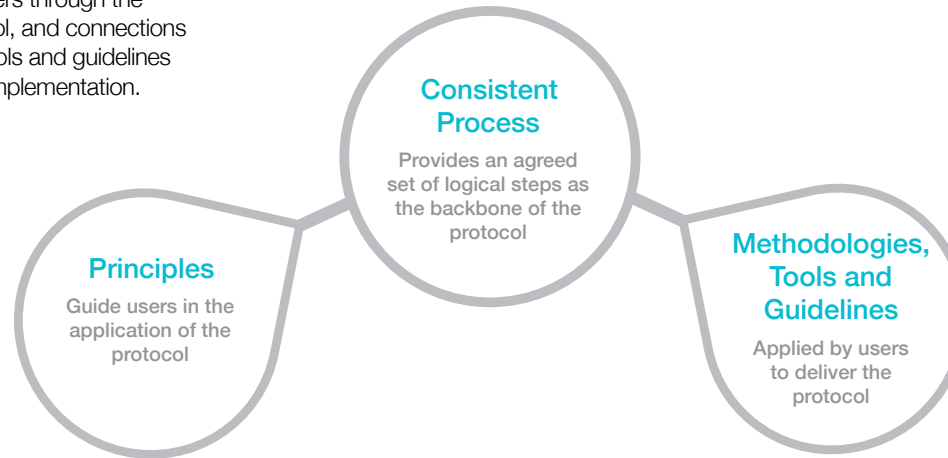
Aligning with the SDGs

This work will enable companies to better understand and drive their contributions to the new Sustainable Development Goals. In particular, it aligns with Goal 8. Promote inclusive and sustainable economic growth, employment and decent work for all.



5. BUILDING THE SOCIAL CAPITAL PROTOCOL: 3 COMPONENTS

The Social Capital Protocol consists of three complementary components. A consistent process provides the backbone of the Social Capital Protocol. This is supported by principles to guide users through the application of the protocol, and connections to the methodologies, tools and guidelines needed for its practical implementation.



Principles

Because the Social Capital Protocol process is flexible, principles are important to provide consistency and credibility in its application. They will be needed to guide decisions where choices must be made between methodologies, approaches or issues.

See the next page for examples of the principles currently being used by companies to guide their methodological decisions.

Consistent Process

The majority of processes and frameworks for measuring and valuing social impacts follow a similar set of logical steps. We have aligned and built upon existing and ongoing work to propose 5 consistent steps as the backbone of the Social Capital Protocol.

This document walks through the 5 proposed steps of the Social Capital Protocol process.

For each step, we provide an overview of how the process can be applied for the three subjects of employment, skills and safety, based on the approaches of the 15 participating companies.

Methodologies, Tools and Guidelines

Many of the steps involved in the Social Capital Protocol process require the application of specific methodologies, tools or guidelines in order to be delivered effectively.

We aim to point companies towards current best practice and to share the insights and experiences of WBCSD member companies.

We also aim to highlight where progress in the field is still required. Understanding the challenges and gaps encountered by participating companies will help us to shape priorities for the ongoing development of the Protocol.

6. PRINCIPLES

While there are many indicators, metrics, approaches and valuation techniques to choose from in the pages that follow, common principles have helped companies to ensure the best possible choices are made.

COMPANY EXPERIENCE

WBCSD Guidance for Chemical Products

The WBCSD guidance on Social Metrics for Chemical Products adopts the six principles of the Life Cycle Metrics for chemical products (WBCSD, 2014) and the Addressing the Avoided Emissions Challenge Guidelines (WBCSD, 2013), consistent with GHG Product Protocol standard. These principles guide users in the implementation of the guidance, especially when making choices that are not specified by the guidance document:

1. **Relevance** - Ensure the assessment reflects the actual social impacts of the life-cycle system as much as possible and serves the decision-making needs of users – both internal and external to the company.
2. **Completeness** - Account for and report on all social impacts for the given functional unit and within the chosen inventory boundary. Disclose and justify any specific exclusion and define meaningful cut-off criteria.
3. **Consistency** - Use consistent methodologies to allow for meaningful comparisons of social impacts over time.
4. **Transparency** - Address all relevant issues in a factual and coherent manner, based on a clear audit trail.
5. **Accuracy** - Ensure that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.
6. **Feasibility** - Ensure that the chosen approach can be executed within reasonable timeframes and levels of effort and cost.

PWC - Total Impact Measurement and Management (TIMM)

[PwC's TIMM framework](#) allows social, environmental, economic and fiscal impacts to be valued in monetary terms, in a way that means they can be directly compared with one another. A core strength of the framework is that it is flexible: allowing companies to create valuation estimates that are industry and geography specific, while at the same time using a process and methodology that is replicable across a broad range of social and environmental questions. It can be applied at various levels of precision, depending on business need and relies on a well-defined process underpinned by seven principles:

1. **Completeness** - aim to include all material outcomes / impacts across the four dimensions of TIMM and across the value chain
2. **'MECE'** - define the outcome / impacts caused by activities, and the way these are valued, in a way that is 'mutually exclusive and collectively exhaustive'
3. **Consistency** - measure and value outcomes / impacts on society using consistent approaches so that they can be compared with each other and over time
4. **Valuation** - monetary valuation of outcomes / impacts on people's welfare
5. **Best available techniques** - use best available information and approaches
6. **Transparency** - be transparent about terminology, data sources, approaches, assumptions and the sensitivity of results to all of these
7. **Reliability** - ensure results are appropriate for their desired use (e.g. in terms of precision, context and scale).

Nestlé – Measuring Value

Based on a review of existing literature and applications, Nestlé has identified four rules to be applied to estimate and compare the monetary value of negative and positive socio-environmental impacts. Values can only be compared if they are measured according to the same:

