

CHAPTER III

Guidelines for compiling the data gathering sheets

III.1 Company data sheet

III.1.1. Company information

Gabriele Guglielmi

The first part of the data gathering sheet, in addition to identifying the person or people that on behalf of the TNC have taken care of filling up the questionnaire, it identifies the main characteristics of the company, and prepares the foundation for further interaction between data. As for almost all questions, apart from those that allow to choose a predefined answer and those where you are free to answer as you like, one may choose between not answering (which is in itself an indicator of low transparency) or to choose between yes or no.

The project has favored the selection of companies or groups that “control” other “subsidiary” companies, in some cases though the object of the study are the controlled companies; **questions from 3 to 6** are necessary to **identify the company** and its connection “above” and “below”. From **7 to 9** the questions are necessary to understand under what particular regimes the company operates, if it must be accountable towards specific authorities, e.g. stock exchange, stakeholders, institutions. From **10 to 12** the questions are aimed at showing **if and how the company is available to participating to rankings and competitions**; and how transparent they are thanks to publishing data and information accessible to all. These questions are a premise to an avenue of research which the projects cares particularly about: if this data is readily available to **people with disabilities** as well. These aspects are treated by questions **13 and 14**.

III.1.2. Governance

Giorgio Verrecchia

The section dedicated to governance includes 10 questions aimed at understanding the level of democracy within the company. If the required information allow to understand how close the business model implemented within the company is close to the model of an industrial democracy. In particular, question n.15 is aimed at understanding if the company is a Societas Europaea (from now on SE), a kind of limited company governed by EU laws. The SE allows to reorganize activities under a single European brand, and to manage the company without having to create a network of affiliated entities. It also allows a greater market mobility within the single market (it's possible for example to transfer the legal residence of the company from a EU country to another without having to close it down

first). In the meantime, the SE offers a framework to involve workers in multiple countries. This profile represents an important level of recognized democracy within the company. Establishing a SE implies the recognition of appropriate rights to information, consultation of workers and/or of their representatives, and in some cases also right to participation to the companies' governing bodies. Question n.16 is related to the size of the governing board. Question n.17 is aimed at understanding if the company includes independent representatives in their governing bodies (e.g. workers' representatives, environmental expert, etc.) and question n.18 asks to indicate the number of women which are part of the governing board and advisory boards of a company. This is a key indicator of the degree of inclusiveness within a company, and how it respects the principle of equal opportunities between men and women. Question n.19 asks the amount of board meetings that have taken place in the last year. This helps us understand how democratic, discussed and participated a decision adopted by the company is. Question n.20 is aimed at understanding if the CEO is also centralizing other control and management functions, if these two profiles are covered by a single person. Question n.21 is directly related to question n.15, and is aimed at knowing the legal profile of a company, and understanding if it is organized in a monistic or dualistic way. The last three questions (n.22, n.23, n.24) concern the CEO and are intended to acquire more information on their salary and if it is linked to a social or environmental management of a company. In other words we want to know if its salary is linked to achieving social or environmental objectives in addition to financial ones. The question on the specific amount of remuneration for the CEO is aimed at understanding the relation between him and the employees.

III.1.3 Company characteristics

Gabriele Guglielmi

The use of the Nace¹ code allows companies that operate in the same sector to be compared. Multinational companies are often also multi-sectoral, and the possibility exists to answer **question 25** identifying up to eight main activities, and giving a 1 to the most relevant answer. **Question 26** is necessary to identify the operations area of a company: if it is global or limited to some countries, while question **n.27** is key to understand which norms are applicable to the EWC.

III.1.4 Employment

Gabriele Guglielmi

¹ Statistical Classification of Economic Activities in the European Community, Rev. 2 (2008)
http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=NACE_REV2&StrLanguageCode=EN&IntPcKey=&StrLayoutCode=HIERARCHIC

Questions 28 to 33 are aimed at understanding the employment levels, for each individual UE country, and then in the last years in the EU and at a global level, highlighting female employment and typology of working relation.

III.1.5 Social Dialogue, industrial relations and collective bargaining

Gabriel Guglielmi

The nine questions from **34 to 43** focus on the presence or lack of Social Dialogue, of participation and of collective bargaining. Transnational agreements subscribed by GUFs are the classic example of global collective bargaining. The EWC establishment agreements are usually reached at a European level², with a distinction: if these agreements have been subscribed by ETUFs and/or affiliates, or not; and if these agreements are publicly available, or not³.

It's important to know the unionization levels; the global coverage of collective bargaining even if the TNC is represented by an association.

