Methods and Tools for Corporate Impact Assessment of the Millennium Development Goals (MDGs) and Sustainable Development

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Introduction

As the title suggests, this ESDN case study provides insight on impact measurement tools available for companies to measure their impact on or contribution towards achieving the Millennium Development Goals or the UN Global Compact or any other sustainable development goals that may be self-imposed or predetermined by international organisations. Before moving straight on to the numerous measurement tools available, a view questions have to be answered, like ‘Why are impact measurement tools necessary?’, ‘What are self-imposed or international development goals?’ or ‘How to compare these numerous available but mostly very different tools?’

Nowadays it’s increasingly expected by stakeholders and consumers alike that private sector practices incorporate some sense of responsible and sustainable business behaviour. No business sector, nor any type of enterprise, especially not multinational companies, is excluded from this all imposing global trend that is referred to as Corporate Social Responsibility (CSR): “CSR – or something that goes under the banner of CSR or one of its many counterparts – is now practiced in most large corporations in Europe and the USA, as well as in parts of Asia, and has been taken up by corporations from many major developing countries (...). The CSR practices of huge multinationals (...) affect millions, perhaps billions of people across the world, whether through the products they supply, the people they employ, the communities in which they locate, or the natural environments they affect.” (Crane/Matten/Spence 2008a:175)

As a matter of fact, CSR has started out as a management idea in the 1950s in the USA. This is not to say that before there was no demand for responsible business practice, but since then business actions on a voluntary basis in all different kind of areas – including human rights violations, environmental pollution, harming of stakeholders and fraud and corruption – gained popularity due to raising pressure by society, international organizations and nongovernmental organisations. (cf. Crane/Mateen/Spence 2008a: 3-4) Companies’ actions behind the products have also been gaining an influence on the consumers’ purchasing decisions. Over the years, expectations have not changed, but rather increased and, therefore, it is expected from companies to follow a more ambitious effort in the sense of “giving back to society” (Köppl/Neureiter 2004: 16) It has to be mentioned though that there is no one-size-fits-all prescription of what is to be expected by companies’ social responsible behaviour. This issue will become clearer in the following chapters that examine tools that try to measure the corporate contributions to sustainable development.

The expectations for companies are extremely high and, therefore, social responsible business behaviour is expected to be more than just philanthropic giving. As Grayson and Hodges put it “[t]he attempt to consider how CSR might be ‘built in’ to the core business of firms as opposed to ‘bolt on’ as an extra has become a major theme in the CSR practitioner world.” (Crane/Matten/Spence 2008a: 8 et seq) It is thus meant to go way beyond the level of philan-
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Therapy. It requires good behaviour in all components of business practice. Donating and philanthropic giving does not cut it. The expectation is that **sustainable business behaviour should be a concept which is inherent in every single business action.** (cf. Crane/Matten/Spence 2008a: 8) This also makes clear why measurement tools are of such importance: companies try to find out what the actual impacts of their ‘built in’ actions are.

The reasons for engaging in social responsible behaviour are numerous: the rising pressure and expectations are one reason, but companies also hope for clear creating advantages by following the ‘rules’ of social responsible behaviour. For once, it is a tool for risk reduction, business development and competitive advantage gain. Companies, furthermore, hope for increasing reputation and legitimacy. Thus it is not only the internal and external social pressure of employees and consumers, but in the most cases it is a matter of simply doing what is right. (cf. Crane 2008: 221-223) By outlining the framework of this case study, it has to be mentioned that it is a fact that companies not only practice responsible behaviour out of sheer generosity, even though the concept asks for rightful behaviour on a voluntary bases. (cf. Carroll 2008a: 19-21) The inclusion of voluntariness as a key concept in the CSR concept is generally controversial. (cf. Crane/Matten/Spence 2008a: 7) A very well know German saying is ‘do good and talk about it’ and that is exactly what lies behind this seemingly all-captivating trend of responsible business behaviour. Nevertheless, corporate behaviour is clearly a theme reported in the media on an everyday basis. The news of corporate misdeeds provides fodder for new headlines, but positive corporate behaviour is attracting attention as well. (cf. Crane/Matten/Spence 2008a: 13-17) Before being able to make all good deeds and the engagement of the company visible for the wider public, all actions have to be recaptured or measured and formed into a document of proof. By repeating this measurement regularly, showing progress and improvement is intended. That is where the numerous measurement tools, captured in this case study, come into operation.

1 Frameworks for social responsible behaviour

For a successful implementation of sustainable business behaviour, companies need to declare what actions they are focusing on and what positive impacts are to be expected. Therefore, a **concept, a so called ‘Code of Conduct’,** is necessary to frame all actions that are planned in order to move towards more sustainability. As there is no single concept which is appropriate for every company, each company has to create its own written obligations that they intend to follow. Many companies though follow international well known concepts and codes which all focus on different aspects of sustainable development. (cf. Brink/Tiberius 2005: 15 and Burchell 2008c: 119. and Kuhlen 2005: 14 et seq.)

This concept is anything but unchangeable as it is meant as a framework for orientation with goals for responsible actions the companies intend to implement. Such a ‘Code of Conduct’ is also a document of orientation for the company’s stakeholders and shareholders, but at the same time, there is no guarantee for responsible behaviour due to the Code of Conduct. An im-
important fact is that the conditions vary among the different industries and different countries in which multinationals are doing business in. One Code for all companies would be improper, but at the same time, it is important that the goals are reliable in the environment the company does business in. It gets even more difficult when the supply chain has to be taken into account. Nowadays, good deeds are not only expected by the companies themselves, but also of the whole supply chain. Monitoring the company’s behaviour is complicated, but monitoring the behaviour of the whole supply chain is sheer impossible. (cf. Kuhlen 2005: 16 et seqq. and Burchell 2008c: 120 et seq.) This is a matter of fact which becomes obvious when assessing all impact measurement tools.

Besides all these complications, there are alternative approaches, like commonly known standards and codes all companies should follow. Global Initiatives, like the following, provide a framework with core goals which corporations can accede themselves to: UN Global Compact, Global Reporting Initiative (GRI), and OECD Guidelines for Multinationals, ILO Conventions, ISO 14000 Series and the Green Paper of the European Union. Some of them will be in the centre of certain measurement tools, especially the UN Global Compact and the GRI, but many companies focus on the Millennium Development Goals (MDGs) by the United Nations.

The reasons for focusing on global goals and initiatives within the social responsible behaviour are manifold, but the most important one might be the gain in reliability. Companies and stakeholders alike can have the guarantee that the use of international frameworks brings more credibility than a company’s internal self-imposed codes. It is uncertain, however, if companies tend to drop out of their stated commitment if they do not notice any benefit through it. (cf. Burchell 2008c: 122 et seq.) It also has to be mentioned that seals of quality are not that common as the detailed assessment of the measurement tools of sustainable behaviour will show, but it will be visible that many tools just exclude the measurement of negative impact.

As MDG and the UN Global Compact come up several times during the assessment of measurement tools a brief outline is necessary:

### 1.1 Millennium Development Goals (MDGs)

After the so called lost decade for development, the 1980s, in 2000 the United Nations decided upon the Millennium Declaration which includes eight simple understandable goals, the Millennium Development Goals (MDGs) which should be reached by 2015. An in-depth exploration of the MDGs and the post-2015 debate can be found in the ESDN Case Study No 13. In Annex 1 of this case study, we present the MDGs 8 main goals and their accompanying 18 targets including 48 technical indicators.