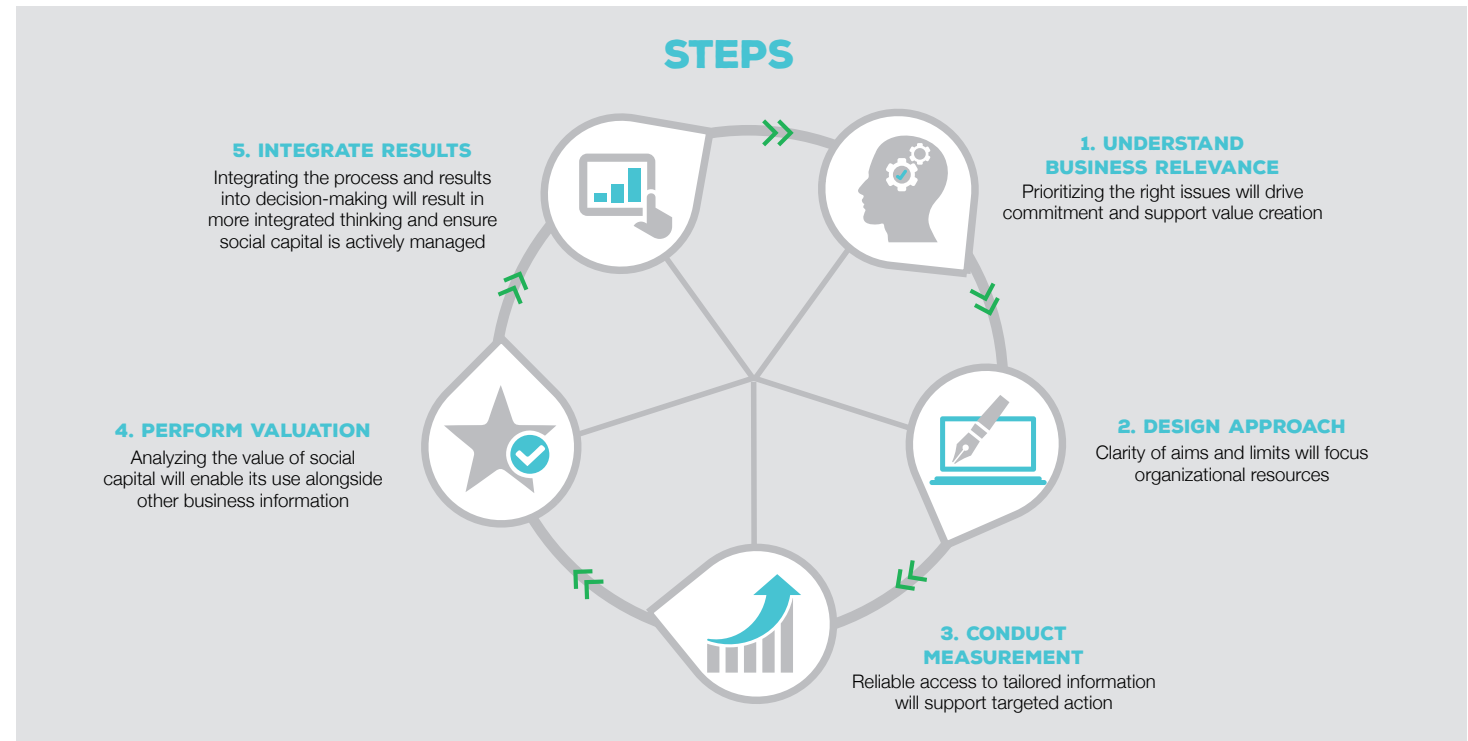
1. **Baselines** – Nestlé identifies three types of baseline which can be selected based on whether the assessment seeks to provide an absolute figure, a relative figure (e.g. compared to industry standards) or a trend over time.
2. **Scope** - ideally measurement should cover the entire life cycle of a company or product. In practice this is rarely possible, therefore it should be clear and consistent whether activities measured are within a company's boundaries, or reach along the supply chain.
3. **Timeline** - Short-term and long-term outcomes should be clarified and not mixed or compared
4. **Position on the impact pathway** - measurement can occur at any point in the impact pathway from inputs to impacts, but values should only be compared at the same level. Nestlé has found the 'outcome' level to be the most appropriate level for valuation given proximity to both the company operations and societal impacts. See page 16 for a detailed explanation of the impact pathway.

7. BRINGING THE SOCIAL CAPITAL PROTOCOL PROCESS TO LIFE

This paper intends to bring the Social Capital Protocol process to life based on the experience of participating companies. This means that the insights for each of these steps in the pages that follow are practical, recognized and have already been tried and tested by business across a range of industries.

The steps have been adapted slightly since the original 'Call for Collaboration' and will continue to evolve in response to input from companies and partners.

While this paper remains at the level of the 5 steps, a set of activities have been defined for each. Detailed analysis at the level of these activities will serve as the basis of the next phases of Social Capital Protocol development.



STEP 1. UNDERSTAND BUSINESS RELEVANCE



What?

In this step, companies should define their business case for measuring and managing social capital, identify key stakeholders, and articulate what types of social capital are most material to the company's stakeholders and strategy.

Why?

Prioritizing which issues are most material to stakeholders will mean resources are focused on areas most likely to drive commitment by the business and to support value creation.

For the purposes of this initial work we have already identified human capital as a type of social capital which is relevant to all companies.

Here we will focus on the business case and key stakeholders for measuring effects on employment, skills and safety. Stakeholders may be relevant at any stage of a company's value chain; from suppliers upstream of a companies operations through to those using and disposing of their products 'downstream'.

How?

The business case for measuring, valuing and managing social capital can be connected to five business value drivers, as illustrated below.

Human capital was selected as an issue at the heart of all companies operations. Therefore the primary aim for measuring and managing this topic is to **optimize human resource management** [++].

That said, the creation of jobs and skills and the protection of worker safety is also an important contributor to other business value drivers:

Obtain or maintain license to operate - Understanding and communicating a companies employment footprint, contribution to skills development and safety record can help to ensure support from **governments** and **local communities** for current and future operations.

Improve the business enabling environment – Providing **policy-makers** with information on a companies contributions to the creation of jobs and skills or the advancement of safety

Key stakeholders identified by companies for employment, skills and safety:

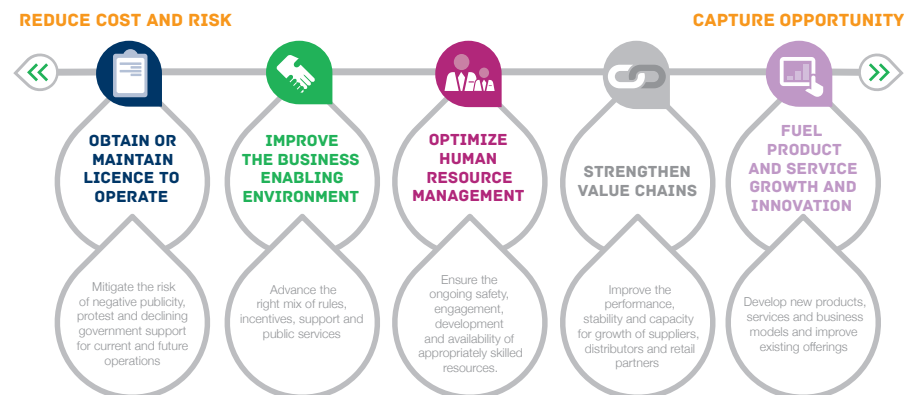
- Workers
- Local Communities
- Governments
- Customers and Consumers

standards within an industry can inform appropriate policies and incentives.