Beware! The question on **being sentenced for anti-union activities is n.95**, and it is presented together with other potential reasons for being sentenced. Just as the question on potential instances in the **OECD contact points is n.52**. These are obviously the “heavy” questions and the answering modalities are too; in these cases a lack of answer is worst than a “yes”, especially if discovered during the verification phase by the trade union “sentinel”.

III. 1.6 International Standards, social certifications and social reporting

Stefania Radici

The section on international standards, social certifications and social reporting includes 15 questions, aimed at understanding the level of transparency and accuracy of social and economic information shared, and the quality and presence in time and space of behaviors that are related to the dimension of social responsibility of a company in a social and environmental context. Question n.44 asks the company if it publishes a social report; the following, n.45, asks if it publishes an integrated balance together with the economic one, as provided for by European Directive 2014/95/EU, and the following question n.46 asks for how long it has been doing so. Question n.47 asks if and what sustainability standards are applied, to understand if the company adheres to specific technical norms, and therefore respects specific quality standards recognized at an international level when managing

² examples exist of global EWCs

³ For example Ryanair <http://www.ewcdb.eu/company/3484> seems to have an EWC, but there is no trace of the agreement text nor of the subscribers

processes and/or products. In particular, question n.47 refers to relevant ISO standards: ISO 9000 – Managements systems for quality; ISO 14000 – environmental managing systems; ISO 26000 – Social responsibility; ISO 50001 – energy management systems; ISO 22000 – food safety management systems; ISO 20121 – sustainable vents management systems; ISO 37001 – management systems against corruption. Answering the next question, n.48, it's possible to add other standards which the company adopts voluntarily: BS OHSAS 18001 (management system for health and safety of workers); Carbon Trust Standards (for reduction of greenhouse gasses); Eco-Management and Audit Scheme – EMAS (created by the EC to assess and improve its own environmental performances); Environment Agency and Monitoring Certification Scheme – MCERTS (standard for environmental impact monitoring). Question n.48 leaves more space to indicate potential addition al implemented standards. Question n.49 asks which social certifications and other social responsibility standards among the following are implemented: SA8000 Social Accountability (Social responsibility); Tripartite declaration of the International Labor Organization (ILO) on the principles for multinational companies and social policies; OECD guidelines for multinational companies; OECD company governance principles; the UN Global Compact; the Global Reporting Initiative – GRI; Other (to be specified).

The following questions analyze the scope of implementation of these standards, if they are adopted. Question n.50 analyzes the modalities of social reporting, asking if the GRI standard is implemented or not, meaning guidelines for drafting a sustainability report that has a multi-dimensional approach and that approach sustainability from a social, economic and environmental aspect. Question n.51 is related to the level of implementation of the Global Compact Standard (if applied), the initiative by the UN to encourage the economic leaders to converge on a series of principles and values (related to human rights, employment, environment and anti-corruption policies) that may give a “touch of humanity” to the global economy, to use the words of Kofi Anna, former UN Secretary and promoter of the Global Compact. Question n.52 is related to the OECD guidelines, with the aim of understanding if complaints by stakeholders have been presented to the national contact points, lamenting a behavior of companies that does not reflect their commitment expressed with the principles and recommendations stated in the guidelines. Question n.53 is related to social reporting, asking in particular if the following topics are regulated: transparency, relation with suppliers, relations with employees; relations with customers; reduction of environmental risks; moral or sexual harassment. Question n.54 explores the involvement of social actors and stakeholders during the drafting of social reports, and asks if there was an involvement/consultation of trade union organizations, local administrations, consumer associations, worker representatives, NGOs, civil society representatives, and the citizenry. Question n.55 asks companies if its social responsibility policies are implemented during national operations; international operations, supply chain and outsourcing; distribution

chain; franchising; post sale assistance, with the aim of exploring the commitment to transparency and sustainability of global value chains. Question n.56 asks which tools are being used to verify the respect of corporate responsibility policies along the supply chain, to understand how the supply chain is actually being defended by potential violations, regardless of announcements or intentions. Question n.57 asks if whistleblowing practices are being implemented, a metaphor to indicate a system that allows a worker to reveal and/or report illegal or dangerous behaviors he is aware of, having the guarantee of protection and confidentiality. Question n.58 asks if so, which.

III.1.7 Training, health and safety and company welfare

Davide Dazzi

The section on training, health and safety and company welfare is composed of 9 questions and 39 items, therefore information which is potentially recoverable in case all answers are filled in. The topics referred to in the thematic area answer the need to explain the behavioral context of a TNC in relation to issues of primary importance for a trade union, and therefore its training policies (aimed both at recruiting new talent and keeping it in the company), the risk of injury and the management system related to health and safety, and the always more pervasive company welfare practices.