### 1.2 UN Global Compact

Founded in 1999 by Kofi Annan, the UN Global Compact was created as a platform for organizing global business in peace and prosperity. Nowadays, it has already more than 10,000 partici-
pants spread across 145 countries. Officially, the requirement of the Global Compact is to combine economic goals with universal moral concepts. The Global Compact rests upon ten principles (see Annex 2) which companies are required to follow and which cover the areas of human rights, environment, anti-corruption and labour, whereby human rights issues are of main priority. (cf. Hölz 2008: 511 et seq.) The ten principles mainly derived from the Universal Declaration of Human Rights and the Rio Declaration on Environment and Development as well as the United Nations convention against Corruption. (cf. The United Nations Global Compact 2008: 136-142/Website of the United Nations/Leisinger 2005:228, 240)

The main success of the Global Compact may well be due to its country networks which aim to translate the principles into every country’s needs and thus make the whole system more practicable. Companies are expected to follow the principles of the Global Compact and even though the implementation of the principles takes time, the number of companies assigned to the Global Compact is increasing and the according change of business practice is very positive. The reason for its success mainly lies in the fact that governments, business as well as labour, civil society and organizations are all involved in the achievement of the outlined goals. Only through that broad coverage of all levels of business interactions, business behaviour towards higher social and economic standards can be achieved.

2 Sustainable development impact measurement tools for companies

It has to be mentioned that the list of measurement tools provided in this chapter has not the aim of being complete. The tremendous offer on tools available (please see a comprehensive overview of tools in Annex 4) only makes it possible to give an overview. Generally speaking, the tools can be divided into the two groups: self-assessment tools and external assessment tools. Especially for tools where the assessment has to be done by companies themselves (self-assessment tools), there are various ways of doing so which are described in the first subchapter.

2.1 Self-assessment tools

Self-assessment tools are tools with which companies do the assessment by themselves. The respective company provides and fills in data, in some cases does the calculation of the outcome, and publishes the assessment results (if it wishes to do so). Among the vast array of self-assessment tools are the following:
2.1.1 Online tools

These tools usually all use some kind of online masks. Online masks also work with so called indicators\(^1\) which need to be answered by estimation, thus they do not work with exact measurement. The advantage of online masks is that they are easy to handle, easy to fill in, understandable, not too time consuming, and there is no possibility of skipping indicators. In general, positive and negative impacts are assessed, whereas negative impacts in most cases referred to as ‘zero impact’. Some of these tools differentiate between sectors but most do not. Online tools are in general self-assessment a tool, meaning the company decides when to start the evaluation, how much time they intend to invest, and what to do with the outcome. The outcome – either in form of a printable report on an excel spreadsheet or graphic demonstration – summarises how many beneficiaries there are or how many percentages, points or stars have been received. Only a few work with certificates. Most online tools have certain things in common: there is no obligation for impact evaluation; there is no obligation for making the results public; and there is no obligation for follow-up actions. The tools also do not provide guidance or information on how to follow-up on the results. This has to happen entirely voluntarily, maybe by consulting experts. There are also many consultancies offering help and guidance for using certain kinds of tools like the LBG Model (see below). For many tools, log-in is necessary which in most cases is associated with extra costs for registration.

There are tools which explicitly mention to evaluate the whole supply chain, including tools like the MDGscan, Global Compact Self-Assessment tool, and Human Rights Compliance Assessment. How they actually proceed in doing so, is not easy to evaluate because they do not provide information for free. Do they ask their suppliers to use the tool as well or do they answer indicators by estimating of how their suppliers are performing or do they actually demand certain measures from their suppliers?

The following tools fall under the criteria of being an Online Tool:

- **MDG Scan**
- **Wildesoft Tools**
  - Impact Manager
  - LM3 Supply Chain Manager
  - Impact Predictor
  - Social Tool Organizer
- **LiSt Lives Saved Tool**
- **Global Compact Self-Assessment Tool**
- **LBG Model**
- **Social e-valuator**
- **Inclusive Business Challenge**
- **HRIAM Guide to Human Rights Impact Assessment**
- **MoNA (Monitoring Nachhaltigkeit)**

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\(^1\) Most tools use indicators. Indicators in this specific area are specific questions concerning an area of CSR or social impact/development which have to be answered by estimation by, for example, ticking yes/no/further information boxes. For most Frameworks and Guidelines as well as External Assessment tools and Online Modules, the set of indicators can be adapted according to sector, point of interest, etc.
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- **GIIRS** (Global Impact Investing Rating System) (BCorp Certificate)
- **Human Rights Matrix**
- **Human Rights Compliance Assessment**
- **Accountability Measures**
- **UN Global Compact Quick Self-Assessment and Learning Tool**
- **Retail Supply Chain Portal** - includes two tools WercsHELP and the GeenWERCS
- **Partnership Assessment Tool (PAT)**

### 2.1.1 Online platforms

Another form of online tools are ‘online platforms’ or, as they are mostly called, cloud tools which include the evaluation of impacts along the value chain. The essential difference is whether the buyer or the supplier takes up the initiative. It is not mentioned what happens after the buyer and supplier grant each other access to all their data within the cloud platform. It can only be assumed that in such a case, expected follow-ups are discussed between the two parties and it will be in the power of the buyer to request improvements of social and environmental conditions. Examples are:

- **CSRware-SSC** sustainable supply chain
- **SIM** - Arcus Supplier Information Management system
- **Supplier Portal**
- **Human Rights Impact Assessment**
- **HRIA A Human Rights Impact Assessment Toolkit**

### 2.1.1.2 Online tools which create country profiles

These tools are very interesting in terms of showing onsite conditions for business risk reduction. The tools monitor risks and conditions companies are facing when doing business or operating local branches or subsidiaries in different countries of the world (either in developed countries or countries of low development). The impacts of business actions can be expected to be very different depending on where the business operations are located, including these aspects in social responsible behaviour seems to be very useful. Examples of these tools are:

- **MDG monitor**
- **Maplecroft Tools** – Risk-Responsibility-Reputation Institute
- **OECD Better Life Index**
- **Dashboard of Sustainability**
- **ORBIT**
- **OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones**
- **Corruption Perception Index**
- **Bribe Payers Index**
- **Global Corruption Barometer**
- **AGI Data Portal**
- **WGI project** Worldwide Governance Indicators
- **Global Integrity Report**
2.1.2 Frameworks and guidelines

In a nutshell, frameworks and guidelines can be seen as additional self-assessment method opposite to the online tools that include all the aspects mentioned above: there are no obligations on using them, mostly no costs involved, there is no follow up necessary, there is no inspection, and the outcome is not made public. Companies decide for themselves if they want to publish a report including all the findings of the impact assessment. These frameworks and guidelines are of use for any company of any size and any sector. The negative aspect of frameworks and guidelines is that not only the data provision, but also in some cases the design of a mask (maybe an excel sheet) wherein to fill in the data as well as the ‘calculation’ of the outcome has to be done by companies themselves. Even with support for framework and guidelines, this is in most cases complicated and takes up a lot of time and effort for companies. On the other hand, guidelines and frameworks can be downloaded for free. Frameworks give instructions on how to proceed in order to evaluate impact and guidelines provide information on how to do the measuring and which indicators need to be used. Some examples are listed below:

Frameworks:
- UNDP Company Level CSR Self-Assessment Tool
- MFI Measuring Impact Framework Methodology
- DJSI - Corporate Sustainability Assessment
- G3.1 Sustainability Reporting Guidelines
- Environmental Management Systems (EMS)
- Assessing Development Impact
- BellagioSTAMP Sustainability Assessment and Measurement Principles
- CR Reporting AccountAbility Reporting

Guidelines:
- NONIE - Guidance on Impact Evaluation
- IESIA Integrated Environmental and Social Impact Assessment Guidelines
- The Corporate ESR
- Supply Chain Insight Tool (SCI)