Strengthen value chains - Contributing to the skills and safety standards of **workers** throughout the supply chain can strengthen reliability and performance.

The creation of good and decent jobs within local communities can further improve supply chain efficiency and sustainability.

Fuel product and service growth and innovation - Consumers are increasingly interested in a product's contributions to their wellbeing, as well as the wellbeing of the **workers** and **local communities** involved in its production. Product level measurement helps to ensure performance throughout the value chain, improve standards and develop new socially sustainable product offerings.



STEP 1.

UNDERSTAND BUSINESS RELEVANCE COMPANY EXPERIENCE



OBTAIN OR MAINTAIN LICENSE TO OPERATE

Siemens believes that a company's legitimacy is contingent on its contributions to a society's prosperity and progress. In developing a customized methodology to understand their contributions to South Africa, Siemens is seeking to inform and improve its important relationships with the citizens of South Africa, the government, and with customers and suppliers. In the longer term the exercise will help to attract and retain talent, improve decision-making and planning, and benchmark their performance.

The **LafargeHolcim** socio-economic footprint tool was developed in partnership with Care, an international NGO, in order to understand, manage and communicate the social and economic contributions of their sites to local communities. This improves community relations and helps LafargeHolcim to manage their local action plans.



IMPROVE THE BUSINESS ENABLING ENVIRONMENT

SCA has been bringing incontinence care solutions to China since 1990, however the country faces a growing challenge in this area as improved living standards contribute longer life expectancies and an increasing elderly population. Understanding and communicating the socio-economic benefits of incontinence care is supporting conversations with policy makers in order to encourage insurance and reimbursement policies for incontinence products and services.

Supporting the shift to renewable technologies is proving to be an increasing challenge for budget-constrained governments. At the request of Acciona and EDP, **EY** conducted a study to provide policy-makers with insights on the costs and benefits of renewable energy policy-measures which are not currently taken into account in the decision-making process.



OPTIMIZE HUMAN RESOURCE MANAGEMENT

Nestlé's business strategy is built on the concept of Shared Value – that business value creation must also contribute to society and the environment. Being able to measure social and environmental value creation is essential for managing this strategy. Nestlé has started working on the measurement of its safety performance in order to better manage the costs and benefits to workers and their communities, as well as the value and risks to the business.

For the third year, PwC has used its **TIMM framework** to value its economic, tax, social and environmental impacts in monetary terms; to provide greater transparency for its stakeholders and improve the information it uses for decision making. As a professional services firm, acquiring and developing talent is key to PwC's business model and the quality of its services. So, PwC places a lot of emphasis on training its people; many of whom undergo professional skills training with PwC, gaining technical knowhow as accountants, actuaries and other advisors. It values the increase in skills of the accountants who train with PwC in terms of the incremental GVA they generate when they go on to work in the economy at large.

As a professional services company, **Accenture** views the talent of its people as its ultimate differentiator and most relevant intangible asset. Investing in skilled people directly impacts Accenture's business value generation, reducing risks and increasing revenue growth and innovation potential. Accenture's Corporate Citizenship program "Skills to Succeed" draws on this capability to address the global challenge of unemployment, by providing demand-led skilling at scale. In doing so, Accenture strengthens its brand and reputation, as well as the economic vitality and resilience of the communities in which it operates.



STRENGTHEN VALUE CHAINS & FUEL PRODUCT AND SERVICE GROWTH AND INNOVATION

Occupational health and safety is one of the core components of **BASF's** strategy, with the commitment "we never compromise on safety". To support this commitment, BASF seeks to embed safety measurement and management systems into its business, e.g. in its sourcing practices, throughout its operations, in product research and design as well as distribution and product stewardship with customers.

BMW is continuously working on embedding sustainability throughout its supply chain with the primary aim of reducing sustainability risks related to geographies and suppliers from which they source. To date, this has focused on the earliest stages of the vehicle development process. Now, BMW is working on integrating social impact across the product life cycle to manage social risk and drive innovation throughout the entire process.

Chemical industry products are present in the value chain of the majority of everyday goods and are therefore a significant contributor to their social performance. To fully assess these contributions, the **WBCSDs chemical sector group**, represented in this project by **AkzoNobel, BASF, DSM, Evonik, and Solvay**, and supported by the European Chemical Industry Council (CEPIC), has worked on developing methodological guidance to the Chemical Sector on social metrics for chemical products. This approach aims to support assessment, communication and management of the performance of chemical products and their value chains.

STEP 2. DESIGN APPROACH



What?

In this step, companies should identify key internal and external users and their information needs, and set the appropriate scope and boundaries for their assessment.

Why?

Clarity of aims and audience will focus resource allocation.

How?

Based on the business case and stakeholders identified in step 1, companies can define whether their measurement and valuation approach is intended to inform external and / or internal decision-makers. In each case, the information generated by the approach should be tailored to the needs, preferences and interests of the end user. This influences the choice of format for the results, the level of precision needed in the analysis, and level of aggregation required, for example, choosing to use stand-alone KPIs or to aggregate figures at site, region or corporate levels.

Inform external decision-makers

Approaches intended to provide information on employment, skills and safety to governments, policy-makers, and local communities include:

- Qualitative and quantitative performance indicators
- Studies valuing the wider contribution to society through market or welfare improvements (monetized or quantitative)

Inform internal decision-making

Approaches intended to be used for internal performance management of employment, skills and safety include:

- Dashboards presenting analysis of Key Performance Indicators used to inform operational performance
- Rating scales used to inform product performance.
- Monetary valuation used to inform strategic or corporate level performance

Regardless of the approach chosen, it is important to clearly define the scope (issues to be covered) and boundaries (geographies and supply chain tiers to be covered), and to keep this consistent throughout your approach.

The majority of companies will be iterative in the development of their measurement and valuation approaches. Many will first conduct pilots, with the aim of then integrating their approaches more broadly into the organization. Many will also scale back or adapt their initial ambitions based on the realities of data availability or resource constraints. All the companies who have contributed to this paper have highlighted that they are at the beginning of a journey which will involve continuous learning, growth and improvement.