Regarding training, the structure of the questionnaire allows to gather information on the average yearly training hours, an indicator oriented at understanding the training investment of the individual corporate subjects, articulated by professional qualification (execs, managers, white and blue collars) and gender. This double division by gender and position will allow to understand polarizing events or asymmetries in training and understand not only the commitment towards training, but also how this is affecting the workforce. The question on skill management training and lifelong training answer to the same issue, to understand to what extent a training policy is satisfying the training needs of individuals, and increasing their employability, or if it is done strictly for company performance reasons.

Questions relative to health and safety propose, in the first part, standard indicators for measuring the exposition of companies to injury risk and how serious they are: amount of injuries, number of mortal injuries (this way it will be possible to calculate the incidence of mortal injuries on the total amount of injuries happened in the year being observed). Clearly, during the analysis phase, a sectoral comparison will be favored, to avoid comparing working activities with very different injury rates. If the first questions are necessary to gather information on quantitative aspects, the question on work related stress aims at understanding the commitment towards avoiding social and psychological effects and their

consideration when included in the risk assessment document. Obviously this information depend also, but not only, from the normative and legal context where TNCs operate, but a proactive attitude that overcomes legal impediments will certainly activate a positive effect. In terms of calculation, questions on amount of injuries have a negative value, meaning that the score related to the question is developed in such a way that it decreases as the risk of injury increases.

The question on company welfare wishes to gather information not only on the integrated welfare practices but also on the method through which these practices have been implemented while trying to reward those companies that have committed towards worker participation and involvement of their representatives through collective bargaining. Welfare practices take in account both common practices aimed at an insurance coverage of the workers, and measures aimed at strengthening policies to balance life and work, in addition to salary integrations, and territorial welfare practices. The company welfare practices grid is developed in such a way as to allow a comparison of the position of each individual company in relation to the reports on the spread and implementation of welfare in the workplace at a national and international level.

Lastly, the thematic area includes an indication on accessibility policies during company meetings, we wish to understand if the company code of conduct includes inclusive practices during the organization of events.

III.1.8 Economy and finance

Introduction⁴

⁴ Regarding the **financial dimension**, an important role is played by the financial statement drafting and evaluation principles – IAS/IFRS: STANDARD AND INTERPRETATIONS. Such principles are a set of rules on accounting produced by an international committee (IASC – International Accounting Standards Committee – substituted in 2001 by IASB – International Accounting Standards Board – part of the private foundation IASC Foundation) with the aim of favoring international comparison of balances and define transparency principles and a common and correct accounting evaluation. In Europe, the introduction of international standards started in 2002 with Rule (CE) n.1606/2002 (and a series of other so called “type approval” rules) emanated to discipline the practical implementation of IAS/IFRS in European laws. In particular, with rule n1606 of 2002, it is compulsory in the EU to adopt international principles in the consolidated financial statement of companies listed on the stock market, starting from the statement of January 1st 2005, and for banks and insurances. Italy with a following decree law n.38 of 2005 has extended the obligation to statement of the same companies for the year 2006 and the faculty only for consolidated financial statements of all other companies starting from the financial statement of 2005. In this sector as well the OECS GUIDELINES FOR MULTINATIONAL COMPANIES are very important, especially regarding the principles related to Base erosion and profit shifting (BEPS) and the OECD agreement against fiscal elusion of multinational companies (Multilateral authority agreement (MCAA), subscribed by 31 countries, based on which the various fiscal administrations will exchange information: multinational companies will have to communicate to the country where they operate how much they earn and how much they pay in taxes. We will then be able to have a global picture of key indicators of multinational companies. Lastly, a relevant international source is the OECD agreement: Country by Country.

Compared to the test version, some questions have been added, e.g. asking the page URL where balance data is published (68), the group structure (71) or the charities being funded by the TNC (78); questions on CEO salary (24) and fiscal optimization (75 and 76) have been changed to be stricter.

Anna Maria Romano

Clarity regarding information availability

Accounting information, even if balances are obligatory, aren't always easily available. And the major/minor accessibility to data is a first step in the evaluation on the transparency of the analyzed company.

Transnational companies must in addition present a consolidated financial statement, which is a balance that aggregates all accounting information of all companies forming the group (see normative sources).

It is important if the consolidated financial statement deposited in the country where the Holding or Head company is; is it easy or not to access the company website? And what is the level of detail?

Our objective is not to describe or evaluate these documents and their compliance with international models, but to understand, where possible, the true company policies in terms of what we describe as series of values. If and how wealth is produced and redistributed in social terms.

Compilation of this section could be increasingly pre-compiled, depending on the availability of the public data.

Another important factor is the level of detail in the presentation of consolidated income statements.