2.1.2.1 Frameworks and Guidelines which focus on Sector Profiles

These tools are all self-assessment tools which provide either a framework or guideline for impact assessment. The only difference is that they are designed for one specific sector or purpose only:

- Aqua Gauge
- Supplier Self-Assessment Questionnaire (SAQ)
- Sustainable Procurement of Wood and Paper-Based Products
- RIMS Impact Management System
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- Corporate Water Footprint
- SEAT
- Global Water Tool

2.2 External assessment tools

These tools include external assessment by, for instance, independent NGOs or field experts. This practice includes field interviews in local communities where the companies are doing business in. It is a very time-consuming and cost intensive method and the process can take months or even years. The clear advantage is that these tools are very individual. Questionnaires and indicators are matched to the business sector, location and onsite condition. Therefore, the outcome reflects exactly the positive and negative impact detected. These tools also include the interactive element between companies and NGOs or external experts. As for the evaluation, experts deliver a report at the end of assessment and that is discussed with the companies on the current situation and what could be done to improve the impact. Examples are:

- Oxfam Poverty Footprint
- PPI Progress out of Poverty Index (Tools with PPI Certification)
- SAM Corporate Sustainability Assessment
- COSA Methodology

3 Best practice

In this chapter, we provide a more in-depth overview of certain tools that are regarded as best practice tools, including both self-assessment and external assessment tools.

The MDG scan, an online tool, proves to be a good tool for impact evaluation. Even the UN Global Compact recommends the use of the Partnership Assessment Tool in combination with the MDGscan. The Partnership Assessment Tool makes visible in which areas of business a company achieves the requests of the UN Global Compact. In addition, companies are encouraged to use the MDGscan in order to see what their business impact in the areas of the MDGs is. The MDGscan was initially created for Dutch businesses. The outcome of the MDGscan shows companies the number of beneficiaries in each of the eight MDGs as well as the total number of beneficiaries by their business actions. Companies fill in basic data and the scan works with multipliers to calculate the actual outcome, thus making it one of the self-assessment tools. Companies get a printable report which summarises all the information and indicators answered. Using the MDGscan, companies are in an online community and they show their result to the community. It is also possible to interact with the other participating companies. In case the companies agree the sheet of beneficiaries affected will be shown online at the MDGscan webpage.
The LBG Model, also an Online Tool, works slightly different. The LBG model evaluates the totality of corporations’ contribution to the community. The benefits for business as well as communities are assessed. Therefore, the LBG Model focuses more (but not exclusively) on specific projects a company undertakes in order to contribute to community. The LBG Model includes four aspects in the assessment: (1) data on how companies contribute (cash, time, in-kind, managing costs); (2) why companies contribute to community (community investment, commercial initiative in the community); (3) specification of business locations; and (4) explanation of which subjects companies focus on. The outcomes not only show community benefits but also business benefits. The LBG Model is getting increasingly well-known and the data generated from the LBG Model is suggested to be used in major corporate social responsibility indices (e.g. DJSI, GRI, CRI) as well as for internal management decisions and external communication. The LBG offers an annual report with best practice examples and numbers of total resources committed to community by business.

The GIIRS is recommended to be combined with the IRIS tool and, again, works differently compared to the ones described above. The GIIRS by the B Impact Ratings System is an online self-assessment tool which measures a company’s overall impact on all stakeholders (i.e. workers, suppliers, customers, community and environment). Depending on the company’s size and industry sector, the assessment includes between 120 and 180 indicators/questions. Each question is weighted and contributes to an overall score. There are, in total, 200 total points available in the rating system. From this maximum, 70% of the points focus on the positive outputs, 25% focus on good practice and 5 % focus on policies. The points achieved are then translated into a rating that ranges from 1 to 5 stars. The 5-star rated companies are the highest rated companies with a minimum of 125 points achieved. These companies qualify for the BCorp certificate. Even if a company has a bad rating in one aspect, it can be balanced by exceptional good ratings in other aspects of business. The specific outcome is a report which shows the rating details of the company with all points achieved and stars received. GIIRS has a three-level verification process with an assessment review, a documentation review and an on-site review in 10% of all participating companies. The GIIRS produces a quarterly analytics report which summarises all outcomes and shows best practice companies in developed markets and emerging markets.

Two additional online tools, the Global Compact Self-Assessment Tool and the Human Rights Compliance Assessment tool, which work very similar due to the fact that they are developed by the same institution, the Danish Institute for Human Rights, are also very interesting and useful: The first one, the Global Compact Self-Assessment Tool is, like the three tools mentioned above, a self-assessment tool. It gives recommendations on what could be a possible follow-up on the outcome of the assessment and it is recommended to share experience within the network of the UN Global Compact on a voluntary bases. The tool assesses the four main aspects of the UN Global Compact: human rights, labour, environment and anti-corruption. In each aspect questions according to the 10 principles of the UN Global Compact have to be answered by estimation (“Yes”, “No”, “F/A = further attention required”, “N/A = not applicable”). The outcome can be exported in an excel sheet. This can be used as printable summary and to generate a follow-up report. At the end it shows which areas the company has to pay further
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attention to and in which ones it is are well off. The second one, the Human Rights Compliance Assessment, works very similar. It is a database with over 300 questions. Depending on the industry a different set of questions is applied. Only 10% of questions are the same for each sector. The questions are derived from international laws concerning human rights. The questions/indicators need to be answered by estimation as well (Yes/No/FA/NA) “Yes”, “No”, ”F/A = further attention required”, ”N/A = not applicable”. There is no information on further steps or outcome (access only for registered users) but it can be assumed that it works similar to the Global Compact Self-Assessment Tool.

There is another type of tool which includes external assessments of business practice. The PPI Progress out of Poverty Index (PPI) and the Oxfam Poverty Footprint are good examples therefore. The first, PPI, is a tool solely for the Microfinance Investment Sector (MFI), measuring the likelihood of clients to fall below national poverty line. Therefore, MFI field staff visits the homes of clients and collects key information by interviewing them using ten specific indicators (which are not described). The Country Living Index then serves as a baseline from which client progress is measured. The results of the PPI allow MFI to make key decisions on the mission and how to carry it out. So the outcome is simple. It compares what has been done with what needs to be done to get people out of poverty. The second, Oxfam Poverty Footprint, works similarly. It is carried out by an independent research team, which is supported by the company in questions, and evaluates impacts of core activities in one single country the company does business in. There are 5 research areas: value chain, macro-economy, institutions and policy, social implications of environmental practices, product development, and marketing. The research questionnaire is developed individually for each company and region. This method can take from 2 month up to 2 years and many financial resources are required. The independent research team is delivering a report and, if wanted, it develops a follow-up strategy with the company.

Conclusions

After examining various assessment tools, the following summary can be made: There are numerous available ‘tools’, grouped into self-assessment or external-assessment tools. The exact working process of most of the tools is not clear as they lack transparency. Especially guidelines and frameworks turn out to be very difficult to understand. They involve a lot of work and are more complicated compared to most online tools. In general, it also can be said that most tools work with estimations instead of specific measurements which probably is a result of the fact that it is difficult to accumulate all the necessary data which would be essential for exact measurement. The following conclusions can drawn by using the assessment criteria that are specified in more depth in Annex 3:

Most tools available are self-assessment tools, meaning that the companies not only need to provide data by themselves but they also need to fill in the tool’s specifics and, depending on the form of the tools, ‘calculate’ the outcome according to the guidelines by themselves. This,
in most cases, also includes that the outcome is not public and it is up to the companies to decide what actions they follow up on their outcome, if any. External assessment involves external consultants or research teams and includes, in some cases, field interviews in local communities. Examples are the Progress out of Poverty Index (PPI) and the Oxford Poverty Footprint as well as the HRIA (A Human Rights Impact Assessment Toolkit) which are externally assessed by NGOs. It is a very time-consuming process accompanied by relatively high costs. For these tools, it is also necessary to create a specific interview framework tailored to company, sector and country. The clear advantage of external assessment tools is that the outcome is very credible. They reflect reality and in case of the PPI companies receive a certificate which also makes the outcome automatically public.