STEP 2. DESIGN APPROACH

COMPANY EXPERIENCE

EXTERNAL DECISION-MAKERS

POLICY-MAKERS

- **EY** has used input-output analysis to provide the economic contribution of new wind technologies, including comparative job-creation, contribution to GDP and increased tax revenues. This leads to a better understanding of their full value creation potential.
- **SCA** has put a monetary value to the number of people with improved quality of life, the number of people educated to provide improved incontinence care and the increased productivity made possible through products and services in order to help the government understand the societal value of providing incontinence care support.

INTERNAL DECISION-MAKERS

SENIOR LEADERSHIP

- **Nestlé** has applied a monetary value to its safety performance, as one of the first steps towards understanding and managing the 'real value' created by Nestlé. The data is intended to be used alongside natural and financial performance reports to inform resource allocation decisions by senior leadership.

VALUE CHAIN MANAGEMENT - PROCUREMENT, OPERATIONS, PRODUCT DESIGN AND DISTRIBUTION, PRODUCT APPLICATION AND STEWARDSHIP

- **BMW Group** has been contributing to the development of qualitative and quantitative methodologies to produce performance scores for the social assessment of a product life cycle.* The guidance applies across sectors and is intended for use across a broad range of business functions including sustainability teams, human resources, purchasing and marketing departments.
- **BASF** gathers qualitative and quantitative safety performance indicators of their suppliers, direct operations, distribution as well as their products. This information is used for corrective action plans, safety training, transportation and distribution directives, product research and development, and customer support in safe handling of chemicals.
- **The WBSCD Chemical Sector Group** are developing performance indicators with standardized reference scales to facilitate social impact assessments and decision-making for companies along the chemical product value chain. Such companies will be able to rely on consistent upstream and downstream information on the social performance of the chemical products they use to develop and improve their own sustainable products.

INTERNAL AND EXTERNAL DECISION-MAKERS

LOCAL COMMUNITIES AND SITE MANAGERS

- **LafargeHolcim** is gathering qualitative and quantitative performance indicators on their local job-creation which resonate with local stakeholders. These indicators also inform internal performance dashboards which are used by country and site managers.

EXTERNAL STAKEHOLDERS AND CSR PROGRAM MANAGERS

- **Accenture** is gathering qualitative and quantitative data on the skills and training of employees to inform HR decision-making and external stakeholders such as clients and future employees. They also collect the number of people trained through their Skills to Succeed program across the globe, and is keeping in touch with alumni to track the number who go on to find employment (including with Accenture) or to start their own enterprises. This informs and steers the value of the program for local communities, partners, and for Accenture.

EXTERNAL STAKEHOLDERS AND STRATEGIC LEADERSHIP

- **PwC** values the increase in social capital from the skills built by training its accountants in monetary terms. Obtaining a monetary valuation for this impact allows it to be compared with the other social, environmental, economic and tax impacts PwC has valued. This helps to provide a more holistic and understandable picture of PwC's impact on society to external stakeholders, as well as to inform internal strategy and resource allocation decisions.

GOVERNMENTS, LOCAL STAKEHOLDERS AND COUNTRY MANAGERS

- **Siemens** is applying a combination of quantitative performance indicators and monetization techniques to create a scorecard demonstrating their contribution to sustainable development in South Africa. Basing this scorecard on the government's national priorities illustrates how business interests are aligned with the national development agenda and informs the strategic direction of country operations.

*As one of the founders of the Roundtable of Product Social Metrics, they are working together with other 11 companies who jointly published a Handbook for Product Social Impact Assessment in September 2015. The Roundtable consists of Ahold, AkzoNobel, BASF, DSM, Goodyear, L'Oreal, M&S, Philips, RB and Steelcase, with PRÉ Sustainability as moderators.

STEP 3. CONDUCT MEASUREMENT



What?

In this step, companies should define appropriate indicators, metrics and data sources, then collect this information and validate if the measurement is fit for purpose.

Why?

Reliable access to tailored information will support informed action

How?

The **impact pathway** (also referred to as the results chain, theory of change, log frame, or logical framework) is used to translate business activities into socio-economic “impact”. It guides the formation of a hypothesis on value creation or destruction which can then be tested through measurement.



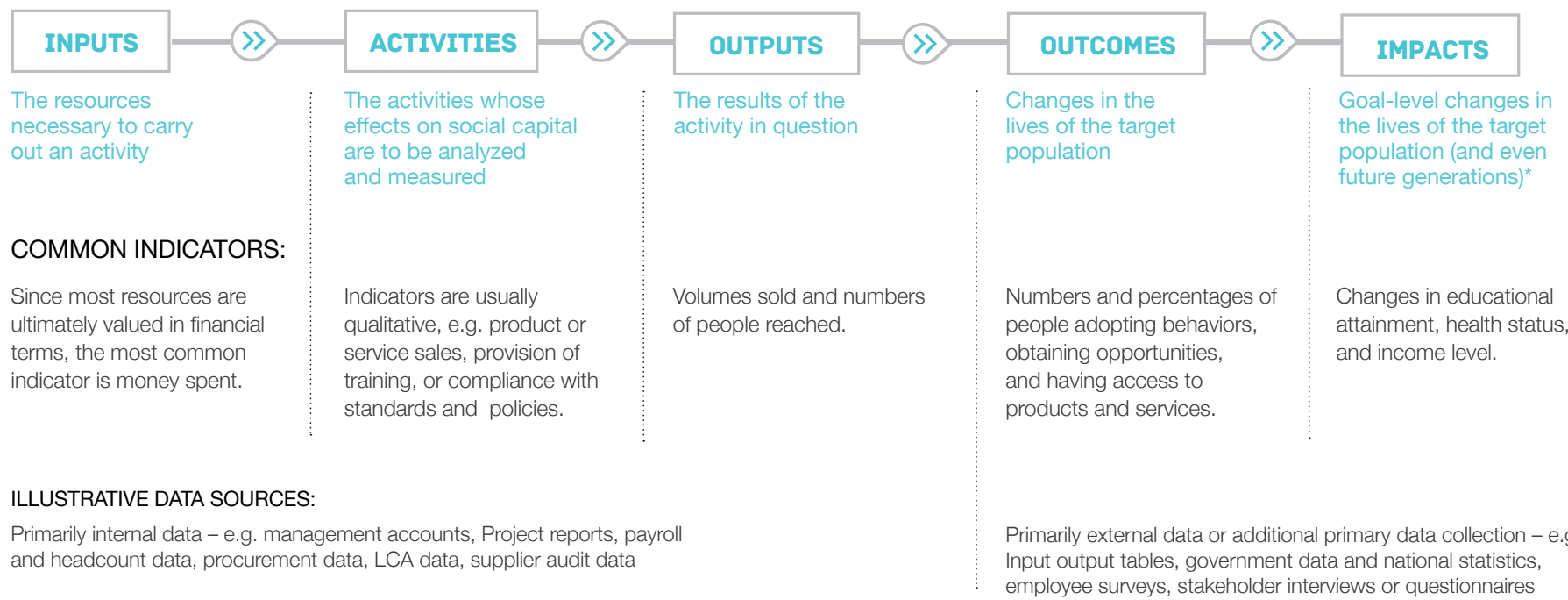
STEP 3. CONDUCT MEASUREMENT

Drawing an impact pathway can guide this effort by defining the logical process through which a company influences social capital from business inputs to social impacts. Indicators can then be identified to measure a company's performance at each stage of the process. Performance can be measured at any stage in the impact pathway (given sufficient need, resource and data availability), but measures should only be compared or aggregated if they are in the same stage.