Two examples that can give an idea of the substantial difference in information and willingness to make data available.

CONSOLIDATED INCOME STATEMENT

1st September 2014–31st August 2015

(in millions of Euros)

| | FY15 | FY14 |
|---|---------------|---------------|
| Revenue | 32,658 | 29,293 |
| Cost of sales | 18,221 | 16,372 |
| Gross profit | 14,437 | 12,921 |
| Operating cost | 10,388 | 9,128 |
| Operating income | 4,049 | 3,793 |
| Total financial income and expense | 299 | 352 |
| Income before minority interests and taxes | 4,348 | 4,145 |
| Tax | 822 | 801 |
| Income before minority interests | 3,526 | 3,344 |
| Minority interests | 14 | 15 |
| Net income | 3,512 | 3,329 |

Conto economico consolidato

(milioni di €)

| | ESERCIZIO | | VARIAZIONE | | |
|---|-----------------|-----------------|----------------|----------------|---------------------------|
| | 2015 | 2014 | ASSOLUTA | % | NORMALIZZATA ¹ |
| Interessi netti | 11.916 | 12.442 | - 526 | - 4,2% | - 2,5% |
| Dividendi e altri proventi su partecipazioni | 829 | 794 | + 36 | + 4,5% | + 19,8% |
| Commissioni nette | 7.848 | 7.593 | + 255 | + 3,4% | + 4,6% |
| Risultato netto dell'attività di negoziazione | 1.644 | 1.536 | + 109 | + 7,1% | + 7,0% |
| Saldo altri proventi/oneri | 166 | 188 | - 21 | - 11,3% | + 95,0% |
| MARGINE DI INTERMEDIAZIONE | 22.405 | 22.552 | - 147 | - 0,7% | + 1,6% |
| Spese per il personale | (8.339) | (8.201) | - 138 | + 1,7% | + 2,9% |
| Altre spese amministrative | (5.159) | (5.244) | + 86 | - 1,6% | - 4,1% |
| Recuperi di spesa | 808 | 834 | - 25 | - 3,0% | + 2,0% |
| Rettifiche di valore su immobilizzazioni materiali e immateriali | (929) | (896) | - 33 | + 3,6% | + 6,7% |
| Costi operativi | (13.618) | (13.507) | - 111 | + 0,8% | + 0,4% |
| RISULTATO DI GESTIONE | 8.787 | 9.045 | - 258 | - 2,9% | + 3,4% |
| Rettifiche nette su crediti e su accantonamenti per garanzie e impegni | (4.114) | (4.292) | + 178 | - 4,1% | + 1,5% |
| RISULTATO NETTO DI GESTIONE | 4.672 | 4.753 | - 80 | - 1,7% | + 5,0% |
| Altri oneri ed accantonamenti | (1.585) | (728) | - 856 | + 117,6% | + 249,7% |
| Oneri di integrazione | (410) | (20) | - 390 | n.s. | n.s. |
| Profitti netti da investimenti | (6) | 87 | - 93 | n.s. | n.s. |
| RISULTATO LORDO DELL'OPERATIVITA' CORRENTE | 2.671 | 4.091 | - 1.419 | - 34,7% | - 34,2% |
| Imposte sul reddito del periodo | (137) | (1.297) | + 1.160 | - 89,4% | - 85,6% |
| RISULTATO NETTO DELL'OPERATIVITA' CORRENTE | 2.534 | 2.793 | - 259 | - 9,3% | - 11,8% |
| Utile (Perdita) delle attività in via di dismissione al netto delle imposte | (295) | (124) | - 171 | + 138,0% | + 158,0% |
| RISULTATO DI PERIODO | 2.239 | 2.669 | - 431 | - 16,1% | - 23,9% |
| Utile di pertinenza di terzi | (352) | (380) | + 28 | - 7,5% | - 5,5% |
| RISULTATO NETTO DI PERTINENZA DEL GRUPPO ANTE PPA | 1.887 | 2.289 | - 402 | - 17,6% | - 26,7% |
| Effetti economici della "Purchase Price Allocation" | (193) | (281) | + 89 | - 31,5% | - 31,5% |
| Rettifiche di valore su avviamenti | - | - | - | n.s. | n.s. |
| RISULTATO NETTO DI PERTINENZA DEL GRUPPO | 1.694 | 2.008 | - 314 | - 15,6% | - 26,1% |

Note:

1. Variazioni a cambi e perimetri costanti

The importance of numbers: not only math

The numbers in a balance don't represent only numbers, but meaning. A number is the final synthesis of a path: from the company policy choices; governance and relation with their stakeholders; how they intend to respect the law (in purely formal terms); redistribution of produced wealth; to greatly summarize: how are production factors rewarded.