Regarding industry sectors, it has to be mentioned that many corporations and organisations have developed their own social performance tools, like SEAT (which is only for the mining sector) but they sometimes lack accountability and transparency. The tools which actually include a differentiation of sectors (many do not) concentrate on the following sectors: health, environment, agriculture, food, energy, extraction (like mining, which includes raw materials), ICT/telecommunication, textile/homeware, financial service/finance/microfinance/banking, pharmaceutical/chemical, construction/housing/community.

Another observation according to the size of companies and countries in which they operate could be made. Most tools can be used by any company (SMEs or MNCs), but they definitely all focus on MNCs. Most of the assessed tools do not specify if they are solely for use in Developed Countries (DC) or Countries of Low Development (LDC). They even give the impression that this is a less important factor, but it needs to be mentioned that the impact in developed countries can be expected to be tremendously different than in countries of low development according to onsite pre-conditions.

When it comes to assessing whether the tool evaluates impact of core business or philanthropy, it can be noticed that most tools assess ‘everything the company does’, meaning it is a mixture of both. In most cases, this includes some aspects and leaves others out. Many tools examined do not automatically give away what they actually assess. It can be further noticed that most tools work with something they call ‘indicators’. In most cases, indicators are questions which have to be answered by estimation by ticking YES; NO, F/A (further assessment necessary), N/A (no data available). These tools include the negative aspects of not being very specific and the reliability of the outcomes can be questioned. However, they also include the positive aspects of being simple, easy to fill out, and not being time-consuming or cost-intensive. The essential question is what efforts companies are willing to make in order to have the impact evaluated.

Observations concerning supply chain, measurement of positive/negative impact and the assessment of what impact is actually evaluated could also be made. Supply chain is, unfortunately, in many cases not an important matter of impact assessment. However, the MDGscan specifically mentions evaluation of the whole value chain as do the tools which can be summarised as external assessment tools. There are tools with the sole purpose of supply chain evaluation, like CSRware-SSC, but they are costly which also means they do not give away how they exactly
proceed. All these tools have in common that the buyer wants to know about the performance of its suppliers. Questionable is how they proceed: Do they require from suppliers to engage in CSR reporting (which could be difficult for suppliers from low development countries) or do they demand data from suppliers or do they simply work with assumptions? In general, when it comes to supply chain assessment and supervision, so-called cloud-based tools work well. The same portal is used for buyers and suppliers alike and they fill the cloud with data according to their business and grant each other access to the data. Evaluation of the whole product life cycle, like cradle to cradle evaluation, is not mentioned once.

Most tools claim to assess positive and negative impacts, whereas negative impact is mostly equalized with zero impact. One human rights tool (HRIAM) solely evaluates negative impact. The question of which impact is evaluated is the most difficult to answer. There are only the MDGscan and the Global Compact Self-Assessment tool that address all eight MDGs by specifically naming them all. Nevertheless, it is noticeable that most tools incorporate the MDGs or at least focus on achieving some MDGs. Considering the debate of post-2015 MDGs, it is essential that the aspired concept of SDGs guarantee measurability. The biggest problem with all tools proved to be that the goals are so vague and wide that impact measurement is difficult. It has to be kept in mind that some information concerning the tools are just very vague and not enough detailed but the following list should picture what the main areas addressed concerning impact evaluation are (arranged according to importance for companies):

- MDG7 (environmental sustainability)
- Human Rights
- Anti-Crime/Safety/Safety of goods/products/Risk and Crime management
- MDG3 (gender equality and empowerment of women)
- Jobs/labour/income
- Health/healthy food/health of workforce
- Corporate governance/Anti-Corruption/Transparency
- MDG1 (eradicate poverty and hunger)
- Child labour/forced labour
- Water/Sanitation
- MDG2 (primary education)
- MDG6 (combat HIV/AIDS, malaria and other diseases)
- MDG8 (global partnership for development)
- Life satisfaction/work-life balance
- MDG4 (reduction of child mortality)
- MDG5 (improvement of maternal health)
- Economic, social, environmental sustainability
- Education/literacy/training/human capital
- Living standard/housing
- Civic engagement/community relations
- Supply chain management
- Social infrastructure

Some aspects of the outcomes of all these tools have been mentioned already; nevertheless an inclusive summary is necessary: As pointed out, all online modules use so-called indicators which are basically questions of all areas which in most cases need to be answered by estima-
tion. In case of the MDG scan, the GIIRS, and the LBG Model, companies need to insert hard facts (company size, country of operation, cash, time, management costs, project costs...) and in addition they need to answer indicators. In general, the outcomes of all these tools are more or less the same: either in form of a report/excel sheet/summary or by showing how many beneficiaries there are or how many stars have been achieved – it shows that, in certain areas, the company is on track according to Global Compact, MDG, International Human Rights Law or any other Code of Conduct they signed themselves up for and, on other areas, further measures need to be taken. There are no obligations or exact numbers or measures involved. In general, it can be noticed that there are numerous consultancies offering help for the proper use of different tools in order to evaluate the impact a company has.

As the MDGs have proven to be the most used guideline for sustainable business behaviour, the post-2015 development is essential for companies. The SDGs need to include goals which are concrete and they need to provide indicators for real impact measurement. In the process of the SDG development, an increasing inclusion of the private sector should be envisaged and the involvement of the private sector will be key to reach sustainable development worldwide. Therefore, impact measurement tools will increase in importance.
Annex 1: Official list of MDG indicators

All indicators should be disaggregated by sex and urban/rural as far as possible.

*Effective 15 January 2008*

<p>| Goals and Targets                                                                 | Millennium Development Goals (MDGs)                                                                 |</p>
<table>
<thead>
<tr>
<th>Adamant</th>
<th>Indicators for monitoring progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 1: Eradicate extreme poverty and hunger</strong></td>
<td>1.1 Proportion of population below $1 (PPP) per day</td>
</tr>
<tr>
<td>Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</td>
<td>1.2 Poverty gap ratio</td>
</tr>
<tr>
<td></td>
<td>1.3 Share of poorest quintile in national consumption</td>
</tr>
<tr>
<td>Target 1.B: Achieve full and productive employment and decent work for all, including women and young people</td>
<td>1.4 Growth rate of GDP per person employed</td>
</tr>
<tr>
<td></td>
<td>1.5 Employment-to-population ratio</td>
</tr>
<tr>
<td></td>
<td>1.6 Proportion of employed people living below $1 (PPP) per day</td>
</tr>
<tr>
<td></td>
<td>1.7 Proportion of own-account and contributing family workers in total employment</td>
</tr>
<tr>
<td>Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger</td>
<td>1.8 Prevalence of underweight children under-five years of age</td>
</tr>
<tr>
<td></td>
<td>1.9 Proportion of population below minimum level of dietary energy consumption</td>
</tr>
<tr>
<td><strong>Goal 2: Achieve universal primary education</strong></td>
<td>2.1 Net enrolment ratio in primary education</td>
</tr>
<tr>
<td>Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</td>
<td>2.2 Proportion of pupils starting grade 1 who reach last grade of primary</td>
</tr>
<tr>
<td></td>
<td>2.3 Literacy rate of 15-24 year-olds, women and men</td>
</tr>
<tr>
<td><strong>Goal 3: Promote gender equality and empower women</strong></td>
<td>3.1 Ratios of girls to boys in primary, secondary and tertiary education</td>
</tr>
<tr>
<td>Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</td>
<td>3.2 Share of women in wage employment in the non-agricultural sector</td>
</tr>
<tr>
<td></td>
<td>3.3 Proportion of seats held by women in national parliament</td>
</tr>
<tr>
<td><strong>Goal 4: Reduce child mortality</strong></td>
<td>4.1 Under-five mortality rate</td>
</tr>
<tr>
<td>Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate</td>
<td>4.2 Infant mortality rate</td>
</tr>
<tr>
<td></td>
<td>4.3 Proportion of 1 year-old children immunised against measles</td>
</tr>
<tr>
<td><strong>Goal 5: Improve maternal health</strong></td>
<td>5.1 Maternal mortality ratio</td>
</tr>
<tr>
<td>Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality rate</td>
<td>5.2 Proportion of births attended by skilled health personnel</td>
</tr>
<tr>
<td>Target 5.B: Achieve, by 2015, universal access to reproductive health</td>
<td>5.3 Contraceptive prevalence rate</td>
</tr>
<tr>
<td></td>
<td>5.4 Adolescent birth rate</td>
</tr>
<tr>
<td></td>
<td>5.5 Antenatal care coverage (at least one visit and at least four visits)</td>
</tr>
</tbody>
</table>
### Goal 6: Combat HIV/AIDS, malaria and other diseases

| Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS | 6.1 HIV prevalence among population aged 15-24 years  
6.2 Condom use at last high-risk sex  
6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS  
6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years |
<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it</td>
<td>6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs</td>
</tr>
</tbody>
</table>
| Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases | 6.6 Incidence and death rates associated with malaria  
6.7 Proportion of children under 5 sleeping under insecticide-treated bednets  
6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs  
6.9 Incidence, prevalence and death rates associated with tuberculosis  
6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course |

### Goal 7: Ensure environmental sustainability

| Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources | 7.1 Proportion of land area covered by forest  
7.2 CO2 emissions, total, per capita and per $1 GDP (PPP)  
7.3 Consumption of ozone-depleting substances  
7.4 Proportion of fish stocks within safe biological limits  
7.5 Proportion of total water resources used  
7.6 Proportion of terrestrial and marine areas protected  
7.7 Proportion of species threatened with extinction |
<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss</td>
<td></td>
</tr>
</tbody>
</table>
| Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation | 7.8 Proportion of population using an improved drinking water source  
7.9 Proportion of population using an improved sanitation facility |
| Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers | 7.10 Proportion of urban population living in slums |
## Goal 8: Develop a global partnership for development

<table>
<thead>
<tr>
<th>Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</th>
<th>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes a commitment to good governance, development and poverty reduction – both nationally and internationally</td>
<td>Official development assistance (ODA)</td>
</tr>
<tr>
<td>Target 8.B: Address the special needs of the least developed countries</td>
<td>8.1 Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors’ gross national income</td>
</tr>
<tr>
<td>Includes: tariff and quota free access for the least developed countries’ exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</td>
<td>8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</td>
</tr>
<tr>
<td>Target 8.C: Address the special needs of landlocked developing countries and small island developing countries</td>
<td>8.3 Proportion of bilateral official development assistance of OECD/DAC donors that is untied</td>
</tr>
<tr>
<td>Target 8.D: In cooperation with pharmaceutical companies, provide affordable essential drugs to poor countries</td>
<td>8.4 ODA received in landlocked developing countries as a proportion of their gross national incomes</td>
</tr>
<tr>
<td>Target 8.E: In cooperation with the private sector, make available the benefits of new technologies, especially biotechnology</td>
<td>8.5 ODA received in small island developing States as a proportion of their gross national incomes</td>
</tr>
<tr>
<td>Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially biotechnology</td>
<td>Market access</td>
</tr>
<tr>
<td></td>
<td>8.6 Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</td>
</tr>
<tr>
<td></td>
<td>8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</td>
</tr>
<tr>
<td></td>
<td>8.8 Agricultural support estimate for OECD countries as a percentage of their gross domestic product</td>
</tr>
<tr>
<td></td>
<td>8.9 Proportion of ODA provided to help build trade capacity</td>
</tr>
<tr>
<td></td>
<td>Debt sustainability</td>
</tr>
<tr>
<td></td>
<td>8.10 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</td>
</tr>
<tr>
<td></td>
<td>8.11 Debt relief committed under HIPC and MDRI initiatives</td>
</tr>
<tr>
<td></td>
<td>8.12 Debt service as a percentage of exports of goods and services</td>
</tr>
<tr>
<td>Target 8.G: In cooperation with the private sector, make available the benefits of new technologies, especially biotechnology</td>
<td>8.13 Proportion of population with access to affordable essential drugs on a sustainable basis</td>
</tr>
<tr>
<td></td>
<td>8.14 Fixed telephone lines per 100 inhabitants</td>
</tr>
<tr>
<td></td>
<td>8.15 Mobile cellular subscriptions per 100 inhabitants</td>
</tr>
<tr>
<td></td>
<td>8.16 Internet users per 100 inhabitants</td>
</tr>
</tbody>
</table>


The Millennium Development Goals and targets come from the Millennium Declaration, signed by 189 countries, including 147 heads of State and Government, in September 2000 ([http://www.un.org/millennium/declaration/ares552e.htm](http://www.un.org/millennium/declaration/ares552e.htm)) and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly - A/RES/60/1, [http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/60/1](http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/60/1)). The goals and targets are interrelated and should be seen as a whole. They represent a partnership between the developed countries and the developing countries “to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty.

For monitoring country poverty trends, indicators based on national poverty lines should be used, where available. The actual proportion of people living in slums is measured by a proxy, represented by the urban population living in households with at least one of the four characteristics: (a) lack of access to improved water supply; (b) lack of access to improved sanitation; (c) overcrowding (3 or more persons per room); and (d) dwellings made of non-durable material.
Annex 2: The ten principles of the UN Global Compact

Human Rights:
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards:
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour [sic!];
Principle 5: the effective abolition of child labour [sic!]; and

Environment:
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption:
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.²

Annex 3: Assessment criteria

The aim of this case study is to evaluate tools on the market which concentrate on assessment of sustainable business behaviour. The tools have been assessed according to the following criteria:

Target group
Sustainable development or MDG measurement tools are clearly used by companies themselves. Nevertheless, there are some tools which work with an assessment method carried out by external experts. As it is in the strong interest of companies to have proof of their responsible behaviour, they use the outcome to increase reliability and add to transparency.

Size of companies (MNCs or SMEs)
Many tools differentiate in their target group between different sizes of companies. Multinational companies (MNCs) have a higher level of impact and they are more likely to do business with international backgrounds with varying social development standards as well as in countries of low development where the achievement of sustainable development and MDGs is most aspired. Small and medium sized enterprises (SMEs) are also within the target group of some measurement tools.

Sector
Furthermore, it has to be assessed whether there are tools specific for each sector or if there are same procedures with the same questions and indicators which apply for every sector. It can be expected that, due to preconditions and types of business, the efforts for sustainable development and MDGs are different according to sector and so are the actions taken.

Impact along the value chain (cradle to cradle)
The question whether the tools measure the impact along the whole value chain is the most difficult one. It is a difficult subject to address, but essential. Further questions arise thereof, like ‘Who’s doing the evaluation of the whole value chain?’ and ‘Who’s delivering the ‘correct’ information for a proper assessment?’ Assessment of the whole value chain is, furthermore, complicated as not all companies feel responsible for the rightful behaviour of their suppliers not to mention for the waste management of their goods. Does the assessment tool give an insight into what happens before and after the product is at the company? Is cradle to cradle a concept taken into consideration?

