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Draft Terms of reference of the

Task Team on Wellbeing and Sustainability

Task Team on Wellbeing and Sustainability

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Mandate

This Task Team will focus on fostering collaboration, integration and complementarity of tasks relevant to the area of Wellbeing and Sustainability. This Task Team aims to develop proposals for statistical indicators which will help to improve understanding of enterprises' impact on well-being and sustainability. The topic is very broad, and includes social entrepreneurship, "decent work", environmental impact, the Sustainable Development Goals and human rights in general. The Task Team will not delve into specific issues which are currently being investigated by subject matter experts.

Identification of relevant and emerging topics in the area

The Task Team will take stock of the broader landscape of the concept of well-being, corporate sustainability and social responsibility (from an enterprise perspective) and then prioritise thematic areas where specific guidance can realistically be developed within two years.

Therefore, the first part of the work of the Task Team will be a review of the concepts of sustainability and well-being from an enterprise perspective and a review of the existing indicators in these areas for relevance to business statistics and possible alignment to existing statistical classifications, such as the System of Environmental Economic Accounting (SEEA). Such sustainability indicators include, e.g.:

- the SDG indicators
(https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%20refinement_Eng.pdf)

- UNCTAD's *Guidance on Corporate Responsibility Indicators*
(https://unctad.org/en/docs/iteteb20076_en.pdf)

- UN Global Compact 10 principles (https://www.unglobalcompact.org/what-is-gc/mission/principles)

- OECD well-being indicators (http://www.oecd.org/sdd/47917288.pdf)

- The GRI Sustainability Reporting Standards
(https://www.globalreporting.org/Pages/default.aspx)

This Task Team will also explore possible synergies with the UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), which assists developing countries and economies in transition in the implementation of best practices for accounting

and corporate governance with the objective of advancing a aminimum set of sustainability indicators linked to the SDG indicators. The Task Team could build around the initiative of Statistics Denmark for a global enterprise reporting on a core set of sustainability indicators for the SDGs. This initiative brings together the corporate sector and aims to quantify private sector's commitments to the 2030 Agenda.

Proposed Workstreams

Three workstreams are proposed: corporate social responsibility; the quality of employment provided by enterprises; and the environmental impact of enterprises' activities. The Task Team will endeavour to arrive at a series of agreed indicators of corporate responsibility, "decent work" and of environmental impact, from the point of view of businesses, for national statistical experts to make use of in a coherent and systematic manner.

Corporate social responsibility

Corporate social responsibility is a self-regulating business model that helps a company be socially accountable. By practicing corporate social responsibility, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

There is an increasing awereness of the role of businesses in achieving sustainability. "Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another." The Ten Principles of the UN Global Compact[1], for example, provide a framework for business linked to human rights, labour, environment and anti-corruption.

Identifying a set of indicators that can be used to track corporate social responsibility can be a catalyst for businesses to report on their corporate social responsibility and also to brand their image. In this regard, a number of initiatives are establishing indicators for such reporting and work is needed to align them.

Quality of Jobs

The goal for this workstream is to identify relevant indicators (based on ILO guidelines). The indicators should cover concepts such as: the occupations required by the various categories of employers; the wages and distribution of income associated with these roles; the hours and working conditions of these roles; and the broad personal characteristics of the people who hold these roles. These may be disaggregated by sub-national location, the formal/informal sector, by enterprise characteristics (e.g. trading or not, domestic or foreign-owned, non-profit/social entrepreneurs or multinational, etc.), and by jobholders' characteristics (e.g. gender, age, etc.)

The initial task proposed for this workstream is to link the responses from social surveys such as the Labour Force Survey and the Survey of Income and Living Conditions with enterprise characteristics from the Business Register.

As part of this workstream, efforts will be made to identify the sectors of the economy that contribute to the common good; i.e., Non Profit Institutions and the Third or Social economy (TSE) Sector. NPIs and the TSE sector are increasingly attracting policy interest because of their growing economic

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[1] https://www.unglobalcompact.org/what-is-gc/mission/principles

presence, their extensive involvement in the solution of public problems and the contributions they are thought to make to the common good2. The clear identification of these enterprises within the official statistics facilitate the measurement of the impact of these businesses in the economy.

<u>Environmental Impact</u>

The goal for this workstream is to propose relevant indicators on the subject of enterprises' environmental impact.

The two initial tasks proposed for this workstream are:

1. To review the information currently available from the environmental accounts produced by enterprises.

2. To review the work already completed or in progress by NSIs and academia, including the production of UNCTAD indicators (see workstream 1, above).

After this, the task team will look at ways to enhance the existing indicators using information about enterprises (from whatever source). These may be disaggregated by sub-national location, the formal/informal sector, by enterprise characteristics (e.g. trading or not, domestic or foreign-owned, non-profit/social entrepreneurs or multinational, etc.)

Conceptual issues

Most national economic and business indicators (e.g. GDP, Supply-Use tables, business statistics) are based on the financial results of the companies which are recorded in national registration schemes. For the corporate sector, this means that statistics are generated at the at a consolidated enterprise level, which do not reflect. However, we should establish the link between the enterprise-level data with local kind of economic activity data in order to links the local economic performance with local environmental impacts and local impacts of the quality of jobs.

We need to agree on three sets of standard indicators:

1. For corporate social responsibility – with a focus on covering the impact of businesses on SDGs

2. For quality of jobs – covering matters such as security of tenure, pay, pension provision, paid time off, hours, meaningful work, etc.

3. For environmental impact – covering matters such as: energy usage; visual impact and physical movements/vibrations; noise, smells and air pollution (including CO_2 emissions); watercourse cleaning/pollution; land cleaning/pollution etc.

Main measurement challenges

The interest of policy areas in the wellbeing and sustainability of businesses has created new measurement challenges for statisticians. These relate both to the new phenomena which statistical systems are called upon to identify, classify and account for, and to the practices, namely data sources, required to carry out these tasks. It may be the case that the standard practice of conducting business surveys is both inadequate and inefficient for capturing the impact of businesses on wellbeing and sustainability. Therefore, identifying new data sources and modalities of accessing, processing and

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[2] See https://unstats.un.org/unsd/nationalaccount/docs/UN_TSE_HB_FNL_web.pdf

tabulating these data has become a critical element of meeting these measurement challenges. Gathering and documenting country best practices will be an initial focus of the Task Team.

Description of timing and deliverables

It is important to keep the work of the team manageable with achievable deliverables. Overleaf is a preliminary list of actions the Task Team intends to develop, with the expected results and a preliminary list of deliverables associated to a time schedule not exceeding two years.

Deliverables

Actions	Results	Deliverables	Due date
Review current work ar national and international level on : - Corporate social responsibility - Jobs and decent work - Environmental impact	For each topic: - Lay out the landscape, - identify where work is, - collect reference material - identify the existing gaps	Report identifying the existing gaps and policy need	End of 2019
Conduct research into sources of information about the various aspects of corporate social responsibility, job quality, and evironmentla impact	Develop: a list of indicators for each topic; guidance on data collection and data sources; and policy application .	Report on business statistics and well-being and sustainability	End of 2020

Short term work plan (to mid-2019)

- Set up a conference call with the team to discuss and refine the work plan of the team (around mid-March)

- Collect and share on the wiki relevant material and pracices organized according to the 3 streams of work

- Develop a refined work plan based on the inputs received from the Task Team members and the review of existing material. Share the work among the Task Team members

- Prepare a strategic view on wellbeing and sustaibility for the UN Committee meeting in June through a round of consultation with the Task Team.