A balance is a snapshot of the company in a precise moment: some data may be more significant than other, in absolute terms and in comparative ones (more years: at least 3) or in space (companies in similar sectors; geographic area).

We find useful to define some balance indicators, or synthetic indicators, quotients that represent the economic trend, the patrimonial and financial situation of a company.

Some indicators

The following indicators may synthesize balance data regarding the above mentioned topics:

- Solvency: net financial position, debt load, relation between liabilities and net worth.
- Profitability: EBITDA (or MOL), EBIT (or Operating income), ROI, ROS, ROE
- Efficiency: Asset Turnover, value added to income, value added to cost of employees
- Liquidity: relation between short term activities and short term liabilities, cash flow
- Growth: of turnover, activities and net worth.

| | | |
|--|---|---|
| IGNC | Net income <hr/> Operating result | Defines how much of the produced income derives directly from a core activity and when instead it is accessory, not strictly necessary for the core production, but done for other reasons; e.g.: finance; links with other companies etc. It indirectly expresses the weight applied by extraordinary components and taxes on the final result of the financial activity. |
| Debt ratio (or leverage or gearing ratio) | Total liabilities <hr/> Total activities | |
| Debt-to-equity ratio | Total liabilities <hr/> Net worth | Describes the balance among the various sources of financing. The higher, the greater is the debt load of the company or |

| | | |
|---|---|--|
| | | the group towards third parties compared to the sources coming from business associates, and therefore the profitability of the economic activity can be eroded more by financial burdens. This indicator should not be above 4. |
| EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), or MOL (Operating Margin) | Profitability indicator that highlights the profit margin deriving from core business | A value that is still not influenced by interests (financial management), taxes (fiscal management), depreciation of goods (devaluation), reserves and amortizations. It is therefore not influenced by “balance policies” (devaluations, reserves, amortizations used to fix the final result). |

| | | |
|-----------------------------------|---|--|
| ROI (Return On Investment) | Operating result _____ Total activities | Remuneration quota of the capital invested in the company or group before paying financial obligations and taxes, in relation to the total invested capital. |
| ROE (Return On Equity) | Net profit _____ Net worth | Measures the total profitability level of own capital (associates). Must be compared with the performance of different investment opportunities, similar from a risk perspective to the one of the company. |
| ROS (Return On Sales) | Operating result _____ Sales | Measures the profit margin achieved thanks to the sale of goods and services on the market, before financial burdens and taxes. Expresses how much, every 100 euros of sales, the company manages to retain as “operating profit” (after paying for all |

| | | |
|-------------------------------|---|---|
| | | operating costs). |
| Asset Turnover | $\frac{\text{Sales}}{\text{Total activities}}$ | Speed of reentry, through sales, of invested capital. It is an efficiency indicator of the management choices in the use of the productive capacity (policy on stockpiles, credits towards customers) and the choices defining the productive structure. |
| Value Added | | Value that the company or group adds, through its own transformation and sales activities, to the resources acquired and transformed through production (raw materials consumption, services, rents, etc.) |
| | $\frac{\text{Value added}}{\text{Sales}}$ | <p>The factors that may influence this indicator are:</p> <ul style="list-style-type: none"> - qualitative changes in production, - improving or worsening of productivity, - integration strategies (acquisition of new activities) or vertical disintegration (outsourcing of activities), - different internal organization of the company or group (different relation between the industrial part and the commercial one), - changes in the prices of raw materials and finished products |
| | $\frac{\text{Value added}}{\text{Cost of employees}}$ | As above with specific indicators tied to the variations in the amount of workers and wage |
| Development indicators | | |
| | Variation in sales | The variation in sales could express the |

| | | |
|---|--|---|
| | <p>-----</p> <p>-----sales of the previous period</p> | <p>effective trend in the sales volumes, but also be a result of different factors, such as:</p> <ul style="list-style-type: none"> - acquisition of new companies and consolidation of balances, - variation in the sales catalogue, - fluctuation of the exchange rate, , - changes in the mix of products, - changes in the selling policies, - different strategies of decentralizing production. |
| | <p>Variation of activities</p> <p>_____</p> <p>Activities at start of period</p> | <p>Synthetically expresses the company or group strategy, since it highlights the choice to expand or shrink the size of the invested capital. It depends on the growth rate of the “current activities” (credits, unsold stock, etc.) and on the growth rate of “non current assets” (plants, machinery, financial activities etc.).</p> |
| | <p>Variation in net worth</p> <p>_____</p> <p>Initial net worth</p> | <p>It expresses the capacity of the company or group to increase the available financial means without using third party capital. If total activities increase, it's necessary to increase at least as much the net worth if you don't want to increase debt load.</p> |
| Thank you to Ermanno Della Libera of the Poster Institute | | |

KPIs

Key Performance indicators, KPI, are an important tool to determine if and how a company is progressing towards its business and marketing objectives. It is a quantifiable measure, a number that measures if the operating and strategic objectives have been reached.

