

### **IV.3. Mechanisms for checking information**

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Open Corporation uses a specific and proved verification system of the information inserted by the TNC in the questionnaire. An important role is performed by the “sentinel”, a trade union or NGO, or stakeholders which have the power to communicate, also thanks to the channels available through the project, potential inconsistencies in the information given during the precompiling phase by the project staff, or during the compiling phase by the multinational company. The assessment of the TNC will be performed and can be performed not only by a trade union subject, but also by civil society organized in specific stakeholder groups. Think about the associations established to promote and spread the concept of safeguarding diversity, disability or the environment.

The project has developed a parallel questionnaire, identical to the TNC one, but with the added option for the sentinel to include comments or links to the quoted documents; such document will be available on the project website. In other words, the “sentinel” is a sort of “immune system” for the protection of the questionnaire, in case there is false information. Its role is to signal the presence or recognize potential “evidence” that are in contrast or integrate what is stated by the questionnaire. In case this has a positive outcome, it will have an effect on the score, if foreseen. If instead signaling the information has a negative outcome, the path may be schematized as follows:

x) compiling of TNC survey

y) potential reporting is corroborated by EWC, union organizations (national and European/international), NGOs, citizens associations;

z) transmission to the TNC of the received report;

→ z.1) TNC reply including opposite evidence;

↘ z.2) lack of reply from TNC

We therefore have three distinct phases

1. Precompiling
2. Compiling
3. Verification
4. Development and publishing of the #OpenCorporationRanking

#### **IV.3.1. Verification procedure**

The procedure can develop in the following modalities:

a. through the “union sentinel”. This is activated through a “traffic light” modality and potential “verification sheet”. The list of companies is sent to all ETUFs and GUFs (a total of 200 companies as of today) ordered based on the NACE code (Nomenclature statistique des activités économiques dans la Communauté européenne), divided according to the likely appropriate federation and additionally divided in companies with legal offices in the EU28 and outside the EU. Union federations are asked to assign a “sticker” to each company: red, yellow or green:

- A) RED if ANTI-UNION at a global level. Red means a negative result in all sections related to “Social Dialogue”;
- B) YELLOW if ANTI-UNION in at least ONE COUNTRY. Yellow means halving the result for all sections related to “Social Dialogue”.
- C) GREEN if there are union relations. This could mean sending to an ETUF or GUF<sup>1</sup> the access credentials to the verification sheet, with possibility to remove (in case of wrong/omitted information) or increase the score (e.g. in case of a collective agreement signed in the meantime) of individual questions/answers<sup>2</sup>.

b. The final verification is always assigned to the project staff, which will work following these phases:

- i. activation of the complaint management process in case dissonant data or information arises during the “union verification” or staff verification phase<sup>3</sup>;
- ii. Use of reliable data and information, included in the part dedicated to documents related with the company, also not deriving from sources used during the precompiling phase<sup>4</sup>;

c. Not verified<sup>5</sup>. This will happen in two cases:

- i. Multinational companies not undergoing the “traffic light” treatment; multinational companies for which the verification phase has not been activated by European and/or global union federations, by attributing a color code (red, yellow, green – see above letter a). “Colorless” multinational companies will start with a -25% in the Social Dialogue score.

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<sup>1</sup> So ETUFs, GUFs but also EWCs (e.g. ETUFs Coordinator, EWC member).

<sup>2</sup> Sending to ETUFs and GUFs the credentials for all 200 companies could happen anyway; in addition, for all companies, the project staff could add new information/data verified and arrived after the completion of previous phases.

<sup>3</sup> And in a subsequent phase by NGOs and/or civil society.

<sup>4</sup> See chapter: “II. Methodology”. Anyway, official sources on specific information examined by the staff can be found for example on the following websites:

<https://business-humanrights.org/en/company-survey-compare>

<http://www.workerscapital.org/>

<http://www.global-unions.org/+framework-agreements-+.html>

<sup>5</sup> In cases 3 and 4, it is possible that the unfinished nature of the verification could assign the company a wrong position.

- ii. Incomplete questionnaires containing insufficient information, because not available during the precompiling phase, nor during further verifications by the project staff. In such cases, a score which is inconsistent with the actual situation of the company could be assigned. Since these situations are not comparable with the others, they could:
  - i. Be excluded from the #OpenCorporationRanking
  - ii. Or, if included, should be highlighted and described as “unverified” and therefore not comparable.
- d. a verification phase aimed at reporting potential court rulings against TNCs related to topics relevant to the sections of the questionnaire is included.
- e. NGO sentinel, civil society<sup>6</sup>

#### IV.3.2. “Complaints” process

Being reported by the trade union, an EWC, an NGO or by stakeholder (regardless of the answer by the TNC) will cause a decrease in score related to the question being reported.

E.g.:

The following questions are worth a specific score:

Diversity	Was a gender balance adopted?	4
Diversity	Were specific measures adopted to favor female employment and career progression?	5

The TNC answers “yes” to both questions and scores 9 points.

The “sentinel” reports through documents (see below) that the answer to the second question is not true.

The system will automatically suspend 5 points.

Diversity	Was a gender balance adopted?	4
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<sup>6</sup> This hypothesis will be taken in account in a more advanced phase of the project.

Diversity	Were specific measures adopted to favor female employment and career progression?	*
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The asterisk means an intervention by the “sentinel”.

Therefore, in the z.1 case, the answer to the report will be forwarded by the “sentinel” that will evaluate the answer.

→ if the report remains, because data is ambiguous, the asterisk remains too and reporting by the trade union and the answer from the TNC can commence.

In this case, we must assign a weight to the controversy, not acknowledging the value of the questions in the final ranking.

→ if the “sentinel” agrees with the answer from the TNC, the score is recognized and the asterisk removed.

In the z.2 case, the score of that question will not be calculated in the final ranking, because a report is present and the TNC was unable or unwilling to respond.

Timeline: Reporting as in point y) must be done within 30 days of the transmission of the completed survey (by the TNC) or precompiled by the project staff.

The potential reply by the TNC must happen within 20 days of the reporting.

After the expiration of this time period, the report will be considered accepted and definitive.

The above described deadlines are not currently applied but will be in the future.

Documents that can function as direct evidence or used as evidence to the contrary are the following:

*a) “per relationem” evidence*

Documents that don’t represent a full evidence, but create a relation with the fact that must be proven. The following are included in this category:

- 1) News articles clearly indicating the sources of the news.
- 2) NGO documents (the independence of the ONG must be verified).

*b) “Prima facie” evidence*

All documents coming from a recognized part and admitting it as proof of the contrary:

- 3) official trade union documents

- 4) judicial actions promoted by the trade union against the TNC for safeguarding collective interests (e.g. discrimination of workers, anti-union behaviors).
- 5) collective agreements.
- 6) Joint declarations (trade unions, also local, and TNCs) which decide or settle an issue.
- 7) TCA
- 8) Transactions

*c) Proof (smoking gun)*

Documents that are considered as full evidence related to what has been reported until directly proven otherwise:

- 9) court rulings
- 10) applied administrative sanctions.
- 11) inclusion or transcription in public registers (e.g. chamber of commerce company registration, public real estate registers, public administrative registers)
- 12) communication to monitoring bodies of stock market.

In the above mentioned system, a prominent role is played by the trade union sentinel at all levels (territorial, national, European, international).

During the course of the project, synergies have been activated with GUFs and ETUFs (see for example the letters sent to them regarding value assignment within their sectors of expertise and the request to assign a value to the elements present on the site in the document section) which are an added value for our project.