Core business/philanthropy
Another aspect within the assessment of all the tools available is whether companies evaluate the company’s contribution towards sustainable development and MDGs through their core business actions or by sheer philanthropy. Companies acting sustainably and according to MDGs by their sole business actions would be more effective but, in general, it must be consid-
erated that some companies simply do not produce goods that are neither beneficial to sustainable development nor the MDGs and, therefore, philanthropic giving is their main contribution.

**Reporting on results & certificates/labels**
Another aspect of comparability is the outcome the measurement tool produces. Do the tools provide some certificate or label or do the tools provide a printable report with whatever outcome they offer? Companies want proof of how well they act and they are obliged to show their responsible behaviour to their shareholders and stakeholders. These tools address brand managers and CSR responsible persons in a company and they need proof of the company’s good deeds.

**Effort and costs**
Another point of interest was whether the tools need a lot of time and money for the assessment and maintenance and whether they are useable for years to come, meaning if they take into consideration the future of MDGs and the post-2015 discussion on MDGs that will not be reached by 2015.

**Developed countries/countries of low development**
(According to the ranking of the Human Development Index HDI as stated in the Human Development Report 2013 by the United Nations Development Programme.) Can the tools be used by companies that are doing business in developed countries or countries of low development or even both? Under the consideration that most companies have several operations and production sites in different countries all over the world this criterion defines the usability of the tool very much.

**Channel: online tool/framework/guideline**
The probably most interesting and biggest difference lies in the tool itself. It could be an ‘online tool’ with given layout, questions/indicators and the automatic calculation at the end. It might also be a ‘framework’ or some ‘guideline’ which offer the information on how to assess the impact; everything else has to be done by the companies themselves. Then there are alternative concepts like external assessment tools or platforms.

**Outcomes: measuring positive/negative impacts and side effects**
Do the tools measure positive or negative impacts of their business actions, or both? This is definitely an important element of discussion. Perhaps the assessment of negative impacts is not as easy as the assessment of positive impact as companies, in most cases, do not appreciate the need for handing-out information on their misdeeds.

**Assessment cycles: repeatedly/onetime assessment**
Another point of interest is whether the measurement or assessment of a company’s actions to sustainable development is recommended to take place once a year every year or if there are tools for one-time assessment only. If it is a tool which provides useable results for companies, which is also easy in usage, companies will assess their impact every year more likely.
Outcome verification/involvement of Non-Governmental Organisations (NGOs)
Especially for the tools which are of sole use within the company and where they fill in all the data themselves, some sort of validation level by experts could be appreciated. Thereby, it could be proven if the results and the information provided by the company are correct and according to facts. A further question is posed by the follow-up: Is there any improvement expected if the outcome may show some negative development of a company’s actions and behaviour? Including NGOs in the assessment procedure would help in terms of credibility of the assessed outcome.
## Annex 4: Comprehensive list of existing measurement tools

<table>
<thead>
<tr>
<th>Name</th>
<th>Short description</th>
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<tbody>
<tr>
<td><strong>Self-Assessment Tools</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Online Mask/Tool</strong></td>
<td></td>
</tr>
<tr>
<td><strong>MDG Scan</strong></td>
<td>MDGscan is an online tool which works with multiplicators, meaning companies fill in the number of people directly positively influenced by its business operation and added by multiplicators the tool assesses the total number of positively affected people. One of the view tools that concentrates on all MDGs, includes value chain, delivers report, give the possibility for all companies which used the tool to exchange experience within the online community.</td>
</tr>
<tr>
<td><strong>Wildesoft Tools</strong></td>
<td></td>
</tr>
<tr>
<td>Four online tools:</td>
<td></td>
</tr>
<tr>
<td>• Impact Manager</td>
<td>Impact Manager: By use of the individual contract data it measures organisational performance against key performance indicators.</td>
</tr>
<tr>
<td>• LM3 Supply Chain Manager</td>
<td>LM3 Supply Chain Manager: Calculates an organisations economic impact on its communities and manages supply chains by identifying best and worst performing suppliers, tracking supplier performance across different contracts and over time and monitoring progress against targets quarterly, annually, or by project.</td>
</tr>
<tr>
<td>• Impact Predictor</td>
<td>Impact Predictor: For demonstrating indicative economic and employment impacts of their approach for the local economy providing a competitive advantage and an evidence base for community benefit.</td>
</tr>
<tr>
<td>• Social Tool Organizer</td>
<td>Social Tool Organizer: Matches procurement classification systems against a library of social clauses to maximise sustainability and community impact of procurements.</td>
</tr>
<tr>
<td><strong>Social e-valuator</strong></td>
<td>Social e-valuator delivers web based software and expert knowledge that enables organisations to measure and manage social impact, based on the principles of Social Return on Investment (SROI). It represents social value in monetary terms. Since the investment in the social projects is typically monetary, the social value should be monetized as well. In this way, something can be said about how big the impact of the project has been relative to investments.</td>
</tr>
<tr>
<td><strong>LBG Model</strong></td>
<td>The model also records the outputs and long-term community and business impacts of Corporate Community Investment projects online tool for companies to understand the total amount of cash, time and in-kind invested in the community. In an Excel toolkit the overall project input-output-impact is assessed by consolidated information in the sheet. Data can be used for major corporate responsibility indices (DJSI; GRI; CR Index)</td>
</tr>
<tr>
<td><strong>Global Compact Self-Assessment Tool</strong></td>
<td>This self-assessment online tool is a package concentrating on Human Rights, Labour, Environment and Anti-Corruption. Questions have to be answered by estimation (Yes, No, F/A [further information acquired], N/A [no answer can be made]) and the tool calculates the contribution towards achieving the 10 goals of the UN Global Compact.</td>
</tr>
<tr>
<td><strong>LiSt Lives Saved Tool</strong></td>
<td>Online tool to estimate impact of different intervention packages (maternal, newborn and child health intervention) and coverage levels of the countries companies and organisations operate in to help prioritize investments and evaluate existing programs. Uses data from the UNICEF household survey as given data. Targets have to be filled in and the tool assesses impact for the whole time period of a project.</td>
</tr>
<tr>
<td>Method/Tool Description</td>
<td>Description</td>
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<tr>
<td><strong>Inclusive Business Challenge</strong></td>
<td>It is an online tool to help companies and stakeholders identify and implement models that profitably engage low-income populations across companies’ value chains and develop affordable products and services that meet the needs of low-income populations. It presents good practice examples, and suggests ways to integrate inclusive business into company strategy.</td>
</tr>
<tr>
<td><strong>HRIAM Guide to Human Rights Impact Assessment</strong></td>
<td>Seven steps online questionnaire approach for the Identification of key human rights risks and impacts. Offers an interactive tool for engagement with stakeholder and to communicate with other users.</td>
</tr>
<tr>
<td><strong>MoNA</strong> (Monitoring Nachhaltigkeit)**</td>
<td>By calculating a Materialrucksack the tool assesses impact focusing on environmental sustainability only.</td>
</tr>
<tr>
<td><strong>GIIRS</strong> (Global Impact Investing Rating System)</td>
<td>GIIRS comprises two branches: Company Impact Ratings and Fund Impact Ratings. Focusing on the first: A rating by 15 sub-categories and key performance indicators of the social and environmental impact of an individual company is made. After filling in the GIIRS assessment the document rating is uploaded and reviewed by a third party. 10% of companies are selected for on-site review. Companies receiving the 5 star rating on a scale from 1 to 5 are granted a BCorp Certificate (sole use in America).</td>
</tr>
<tr>
<td><strong>Human Rights Matrix</strong></td>
<td>This learning tool should enable companies to review their human rights performance by identifying its policies on human rights and the approaches it has taken towards them. This snapshot of performance helps to get familiar with the human rights expectations in the business and delivers feedback on potential areas of concern.</td>
</tr>
<tr>
<td><strong>Human Rights Compliance Assessment</strong></td>
<td>By making use of a database of 195 questions and 947 indicators the tool detects human rights risks in company operations and their impact on all stakeholders. It is possible for companies to develop a tailored assessment tool by picking questions based on country risk and features of the company operation. In the final report areas of compliance and non-compliance are listed by score which allows tracking and comparison over time.</td>
</tr>
<tr>
<td><strong>UN Global Compact Quick Self-Assessment and Learning Tool</strong></td>
<td>For the assessment of a company’s supply chain sustainability strategy against suggested global guidance this basically simple to use tool is recommended. The outcome is a simple analysis of the 6 questions and then offers several guidelines and ideas on how to follow up on the outcome and how to improve the supply chain sustainability efforts.</td>
</tr>
<tr>
<td><strong>Partnership Assessment Tool (PAT)</strong></td>
<td>Tool to foster collaborations between UN and companies. It demonstrates the sustainability performance of partnership projects and gives an indication of their potential developmental value. The tool further helps guide decision-making and project planning. The outcome is easy to understand - triangle, circle, and star in different colours means negative, positive or excellent. For the actually impact evaluation the use of the MDGscan is recommended.</td>
</tr>
<tr>
<td><strong>Retail Supply Chain Portal</strong></td>
<td>These tools concentrate on the retailer who can choose whether to buy goods/products because it guarantees sustainability. WercsHELP (Health and Environmental Library for Products) gives retailers access to complete data on all chemical-containing products. The chemical-screening tool GreenWERCS analyses the composition of individual</td>
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products from ingredient data entered by manufacturers, examining its potential impact on human health and environment and plotting its combined score. Manufacturers are also able to see how their types of products stack up to the buyers internal sustainability goals which give incentives for innovation.

