From potential hotspots identification to social issues prioritization

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1. Context and scope

Social LCA is a tool developed in order "to promote improvement of social conditions throughout the life cycle of a product" (UNEP-SETAC, 2009, p. 22) by means of improving companies' behaviours, as they pertain to their activities and decisions, to ultimately achieve Sustainable Consumption Patterns (SPC) (Parent et al., 2012). Especially for multinational corporations, decisions concerning strategic activities such as supply chain management are made against impacts that must be measured and prioritized in order to be appropriately managed.

One way social LCA can provide information on manageable and targeted social issues is by a social hotspots assessment. Taking stock of such an assessment, LCA sponsors are often confronted with the complexity of targeting social issues which, in some cases, run deeper than what one company can do. On one hand, questions such as: "*How can our company prioritize the many hotspots in our value chain?*" are emerging more and more from decision makers. On the other hand, the scientific community clustered around social LCA has also outlined the importance of weighting social impacts subcategories, either for calculation purposes (Benoît Norris, 2012), for ethical reasons (Ekener Petersen, 2014) or in order to advance social LCA research, specifically as it relates to its intended effects (Jørgensen et al., 2009). If social LCA is, indeed, a tool that can improve human well being throughout a product's life cycle, proposing an effective operationalization of social LCA results through a process of prioritizing social impacts begs an investigation.

Although social LCA is a technique that is still in its infancy compared to environmental LCA, a number of studies have nevertheless been produced since the UNEP-SETAC Guidelines (2009). One of these case studies was conducted for the Société des Alcools du Québec (SAQ)[1] as an Industrial partner of the CIRAIG's International Life

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Cycle Chair (ILCC)[2]. The ILCC produced for SAQ an LCA[3] of wine for 11 geographically referenced scenarios[4] , in order to ultimately create a transparent decision making tool for consumers. For the social dimension of the LCA, the assessment was conducted by the social research team of the Chair. One phase of the life cycle (production) and one stakeholder category (workers) were assessed. A total of thirteen[5] significant social issues were found to be prevalent, occurring unevenly across the assessment's scenarios. In all countries, migrant workers were especially highlighted as the sub-stakeholder category most at risk of experiencing these social issues. Faced with so many hotspots, the SAQ sponsored a second study in order to facilitate a social impacts subcategories prioritization framework, which could guide the SAQ and its suppliers in sequentially attaining a better overall social performance. This framework is the basis of this ILCC's presentation.

2. Main text

First, a literature review was conducted in order to create a normative basis for the prioritization framework. Five main literature categories were investigated: 1) international conventions, 2) corporate social responsibility (CSR) initiatives and standards pertaining to social issues, 3) internationally applicable private standards guidelines focusing on the appropriate social issues and applicable to the agro/wine sector, 4) scientific and grey literature exploring correlation or causal links between social issues and 5) literature pertaining to migrant workers.

Literature review main findings

There are three main findings from the literature review, across the board for the 5 review subjects. The first is that the rights covered in the International conventions, principles and declarations are indivisible, interdependent and mutually reinforcing. The second is that the Universal Declaration of Human Rights (United Nations, 1948) and the ILO'S Declaration relative to fundamental principles and rights (ILO, 1998) are the two main instruments on which most of the public or private initiatives, programs or standards are built upon. Thirdly, freedom of association and the recognition of the right to collective bargaining are found to be enabling rights, meaning rights that allow the promotion and realization of other rights leading to decent working

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2   The International Life Cycle Chair is a research unit of Polytechnique Montréal and ESG UQAM.

3   The environmental and social life cycle assessment was conducted in 2012-13 by the International Life cycle Chair team of analysts and students.

4   These are : Argentina, Australia, Chile, France, Italy, New Zealand, Portugal, Quebec, Spain, South Africa and the United States.

5   The 13 social issues found to be prevalent are: violation of migrant workers' fundamental rights, child labor, freedom of association and the right to collective bargaining, forced labor, inequalities in working conditions, non-decent wages, non-payment of certain worked hours, failure to deliver legally binding social security benefits, excessive working hours, non-payment of overtime bonus, failure to use practices that minimize workers' health & safety risks, degrading practices, non-formalization of the rights and obligations of the worker and the employer through a written contract of employment and job insecurity, non-adoption of practices to ensure a decent living environment (when workers were found to be living on work premises).

conditions (ILO, 2013). And finally, the Decent Work Agenda (ILO, 1999) is recognized as a normative framework that identifies work that must be abolished as well as the most fundamental rights, without which it cannot be possible to call work "decent".