It is important to note that there may be more than five links in the chain, especially between "outputs" and "impacts." Similarly, results chains do not have to be linear. "Activities" can lead to multiple "outputs," each leading to multiple "outcomes" and so on.

It is also important to note that measuring "impacts" in the technical sense is difficult to do, due to the length of time it can take for impacts to materialize, influences beyond

business activities that effect the impacts measured, and the need for data outside of the scope of business operations. Companies often use proxy data or data modelling techniques to understand what their impacts might be.



For a detailed description of the impact pathway, see Section 2 of [Measuring socio-economic impact: A guide for business](#).

* In some cases (e.g. in SROI analysis) an alternative definition of "Impacts" is used: The outcome, taking into account what would have happened anyway, the contribution of others, and the length of time the outcome lasts.

STEP 3. CONDUCT MEASUREMENT

ILLUSTRATIVE IMPACT PATHWAY FOR EMPLOYMENT



COMPANY EXPERIENCE

For **LafargeHolcim**, the employment generated by their activities is a primary way of understanding their contribution to local economies. Based on a combination of quantitative and qualitative methods, they are able to measure direct, indirect and induced employment, as well as the dependence of local communities on LafargeHolcim employment and the perception these communities have of the company overall. Direct employment refers to the sum of LafargeHolcim contractors and employees, indirect employment is the company's suppliers, and induced employment is the employment generated as a result of directly and indirectly employed people spending their income, which is roughly estimated as the sum of direct and indirect employment multiplied by two. These figures are then compared to other local employment data to reveal LafargeHolcim's employment

impact in a more general local context, yielding metrics like the percentage of local employment composed of the company's workers and the relative amount of investment in local training and development provided by LafargeHolcim.

LafargeHolcim recognized, however, that a more nuanced approach to employment was necessary to really understand their local contributions, so they include an interview approach for multiple stakeholders who are classified according to whether they were internal or external to the company. Internal stakeholders thus include people like plant managers and technicians, while external stakeholders include people like local dignitaries and community leaders, school representatives, regulators and residents. Other stakeholders include suppliers and transporters.

Interviews are conducted one-on-one and in focus groups, with the goal of understanding both individual and collective feelings and opinions about LafargeHolcim and its organization and activities. The benefit of supplementing quantitative data with qualitative data is that interviews and group meetings help ensure there is alignment between internal and external perceptions of issues and impacts related to operations. In other words, LafargeHolcim becomes an active participant in the local discourse on corporate responsibility while at the same time increasing the reliability and completeness of its quantitative data.



STEP 3. CONDUCT MEASUREMENT

ILLUSTRATIVE IMPACT PATHWAY FOR SKILLS



COMPANY EXPERIENCE

In its Skills to Succeed program, **Accenture** draws upon two of its core capabilities, convening partnerships and training talent, in order to help address the global need for skills that open doors to employment and economic opportunity. In doing so, Accenture can, for example, help to maintain its own license to operate and to grow by equipping potential future employees with the skills needed to succeed in business and by increasing the motivation of its own employees. To measure, report and build evidence on the success of the Skills to Succeed program, Accenture has established an impact framework which tracks a set of input, output, and outcome indicators, giving a comprehensive picture of the level of investment from Accenture and its staff, the

scale of the program, and its social contribution. To begin with, the level of investment made in the program in terms of cash, hours of pro-bono services committed by the corporate citizenship team, and the hours volunteered by Accenture staff are all measured. As an output, the number of people equipped with skills is captured across the board, tracking progress towards Accenture's first goal of equipping over 3 million people with the skills to get a job or build a business by 2020. The second goal Accenture has set for 2020 is to be able to measure and report on the transition from skilling to sustainable jobs and businesses. This is a complex and rigorous process which involves supporting partners with tools and technology to stay in touch with jobseekers and entrepreneurs over time. Accenture is looking at 4 outcomes:

- 1) increase in a person's competitiveness in the job market, measured by the number of people who found employment;
 - 2) the increase in Economic Resilience, measured by the average increase in monthly wages;
 - 3) building sustainable business enterprises, measured by the number of people who are building businesses; and
 - 4) the creation of employment opportunities for others, measured by the number of jobs created by those businesses.
- In its third goal for 2020, Accenture aims at Collaboration for Systemic Change: Bring together organizations across sectors to create large-scale, lasting solutions aimed at closing global employment gaps. This includes collaboration with governments and builds on Accenture's strengths to convening partnerships to achieve tangible, measurable results.

STEP 3. CONDUCT MEASUREMENT

ILLUSTRATIVE IMPACT PATHWAY FOR SAFETY



COMPANY EXPERIENCE

“We never compromise on safety” - Safety is a core component of **BASF's** strategy and part of BASF's Code of Conduct. Qualitative and quantitative data are generated to assess the safety performance along the entire value chain. The valuation of safety impacts on society in monetary terms is piloted.

The initiative “Responsible Care” addresses BASF's production, transportation/distribution and product stewardship. Qualitative and quantitative data are generated and measured against performance goals (e.g. number of work-related accidents). A time baseline is used to track the year-on-year performance.

The initiative “Together for Sustainability” covers the supply chain.

Qualitative assessments are conducted to ensure suppliers are in line with expectations (e.g. UN Global Compact, Responsible Care). Results inform corrective action plans and, occasionally, lead to contract terminations.

The product impact is evaluated by BASF's Sustainable Solution Steering™. It is a 360° view on a product portfolio's contribution to specific value chain sustainability needs, such as health & safety (e.g. human toxicity). The assessments are conducted in a workshop format with BASF experts to identify the product's contribution to sustainability. Industry and region-specific customer viewpoints and market benchmarks are considered. Finally, each solution is assigned to one of four categories:

Accelerator, Performer, Transitioner, and Challenged.