### Online Platforms

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<tr>
<th>Tool</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>CSRware-SSC</strong>&lt;br&gt;sustainable supply chain</td>
<td>Tool for the buyer who wants to assess the supplier’s performance on CSR. Software helps to evaluate and benchmark how suppliers affect a company’s sustainability performance. Scores and ranks suppliers by a variety of metrics and offers a track program to address sustainability expectations and goals.</td>
</tr>
<tr>
<td><strong>SIM - Arcus Supplier Information Management system</strong></td>
<td>Companies create the platform for suppliers which they invite to fill in data. This way the buyer company is able to monitor how all suppliers are doing and how they are performing according to their sustainable behaviour. SIM is not a platform with the effort of monitoring suppliers’ core business performance - a supplier management platform</td>
</tr>
<tr>
<td><strong>Supplier Portal</strong></td>
<td>Online platform which allows suppliers and their buyers to share and monitor environment, labour, health and safety, anti-bribery and corruption information. The portal includes a data wizard for suppliers to record and calculate carbon, waste and water footprints based on business consumption. Supplier gives access to the buyers and thereby gives access to all information gathered.</td>
</tr>
<tr>
<td><strong>HRIA A Human Rights Impact Assessment Toolkit</strong></td>
<td>HRIA is a platform which provides different frameworks with indices an 8 step and self-assessment questionnaires for the assessment of the current human right situation, political contextual analyses and development of view of desired situation.</td>
</tr>
<tr>
<td><strong>Human Rights Impact Assessment</strong></td>
<td>A platform which provides different tools and instruments. There are many different tools and instruments available – only the ones necessary and helpful should be used.</td>
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### Online tools which create country profiles

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<thead>
<tr>
<th>Tool</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>MDG monitor</strong></td>
<td>The tool shows which MDGs are in which country at hazard shown in an interactive world map and how they are developing within the MDG framework. The MDG Monitor showcases existing UN data. Country-level assessments of progress by goal (&quot;Very likely to be achieved&quot;, &quot;Possible to achieve&quot;, etc.), are derived primarily from national MDG reports.</td>
</tr>
<tr>
<td><strong>Maplecroft Tools</strong></td>
<td>This online tool offers a questionnaire for human rights, environment and labour. The outcome shows in percent how good/bad the company does in one sector. The tool follows guidelines by the Global Compact.</td>
</tr>
<tr>
<td><strong>OECD Better Life Index</strong></td>
<td>The country index online tool is designed to visualise and compare eleven key factors that contribute to well-being in OECD countries. It’s an interactive tool which allows to see how countries perform according to the importance one gives to each of the eleven topics that make for a better life.</td>
</tr>
<tr>
<td><strong>ORB​IT</strong>&lt;br&gt;• ORBIT companies online database&lt;br&gt;• ORBIT country online database</td>
<td>The ORBIT company’s online database enables direct access to the detailed information contained in the oekom Corporate Ratings of over 1,000 companies. The companies are analysed and evaluated against up to 100 social and environmental criteria, selected specifically for each industry. ORBIT Countries offers companies the opportunity to familiarise themselves with the social and environmental conditions in countries in which they are planning to operate.</td>
</tr>
<tr>
<td><strong>OECD Risk Awareness Tool</strong></td>
<td>The tool aims to help companies which invest or do business in countries where governments are unwilling or unable to take on their responsibilities. It basically offers a set of questions which should be considered before doing business in countries of high risk.</td>
</tr>
<tr>
<td><strong>Corruption Perception Index</strong></td>
<td>The index measures the alleged levels of public sector corruption in 176 countries and territories around the world. The tool works with surveys and assessments of corruption reported by a variety of reputable institutions. Thereby it relies on the views of analysts, businesspeople and experts in countries around the world.</td>
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<tr>
<td><strong>Bribe Payers Index</strong></td>
<td>The index ranks the likelihood of private sector companies from world’s wealthiest countries to secure business abroad by paying bribes. The index relies on results of a survey of over 3000 senior business executives around the world covering their perceptions of the likelihood of companies to engage in bribery when doing business in their country.</td>
</tr>
<tr>
<td><strong>Global Corruption Barometer</strong></td>
<td>The barometer is the outcome of a worldwide public opinion survey on people’s views and experiences of corruption. It detects the general public’s views about corruption levels in their country as well as their governments’ efforts to fight corruption. It also includes information as the frequency of bribery, reasons for paying a bribe in the past year, and attitudes towards reporting incidents of corruption.</td>
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<tr>
<td><strong>AGI Data Portal Actionable Governance Indicators Data Portal</strong></td>
<td>Information on countries facing lack in good governance and corruption are consolidated e.g. by the Global Integrity Index (GI) and there are several customized tools for data management, analysis and display.</td>
</tr>
<tr>
<td><strong>WGI project Worldwide Governance Indicators</strong></td>
<td>The WGI shows aggregate and individual governance indicators for 215 economies for six dimensions of governance: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. The indicators combine the views of a large number of enterprise, citizen and expert survey respondents in industrial and developing countries.</td>
</tr>
<tr>
<td><strong>Global Integrity Report</strong></td>
<td>Summarised in a tool and a report are the findings of examining e.g. transparency of the public procurement process, media freedom, asset disclosure requirements, conflicts of interest regulations in over 30 countries. By evaluating anti-corruption legal frameworks and the practical implementation and enforcement of those frameworks it takes a close look at whether citizen can effectively access and use anti-corruption safeguards. The Report is prepared by local researchers, journalists and academics.</td>
</tr>
<tr>
<td><strong>Dashboard of Sustainability</strong></td>
<td>Shows the conditions companies are facing on site. It further shows in which countries MDGs could be achieved and how they are proceeding over time.</td>
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**Search Platforms for Tools**

- **Trasi** Platform for finding tools and methods to analyse and measure impact.
- **Larrge** Platform of numerous human right tools.