This means that different companies have different KPI depending on their priorities or definition of performance. At the same time, indicators usually follow a sector standard.

Consolidated income statement, social balance, integrated balance: notes for the evolution of the species.

What interests us is to define KPIs that are capable of synthetizing the situation in a multinational company based on shared parameters and values, and capable of including the economic and social management of the company as well.

An objective that the European lawmakers have tried to achieve through an integration of accounting and obligatory reports with the social balance.

The Social Balance is an extremely important tool for communication, a key element to perform public relations activities, and to improve social and industrial relations.

Our objective is to strengthen public perception of the company, so to increase its legitimacy in its sector and consensus at a social level.

The Social Balance is a very important knowledge tool, that at the moment has yet to satisfy the need for information on companies, risking often to be just a showcase.

« Social Balance is the result of a process where the management becomes accountable for their choices, activities, results, use of resources in a specific period of time, and allows citizens and others to gain knowledge and be able to form an opinion on how the management is interpreting and achieving its institutional mission and mandate»

([Ministry of the interior](#), 2007)

The relation between ordinary balance and social one is still too bland. In the following table we show a very brief summary of the relation between the two.

| Characteristics | Ordinary Balance | Social Balance |
|------------------------|--|--|
| Requirement | Compulsory | Voluntary |
| Modality | Norms defined by the law, international standards, following accounting principles for the quantitative definition of management events. | Data elaboration and qualitative information |
| View | Economic union | Social vision |
| Timeline | Financial year | Period to which the ordinary |

| | | |
|--|---|--|
| | | balance refers to |
| Authority | Economic | The moment the social events happen |
| Recipients | Almost only Stakeholders that have an economic/financial interest | All stakeholders that have an interest in the company |
| Information | Accounting data | Mostly qualitative information that are synthetized quantitatively |
| The data of the two balances may have no relations between them | | |

The new aim of reporting, indicated by Directive 2014/95/EU of the European Parliament, is to the **integrated Balance sheet, a document that is the result of integrating the consolidated statement and the one on sustainability**. The financial, environmental, social and governance results, analyzed jointly, are under careful observation. The objective is to generate a transparent document capable of satisfying the needs of the company and the needs of the collectivity for more information, the needs of the financial community and those of all stakeholders as well.

The integrated balance may be defined as an accounting system for economic, social, environmental performances, summarized in one publication that is coincident with the annual financial statement and consolidated financial statement of a company, enriched and integrated with the most impactful social and environmental data. It therefore synthesizes accounting data with non financial aspects.

III.1.9. Diversity

Introduction

The answers on the “Diversity” chapter must be analyzed considering the possible ramifications, e.g. with question 10 on the ranking, 18 on “governance” and questions 30-32 on employment, and 59 on training.

Ornella La Tegola

The principle of equality presumes the **acknowledgement not only at a formal level of fundamental rights**. It is therefore necessary to use tools – incentivized by law or adopted spontaneously by the social parts – to introduce changes to a social dynamic that proposes old and new forms of discrimination. These tools are **the positive actions** (see chapter II par. 3) that represent an essential tool to achieve equal opportunities and it must be a **precise prerogative of all companies** to remove all obstacles and discriminations that prevent the achievement of equal opportunities.

In the section dedicated to Diversity of the TNC sheet, we have identified the main tools that may be adopted to promote equal opportunities among people of different groups. We believe that the implementation of positive actions is a revealing indicator of the multinational company's respect for dignity and the differences among workers. Therefore, the positive answer to the questions asked in the analyzed section presume compliance with the applicable norm. The data sheet will analyze the adopted corporate tools to promote the respect for human dignity of workers and their equal opportunities, the dissemination of said practices in all the plants or offices of the multinational company or only in some of these, and the involvement of workers and/or their representatives.

In particular:

80-81. Have measures been introduced to support maternity and parenthood of workers?

The questions are aimed at understanding if the multinational company adopts tools to support maternity and family functions of workers by identifying the main actions used (e.g. nurseries, playrooms in the company, hour banking, work support or training when returning from maternity leave).

82. Was a gender balance adopted?

As it is known, a gender balance is a balance document that analyzes from a gender point of view the policy choices and the economic-financial commitments of the multinational company. Its adoption shows a political, economic and financial will to empower and respect gender differences, and presumes the presence of a so called gender friendly environment.