This qualitative assessment allows activities (e.g. actions plans, R&D) to improve the contribution of individual solutions and steering the entire portfolio. As of today, BASF's share of Accelerators is 23%. BASF's target is to increase the sales share of Accelerator products to 28% by 2020. A substantial part of Accelerator solutions contribute to health and safety. For example, Deoxo® Catalysts improve health, safety, and comfort of passenger and crew by mitigating exposure to ozone in aircraft cabin air; Suvini® Acrylic Antibacterial eliminates nearly all microorganisms on the surface of any wall and prevents them from returning for two years.



STEP 4. PERFORM VALUATION



What?

If appropriate, companies should select an appropriate valuation approach, analyze the value of their social capital impacts and dependencies, and interpret the data. Valuation may not be necessary for all intended uses of the social capital protocol.

Why?

Analyzing the value of social capital can enable its use alongside other business information.

How?

Valuation is the practice of attributing a common value to a diverse set of measures, in order to compare or aggregate them. We see companies using two main types of valuation:

1. Qualitative and Quantitative valuation - the practice of attributing relative values to qualitative or quantitative performance using ranking options with defined categories (e.g. high, medium and low), indices, scores or scales.

Companies participating in this study, have applied 5 point scales to both qualitative and quantitative indicators across the three subjects of skills employment and safety for product social metrics approaches. The scales range from scores of -2, indicating unacceptable performance, to +2, indicating outstanding or exemplary performance.

2	Outstanding / exemplary performance
1	Good performance
0	Standard performance / compliance
-1	Inadequate performance
-2	Unacceptable performance
	Unknown (default)

2. Monetization – the practice of attributing a monetary value to social capital performance. The results can stand-alone, but are more commonly used to inform comparative decision-making or analysis such as Social Return on Investment (SROI) ratios and social profit and loss accounts.

While this practice is relatively new for businesses seeking to understand their interactions with society, there are multiple techniques for monetization, many of which are already applied across welfare economics and natural capital valuation.

Companies participating in this study, have applied the following monetary valuation approaches:

- | | |
|-------------------|--|
| Employment | <ul style="list-style-type: none"> Input-Output tables are used to estimate indirect and induced job creation through a company's spending on its supply chain and the ripple effect this has on the economy from spending by suppliers and employees. Average pay is used to estimate the monetary contributions of jobs to the welfare of workers or to the economy. |
| Skills | <ul style="list-style-type: none"> The sum of expected future earnings is used to estimate the long-term financial impact of training. Monetary value of quality of life improvements. |
| Safety | <ul style="list-style-type: none"> Academic studies on the cost of work related injury and illness to workers and the community. The cost of a Disability Adjusted Life Year (DALY) e.g. as calculated by WHO or the World Bank. |

STEP 4. PERFORM VALUATION

COMPANY EXPERIENCE

VALUING EMPLOYMENT

EY worked with Acciona Energy to calculate the monetary value of the employment generated by wind energy compared to an alternative technology, Combined Cycle Gas Turbine (CCGT) energy. The purpose of this monetary figure is to provide an alternative indicator to policy-makers, who generally use the cost of energy for decision-making, but do not consider the social and economic impacts. Including socio-economic externalities can give a clearer picture of the “net cost” of a technology for a domestic economy.

To generate this value, EY used input-output analysis which draws from national accounts to model the effects of spending into the economy. To measure employment generation, EY looked at how the capital and operating expenditure for wind energy lead to direct jobs for operations and maintenance, indirect jobs within supplying companies and induced jobs due to additional spending throughout the supply chain. The resulting job creation is presented in terms of “job years” (equivalent to 1 full time job for one year) per million euros invested. This value shows the relative efficiency of investments in terms of job creation, and can be used to compare the performance of various technologies, as well as the relative impact of policies.

The results of the analysis indicate that wind energy creates twice as many jobs in France and Spain than the CCGT. This is primarily because a high share of the costs of CCGT are ‘exported’ through fuel costs and therefore do not contribute to local job creation.

VALUING SKILLS

PwC’s [TIMM framework](#) allows social, environmental, economic and fiscal impacts to be valued in consistent monetary terms, letting stakeholders compare them directly. The TIMM framework analyzes impacts along the entire value chain, from cradle to grave.

PwC has applied the TIMM framework with a number of organizations, including to analyze its own impacts. One of the impacts it has valued in this way is the impact on skills, or ‘human capital’, from training employees. PwC bases its approach on existing definitions of human capital, from the World Bank and OECD, and established valuation methodologies. Impacts on different stakeholders can be identified, such as on employees from increased lifetime earnings and associated welfare, the Exchequer from increased tax contributions and employers from increased profits. Using this approach, PwC has valued its own annual contribution to the UK’s human capital (the ‘flow’ of human capital) from the accountants it successfully trained in 2015 ([GBP 195 million](#)). PwC has repeated this analysis over the last 3 years to understand how this changes over time.

PwC’s approach can also be adapted to estimate the ‘stock’ of human capital that is embodied in a company’s workforce, helping to demonstrate the contribution this makes to the economy and to society. For example, PwC prepared a report for energy company [SSE Plc](#), valuing their human capital stock at GBP 3.4 billion in 2014.

Measuring the value of these skills lets companies understand the significance their activities have on them, how much of this value is embodied in their workforce, and which factors can influence the value of human capital.

VALUING SAFETY

Assessing the economic and social impact of worker safety is crucial to **Nestlé’s** goal of creating shared value. Injuries and illness impact workers, employers, and the local community. Workers bear the cost of hospitalization and medical expenses, lost income, and disability. Employers are often responsible for medical costs, in addition to the costs associated with higher insurance premiums, production disruptions, and legal costs. The wider community loses tax revenue and economic outputs, supports disability and early retirement and suffers from quality of life impacts or grief.

With this in mind, to value their social externalities in the area of Safety, Nestlé looked at the direct and indirect costs to Nestlé as the employer, as well as to workers and the community.

For the employer, direct costs like hospital bills, workers compensation and insurance premiums can be easily measured and analyzed. Indirect costs such as lost productivity and reputational damage are harder to value, but can be reasonably estimated as ratios of the direct costs of an accident or illness using established methods from peer-reviewed academic and government sources.

For workers and communities, the direct and indirect cost of injuries can be estimated at outcome level based on the concept of disability adjusted life years (DALYs), which measure the overall disease burden and is expressed as the amount of time by which a person’s life decreases due to an accident or illness. This provides a good proxy for the income on human well-being, and can be monetized based on the cost of a DALY recommended by the World Bank.