**Frameworks and Guidelines**

- **UNDP Company Level CSR Self-Assessment Tool** The main component of the CSR assessment framework is a tailored questionnaire, consisting of 25 questions with mostly yes/no answering options. The questions are grouped under five overall categories: Governance, Environment, Labour, Community Relations, and Business Environment.
### MFI Measuring Impact Framework Methodology

The Framework is based on a four-step methodology that attempts to merge the business perspectives of its contribution to development with the societal perspectives of what is important in the country the business operates. Questions in four categories (Governance & Sustainability, Assets as Infrastructure and Products & Services, People as in Jobs and Skills & Training and Financial Flows need to be filled out assessing estimation of 'low/high importance'.

### BellagioSTAMP Sustainability Assessment and Measurement Principles

The Guidelines offer a set of eight high level principles covering the areas content, process, scope and impact. They are intended to guide the whole sustainability assessment process, including the choice and design of indicators as well as how they are interpreted and communicated. Assessment systems based on the principles are supposed to strengthen governance and to improve accountability in meeting sustainable development goals and targets.

### CR Reporting AccountAbility Reporting

By joint efforts with AccountAbility improved quality and usefulness of social sustainability reporting is the goal. A clear framework for assessing the needs of reporting organisations and for selecting assurance providers is provided. Stakeholder engagement is most important within the process of reporting.


The guide aims to assist in developing quantitative and qualitative indicators, in compliance with international human rights norms and principles, to measure progress in the implementation of international human rights norms and principles.

### G3.1 Sustainability Reporting Guidelines

This tool provides the framework for the GRI reporting package. For each GRI Report a context index (explained in 1.2.1) must be included with each GRI report.

### Environmental Management Systems (EMS)

A framework that helps a company achieve its environmental goals through consistent control of its operations. Each company's EMS is tailored to the company's business and goals and a company environmental policy has to establish for which serves as a foundation for EMS.

### Assessing Development Impact

Tool for measuring impact of development projects of the Inter-American Development Bank.

### DJSI - Corporate Sustainability Assessment

The tools focus is on the company's long term value creation for 58 different DJSI sectors (general criteria relating to standard management practices and performance measures such as Corporate Governance, Human Capital Development and Risk & Crisis Management are defined and applied to each of the 58 sectors). DJSI members are evaluated and analysed by SAM - Sustainability Assessments. The tool is only useful for DJSI members.

### NONIE - Guidance on Impact Evaluation

The document is structured around nine key issues that provide guidance on conceptualizing, designing, and implementing impact evaluation. It is a guide on how to evaluate. These guidelines are recommended by OECD, DAC and WB. Nonie is a network of networks for impact evaluation comprised of the DAC Evaluation Network, the United Nations Evaluation Group (UNEG) and the Evaluation Cooperation Group (ECG).

### Iooi-Metho (input-output-outcome-impact-Method)

The guideline offers a planning and evaluation matrix to measure social engagement of companies by using an Input-Output-Outcome-Impact Model. Input indicates what efforts a company’s needs to take up in order to realise its engagement (time, goods, philanthropic giving); Output are the actual measures which need to be realised; Outcome shows the effect on the target group; Impact shows the actual social impact.
### Supply Chain Insight Tool (SCI)
Guidelines with a comprehensive list of questions designed to help companies understand and improve their supply chain business practices. This customizable guide quantifies supply chain performance in all areas of sustainability and is intended to compliment a strictly performance-based formal audit.

### IESIA Integrated Environmental and Social Impact Assessment Guidelines
Approach for project assessment which covers the whole project cycle. The tool is solely for African Development Bank Projects, not for measuring impact of companies.

### The Corporate ESR
The Guide to Corporate Ecosystem Evaluation introduces concepts and principles of ecosystem evaluation and a guide therefore. It can be customized to fit to different sectors.

#### Frameworks and Guidelines which focus on Sector Profiles

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<tr>
<th>Tool</th>
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<tr>
<td><strong>SEAT</strong> Anglo American Socio Economic Assessment Toolbox</td>
<td>Guidelines only for use in the mining sector, specifically by AngloAmerican.</td>
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<tr>
<td><strong>Corporate Water Footprint</strong></td>
<td>The tool evaluates supply chain water use and water use in terms of waste management.</td>
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<tr>
<td><strong>Aqua Gauge</strong></td>
<td>The Aqua Gauge offers a comprehensive assessment tool for evaluating an existing water strategy or building one from the ground up. The excel sheet is supposed to help with water management.</td>
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<tr>
<td><strong>Supplier Self-Assessment Questionnaire (SAQ)</strong></td>
<td>The questionnaire was designed with the industrial goods sector in mind. For use of those that are just beginning to address sustainability issues in their supply chains a ‘conversation starter’.</td>
</tr>
<tr>
<td><strong>Sustainable Procurement of Wood and Paper-Based Products</strong></td>
<td>The toolbox designed to help corporate managers understand and find the best advice on how to purchase products originating from the world’s forests. The guide to the guides will help sustainability managers define and implement purchasing policies for the entire range of forest-based products.</td>
</tr>
<tr>
<td><strong>RIMS Impact Management System</strong></td>
<td>Framework for measuring and reporting impact of projects in finance. This tool is merely for IFAD-supported country programmes.</td>
</tr>
<tr>
<td><strong>Global Water Tool</strong></td>
<td>The tool compares companies’ sites with water, sanitation, population and biodiversity information of a country. Tool compares how much water is available with the amount of water used/necessary by the company. The tool consists of two parts: 1) An Excel workbook for site location and water use data entry which will generate a water inventory. 2) An online mapping system enabling companies to plot their sites with external water datasets and download those locations in a map.</td>
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#### External Assessment tools

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<tr>
<td><strong>Oxfam Poverty Footprint</strong></td>
<td>Combines local assessment of livelihood impacts, value chain analysis, and an assessment of economic contributions in one comprehensive approach. Assessment is carried out by independent research teams supported by the company and by an NGO. The research questionnaire is individual for each company and region. The onsite interviews take a long time and lots of resources are necessary.</td>
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| **PPI Progress out of Poverty Index** | PPI is solely for the Microfinance Sector where it measures the likelihood of clients to fall below national poverty line. Microfinance Institute field staff visits the homes of clients and collect key information. The country living index then serves as a baseline of which client progress is measured. By tracking poverty levels against other client demographic information, the results of the PPI allow an MFI to make key decisions about its mission and how to carry it out. Well performing MFIs receive a PPI Certificate. |
| **SAM Corporate Sustainability Assessment** | Annual assessment based on online questionnaire of over 100 questions by an external assessment team. It provides a Company Benchmarking Report (CBR) for assessed companies and offers customized training and sustainability management solutions as well as national sustainability benchmarking. The results serve as the basis for the Dow Jones Sustainability Indexes (DJSI). |
| **COSA Methodology** | These guidelines for the farming/agricultural sector (coffee, cocoa...) provide a globally comparable set of indicators to quickly assess the extent of any farm's relative sustainability. The COSA tool is designed to be adapted to the national context with the support of local partners. In each target country COSA will work to train local actors in using COSA tools. The COSA team will work with at least 15 small-holder producer organizations over a three year period and will rely heavily on the foundations of in-country technical assistance networks and complementary initiatives. |
References


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ESDN Case Study № 14