83-84. Are specific measures adopted to promote female employment and career progression?

Positive actions aimed at favoring female employment and career progression are many. We have included in the sheet the most recommended by experts going from, just to mention some of them, modifying working hours to favor work/life balance, to monitoring personal situations, and training female workers in those levels and sectors where the gender is underrepresented.

85-86. Have equal opportunities bodies/committees been established? If so, is the budget provided by the employer?

It is clear that a true and effective equal opportunity policy may be achieved by the company only if an equal opportunity body or committee is established within the company, and it has its own budget. The questions are therefore aimed at gathering this information.

87-88. Have measures been included for workers of different races, ethnic origin and/or religion?

As it is known, belonging to one race or ethnic origin or religion can have consequences in food and spiritual choices that are not compatible with work organization and shifts, or availability of food in the cafeteria. The questions aim to understand the level of flexibility allowed in regard to the individual characteristics of workers.

89-90. Do you directly or indirectly make use of child labor? If so, do you implement proactive policies to avoid child labor?

Respecting the prohibition to use child labor is a key element, and infringing this rule will cause a negative evaluation of the multinational company. Except for cases where the possibility to use child labor is foreseen by law, we ask the multinational company to specify if it is adopting safeguard mechanisms for the respect of the prohibition in all company premises and if there are monitoring mechanisms in place (and sanctions if the prohibition is not observed) in the supply chain and related activities. When child labor is used because it's allowed by the law, we ask appropriate tools exist to monitor the education requirements and if they are supported by a tutor.

91-92. Are measures implemented to disseminate a culture on differences and human rights? These are training cycles on gender culture and diversity aimed at increasing knowledge of workers on the peculiarities of gender difference and explaining the management that diversity may represent an opportunity for the company.

93-94. Have you been legally convicted due to discrimination and/or harassing in the last three years? If so, for which kind of discrimination?

It is interesting to verify if the company has ever been sentenced due to discriminations or harassing related to gender, sexual preference, age, disabilities, race or ethnic origin, religion or personal beliefs. The presence of a conviction is a cause of discomfort for workers. For convictions we mean those that have been considered definitive and may not be appealed.

95. Have you been sentenced for union related reasons in the last three years?

The important role of the trade union as a representative of workers with the aim of safeguarding collective interests within the company must be recognized by the multinational company. The presence of a controversy shows the lack of respect for union rights and prerogatives. Even in this case, for conviction we intend sentences that may no longer be appealed.

96. Regarding the safeguard of workers' health and safety, are there measures in place to protect health and safety in relation to gender, age and origin?

Scientific research demonstrates that belonging to a specific gender or age group does come with different risks in relation to psychological and physical health of workers. We therefore ask if the multinational company evaluates specifically these risks when drafting the Security document. In some cases it's important to also evaluate the knowledge of the language used by the company. The lack of comprehension may be a risk when performing certain working activities.

97. Have the measures adopted been decided with the involvement of worker representatives?

The participation of workers at the appropriate levels guarantees the selection of tools which are more appropriate to the company's situation, and represent the true needs of workers. In addition, it is a guarantee for the promotion of measures to achieve a conscious and full involvement of workers, and to favor their comprehension of negative and positive sides of adopting said decisions. We believe in fact that the adoption of positive actions agreed upon with the trade union is one of the key points of positive action, because it provides a guarantee on the efficiency and the strength of the action itself and extends it to the highest number of workers possible. Usually, positive actions are adopted at a company level. Nevertheless, when they are decided at a transnational level (e.g. through transnational agreements) or at EWC level, they are stronger, since they force a general adoption in all company branches and premises and in all the companies of the group.

III.1.10. Accessibility for disabled people

Introduction

One of the main project activities is the check list, for organizing accessible and environmentally low impact events and products, written by the project experts on accessibility for all, Anna Quartucci, TATA WITH CARE association President, and on environmental sustainability, Ennio Merlini, from WWF Research and Projects.

In addition the answers on the "accessibility" chapter must be analyzed considering the potential ramifications, e.g. questions 13 and 14 on web and 98-105 on the presence or lack of a company policy, which out of 200 companies being monitored, it seems to be absent in 75% of cases.

Anna Quartucci

We intend to provide an information tool to correctly compile the questionnaire:

14. Accessibility of website, what measures have you implemented?

State if during the development of the website you took in consideration accessibility for people which suffer from disabilities:

- Inclusion of Tag Titles and Alts in the media and hypertext content (for people suffering from blindness)

Communicate if descriptions of photographs and media has been included to allow the use of voice synthesizers by people suffering from blindness.