STEP 4. PERFORM VALUATION

COMPANY EXPERIENCE

QUALITATIVE AND QUANTITATIVE VALUATION

Product social impact metrics applied by BMW (contribution to Handbook for Product Social Impact Assessments) & WBCSD Chemical Sector Guidance.

BMW Group acted as founder of the Product Social Metrics Roundtable, resulting in the Handbook for Product Social Impact Assessments. In this work, standard performance indicators are proposed by stakeholder group (workers, consumers and local communities) and by social topic (including employment, safety and training, and education). The Impact Assessment Methodology provides two approaches to valuation and aggregation:

- Quantitative approach – a quantitative performance indicator is compared with a reference value (an ethical, minimum or optimal standard) in order to provide a decimal score which demonstrates relative negative or positive performance.
- Scales-based approach – quantitative or qualitative (gathered through stakeholder surveys and interviews) performance indicators are compared with a reference value in order to produce a relative performance rating on a scale of -2 (non-acceptable performance) to +2 (ideal performance).

These scores can then be weighted and aggregated by subject and by stakeholder to give an overall view of performance of a product across its life cycle.

Building on the Handbook for Product Social Impact Assessments, the **WBCSD Chemical Sector Group** guidance proposes specific metrics for chemical products. The guidance applies to the same three stakeholder groups (workers, consumers and local communities), and groups 25 social topics into 5 social areas which include employment, skills and

safety. 11 of those topics are recommended as mandatory for chemical sector measurement. For each topic, two types of indicator are defined: at least one mandatory indicator which combines the checking of processes in place and the assessment of their impact, and advanced indicators which are more quantitative and are considered optional. The guidance also provides five levels in reference scales to enable valuation of each indicator and advanced indicator from -2 (unacceptable performance) to +2 (outstanding/exemplary evidence), via 0 (standard performance / compliance).

Aggregation is suggested as optional, but can be carried out along the value chain or across social topics.

STEP 5. INTEGRATE RESULTS



What?

In this step, companies should ensure that the information gathered is integrated within the organization and is used to drive better decision-making for improved social capital performance management.

Why?

Integrating the process and results into decision making will result in more integrated thinking and ensure social capital is actively managed.

How?

The vision of the WBCSD in developing the Social Capital Protocol, and in the wider Redefining Value program is to move towards integrated thinking and performance management – ultimately we would like social and natural capital to be managed as effectively, or perhaps even more effectively than financial capital.

The results of applying the Social Capital Protocol should provide information which can be embedded into management systems and processes so that it informs better decisions by organizations and their stakeholders – decisions which drive both social and business value creation.

Of course, this is an ambitious aim and companies are at the early stages of this journey. As highlighted earlier, implementation of the Social Capital Protocol and the integration of processes and results are most likely to be iterative. The lessons learnt through the application of steps one to five will allow companies to further enhance and further integrate their efforts going forward.



STEP 5. INTEGRATE RESULTS

COMPANY EXPERIENCE

SCA's social measurement and valuation efforts steer and support its shared value approach to tackling incontinence care in China. Beyond the provision of incontinence care products, SCA provides services and training for nurses, primary care professionals and customers at hospitals, in the home, and in nursing homes – educating 14,880 healthcare professionals between 2009 and 2013. As a result, SCA calculates that it has created a total societal value of over 44 million USD for Shanghai, Beijing and Guang Dong. The improved quality of life resulting from improved care represents the largest percentage of this value, however almost 10 million USD is due to jobs created in care facilities and routine cost savings. The significant volume growth of sold products (from 6,3 M in 2011 to 82,5 M in 2013) is the major driver for improved quality of life, as well as business value for SCA.

Siemens is taking an iterative approach to developing its organizational approach to impact assessment. In order to decide where to start, a small team within Corporate Strategy Sustainability conducted interviews with the heads of strategy across Siemens' 30 lead countries on their needs and expectations for social impact measurement. 90% responded that socio-economic performance is very important, and will become more important over the coming years.

Armed with this endorsement, the team conducted a pilot measuring country level performance in South Africa in terms of the government's national priorities. Upon publications of the resulting report, 12 heads of strategy expressed immediate interest in replicating the study for their geographies.

The core team is now working on a support concept, including guidelines and an implementation kit for country-level implementation.

BASF integrates its range of safety indicators into its Responsible Care® Management System (RCMS), which is structured around the Plan-Do-Check-Act cycle. Planning involves identifying relevant metrics and establishing goals and strategies. Doing refers to the implementation and control of the measurement strategy, while checking involves setting up operational controls and conducting audits to ensure that the plans are being carried out effectively. Acting refers to the management review and reporting, which provides crucial information necessary before the cycle starts again at step one (planning) with the new knowledge and skills acquired during its previous iteration.

BASF followed this process in their attempt to reduce the number of work-related accidents per million working hours by 80% to 0.65 by 2020, using 2002 as a baseline. By 2014, workplace injuries had been reduced to 1.5 per million working hours worldwide, and BASF conducted 49,000 occupational health and safety trainings.

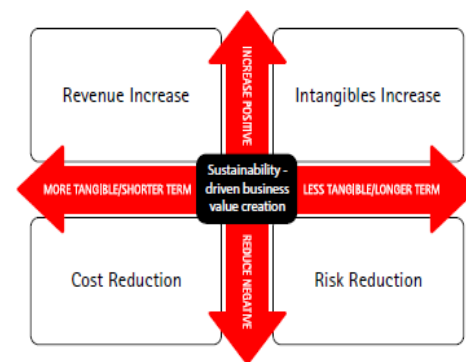
8. CLOSING THE LOOP: MEASURING AND VALUING IMPACTS ON THE COMPANY

This paper has focused on the impact of business activities as experienced by external stakeholders: workers, local communities, governments, customers and consumers. However, to close the loop of the Social Capital Protocol process, we should also consider the value of the impact that is experienced internally

COMPANY EXPERIENCE

Accenture highlights the importance of sustainability-driven business value creation in its social capital valuation work for its clients, its own employees and its corporate citizenship activities – proposing that social capital valuation needs to integrate value for business and value for society.

Value for business is understood as the value a company derives from investing in social capital. It can be calculated as revenue increases and/or cost reductions in the short term and as intangible assets increases and/or risks reductions in the longer term.



The Accenture approach to sustainability-driven business value creation.

by the business, now or in the future.

Including this alternative 'value perspective' will help to connect social capital back to business value drivers and to articulate the business case for action.

This is a relatively new angle for business analysis in the social capital

Both Nestlé and BASF measure the impact of their safety performance on their companies.