- Use of the correct fonts: Arial, Georgia, Times New Roman, San Serif, Verdana

Say if these fonts have been used in your website

- Background colors and text contrast

State if you took in account the correct color contrast to allow reading to sight impaired people.

- Enlargement of characters, positioning of the “3A” on the top right corner

State if it is possible to enlarge characters to make reading easier.

- Website that is readable and adaptable to all new devices, from smartphones to tablets.

State if the website is visible from all devices.

98. Is there a specific policy in place to improve the employability of disabled people?

State if the company is applying the current norm or if there is a better company policy.

99. If so, for what types of disabilities?

Explain if there is a specific employment policy for people with disabilities:

- People with motion impairments
- People with sensorial impairments

100. If so, how is it applied?

Removal of architectural barriers for motion impaired people in all company premises for a full access to every single service

State if total accessibility to all company premises is possible.

Removal of barriers for people with sensorial impairments, including tactile paths, sound signals, guided paths.

Supply of food to satisfy different needs (intolerances or allergies, coeliac disease, kosher, halal, vegetarian, vegan).

Adoption of smart working (1) for temporary disabilities (2)

State if your company foresees the use of smart working in case of temporary impairments, such as maternity and parenthood.

101. Have you included specific topics in the training/updating programs regarding disabilities.

Explain if during company training issues such as integration of disabled people are included.

102. If so, how?

Using staff specialized in the treatment of various disabilities following the peer to peer concept.

Using external experts

Training courses and information for all employees.

103. Does your company implement an accessibility policy to favor employment and electronic tools?

Explain if your company supports people with disabilities by supplying aids to make work easier.

104. If so, for what types of disabilities?

People with motion impairments

People with sensorial impairments

105. Have the measures on accessibility of disabled people been decided together with the workers' representatives?

III.1.11. Environment

Introduction

One of the project's main activity is the check list for organizing accessible and environmentally low impact events and products, written by the project experts on accessibility for all, Anna Quartucci, TATA WITH CARE association President, and on environmental sustainability, Ennio Merlini, from WWF Research and Projects.

Around 85% on monitored companies declare to have an environmental policy in place. This figure must be verified, in addition to the implementation of international norms (see chapter 1.2.1.) and national ones; through the combination of previous answers to questions 106 and 124.

Ennio Merlini

In theory, the necessary information to fill in the questionnaire should be public and available on the company website or other company publications. The reality is that probably searching for this information can be hard and discomfoting, since there are no indications or obligations on the modalities of publishing such data. This brings us to warmly recommend to submit the questionnaire to the relevant company offices. Considering this procedure, it would be extremely useful if workers' representatives were called to compile the same questionnaire. This would allow to verify that the information given by the company are correct, and most of all, highlight potential shortcomings in the sharing of extremely important information such as those relative to environmental commitments.

All supplied data, in addition to being verified by consulting workers' representatives, must be accompanied by support documents. It could be useful to compare the supplied data with that on the documents.

Questions 108 to 114 highlight the potential assumption of responsibility on behalf of the company to mitigate environmental impacts.

On their own, these don't allow us to evaluate the relevance of the commitment, or the consistency of its implementation. For this reason, questions 115 to 121 allow us to verify if some of the most widespread and efficient policies are applied and at the same time evaluate the company's commitment involves all company premises.

Questions 122 to 124 are particularly important for the evaluation of a company risk profile. These allow us to interact with the core activities of a single company and draw accustomed profile, even if generic. Question 122 presents a list of activities that can't be sustainable in any case: if the company is active in one or more of these sectors, the evaluation on environmental performance can only be extremely negative. Question 123 presents a list of extremely critical activities. The evaluation of this question must be done together with the question 124, that asks to indicate which modalities to mitigate risk have been adopted.

Only the appropriate adoption of risk measures indicated in question 123 will allow for a positive evaluation of company activities. Question 125 delves further in the topics presented in the two previous questions, and allows a knowledgeable reader to evaluate if and to what extent the adopted measures can be considered adequate to the risk. Question 126 is to verify if the company has been involved in illegal activities with regard to the environment.

III.2. Data gathering sheet on EWCs

Stefano Isgrò

The data sheet aims at gathering information on the composition of the EWC: relevant ETUFs and experts, coordinator and members, first of all the President/Secretary.

The document will be partially pre-compiled regarding questions from 3 to 7.

We ask the EWC member to answer from question 20 to 23, which are information related questions; the perceptive dimension will be from question 26 onwards. Finally, there is the participation to develop the data base of EWC members together.

Compiling the data sheet is aimed at increasing transparency and accessibility, to improve the information, consultation and participation mechanisms for the benefit of EWC members, delegates and union officers, but also all workers.