As highlighted earlier in the paper, **Nestlé** measures direct costs of safety issues to the company, such as hospital bills, workers compensation and insurance premiums. It also estimates the indirect costs such as lost productivity using ratios proposed by academic sources.

As part of their Sustainable Solution Steering, **BASF** measures the sustainability performance of their products in comparison to the market average, and works towards increasing the market share of more sustainable products.

The Deloitte - IFC Financial Valuation Tool monetizes the cost of social risks and disruptions.

In 2009, **Deloitte Canada** and the International Finance Corporation (IFC) initiated a collaboration to develop a methodology to estimate the financial return of site-specific sustainability and community investments. These efforts led to the development of a desktop application (FV Tool) that extractive

space, and an area we will focus on throughout 2016 to incorporate into the Social Capital Protocol process.

In the meantime, there are some examples of this thinking and analysis emerging in practice:

companies can deploy to quantify the business case for social investments and to provide a comparative analysis of social investment options.

The tool can compare two different investment scenarios, based on risks and opportunities, to help managers decide which scenario is likely to yield the most value for the company by creating positive impact for communities. It measures both value protection and value creation.

- **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 direct cost-benefit calculation of sustainability investments. 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.

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9. LESSONS LEARNT AND AREAS FOR DEVELOPMENT

The detailed analysis conducted through this project is being compiled to compose the first version of the Social Capital Protocol, incorporating leading practice and highlighting areas for development. However there are a few headlines we can already share:

Lessons learnt

- Measurement and valuation of human capital, particularly for the subjects of employment, skills and safety is already possible and useful. Increasingly well-accepted methodologies exist and leading companies have already made significant progress.
- Companies share the feeling that they are at the beginning of their journeys, developing and testing approaches to suit their needs. There is much to be gained from a culture of transparency and exchange. Openly sharing techniques applied, challenges faced and solutions found can help to raise the quality and maturity of measurement and valuation practices.
- Being clear and consistent in the definitions of scope, boundaries and baselines is important in order for the results to be credible and comparable over time. Companies have found the geographic and operational boundaries, the position of measures in the impact pathway, the time period referenced and the regularity of measurement to be of particular importance.

- When results are used externally, or when data gathering impacts external stakeholders it is important to understand the value stakeholders place on particular areas of performance, and to manage expectations with regards to the objectives of a measurement exercise.

Areas for development

- This paper begins to define and clarify three subjects relevant to social capital but there are many more. Continuing to build an agreed set of definitions for the array of social issues which influence social capital will help to drive convergence towards agreement on appropriate indicators, data sources, and valuation approaches for business use.
- Data availability, particularly at the level of outcomes and impacts is a challenge, but there are pragmatic and increasingly accepted techniques that can help. Social hotspot and input-output databases are increasingly useful sources.
- The application of monetized values is still a challenge. Different social impacts require tailored approaches to monetize them and there may be a number of alternatives to choose from for each. Differences between these alternatives may include their level of precision, their granularity and even what they represent (i.e. the internal value to the business or externality value to society). Care should be taken to make sure that any monetized values are consistent with

one another - especially if they are to be directly compared or aggregated - and that they are fit for purpose. It is important to conduct sensitivity analysis, and to be transparent in your level of confidence in the results.

- The ultimate aim of social valuation (and monetization in particular) is seen by many as being able to measure all impacts on social capital in a way that allows them to be directly compared; with one another as well as with impacts on natural capital and with financial performance - perhaps even aggregating these into a single figure. The practice has some way to evolve before this level of comparison and aggregation is possible.
- Approaches applied by companies currently focus on the impacts of business on society. The ability to measure and value how business depends on employment, skills and safety, and the risks to business of shortfalls in these human capital elements is still in its infancy. More work is needed to fully integrate this perspective into the Social Capital Protocol.



10. FROM AMBITION TO IMPLEMENTATION: PLANS FOR 2016

This document provides a first consolidated insight into the measurement and valuation of employment, skills and safety by companies, as well as the value and viability of developing a harmonized approach – but it is just the beginning. The WBCSD and its members will continue to advance this work as follows:

Pilot the Social Capital Protocol for employment, Skills and Safety

From May 2016, companies will be invited to trial the application of the Social Capital Protocol for the subjects of employment, skills and safety within their own organizations, and provide feedback on their experience and suggestions for improvement back to the WBCSD.

Feedback received from the pilots will be used to refine and strengthen the Social Capital Protocol process, guidance and tools before they are released more widely.

Expressions of interest in participating in the pilot as a company or partner are welcome.

Identify and prioritize additional subjects

The Deep-Dive process serves as a model to be replicated for additional social capital subjects. Livelihoods, health, human rights, product social impacts, and informing investor decision-making and portfolio management have been raised as potential focus areas.

We welcome expressions of interest in contributing, and suggestions for additional priority subjects.

Scale up implementation

Building on the solid foundations laid by this work to date, we aim to scale up the ongoing development and implementation of the Social Capital Protocol. We will work towards:

- systematizing and rolling out the deep-dive, pilot and technical development processes, and
- fully leveraging and expanding our network of contributing companies and partners.

To find out more or to get involved in the ongoing development of the Social Capital Protocol

Visit:
[www.wbcd.org/
socialcapital.aspx](http://www.wbcd.org/socialcapital.aspx)

Contact:
Kitrhona Cerri,
Manager, Social Impact
Cerri@wbcd.org

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About WBCSD

The World Business Council for Sustainable Development (WBCSD), a CEO-led organization of some 200 forward-thinking global companies, is committed to galvanizing the global business community to create a sustainable future for business, society and the environment.

Together with its members, the council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action. Leveraging its strong relationships with stakeholders as the leading advocate for business, the council helps drive debate and policy change in favor of sustainable development solutions.

The WBCSD provides a forum for its member companies - who represent all business sectors, all continents and a combined revenue of more than \$7 trillion - to share best practices on sustainable development issues and to develop innovative tools that change the status quo. The council also benefits from a network of 65+ national and regional business councils and partner organizations, a majority of which are based in developing countries.

Disclaimer

This publication is released in the name of the WBCSD. Like other WBCSD publications, it is the result of a collaborative effort by members of the secretariat and senior executives from member companies. A wide range of members reviewed drafts, thereby ensuring that the document broadly represents the perspective of the WBCSD membership. It does not mean, however, that every member company agrees with every word.



World Business Council for Sustainable Development

Maison de la Paix, Chemin Eugene-Rigot 2, CP 246,1211 Geneve 21, Switzerland.Tel: +41 (0)22 839 31 00,
E-mail: info@wbcasd.org