Within the CSR initiatives literature review, only one presented a principle that could constitute a lead in hierarchizing social issue. The Ethical Trading Initiative (ETI, 1998) recommends to pay particular attention to the most vulnerable workers and to the most abusive labor practices workers, including workers employed by agencies, temporary workers, and migrant workers. Within the migrant workers and correlation/causal links literature review, what clearly emerges is that the migrant workers are the most vulnerable worker sub-category within the larger « Workers » UNEP-SETAC stakeholder category. Their status can generally be considered a precursor for poor working conditions. The migrant worker's inability to join a labor association or participate in collective bargaining specifically leads to rights violations. Freedom of association and collective bargaining is also a precursor to the presence or absence of child labor. Other major impact sub-categories are, in essence, included in the four dimensions of the Decent Work Agenda. This instrument was thus used as a tool to illustrate links between the UNEP-SETAC social impact sub-categories, social issues and one or more of the 4 dimensions of Decent Work, as illustrated in Figure 1.

Prioritization framework design and application

Two different scales were designed to help prioritize social issues. The first draws on the literature review's findings and provides a social issues severity scale. The second is a country level socio-economic evaluation, based on Decent Work indicators. These two scales, as well as the final geolocalized social issues prioritization, will be explained in the remainder of this presentation.

Scale 1: Social issues severity scale

This scale was built on the main findings from the literature review, which were:

- Fundamental principles and workers rights, as enacted in the ILO Declaration, take precedence over other rights and issues
- Precursor rights are particularly salient. Among them, freedom of association and the recognition of the right to collective bargaining are clearly highlighted.
- Migrant workers are the most vulnerable sub-category of the « Workers » stakeholder category in the wine growing industry and therefore, the most likely to be victims of non-decent working conditions or human dignity violations.
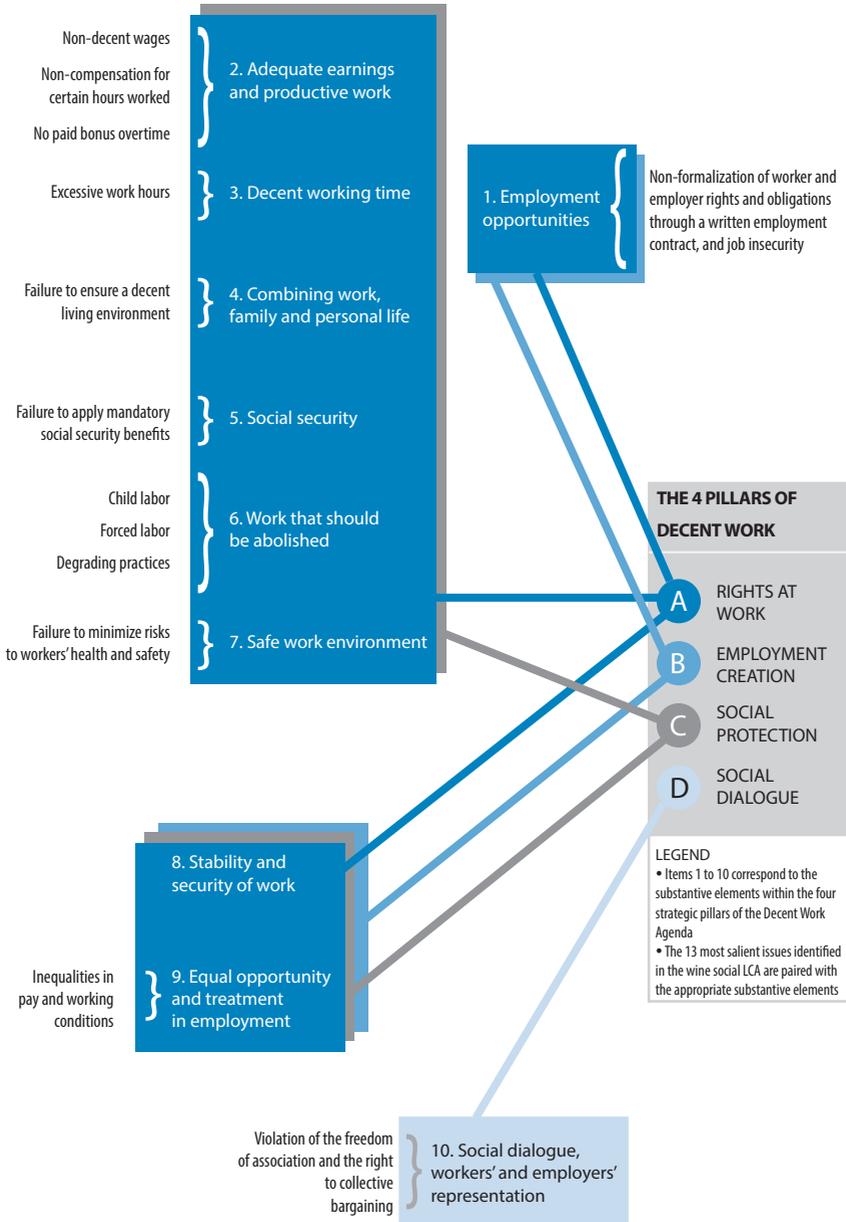
Figure 1: Link between the Decent Work Agenda and social issues identified in the wine LCA

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Furthermore, a greater importance was assigned to issues directly related to income and health & safety. The principles put forth as justification for their inclusion are the reduction of poverty through decent pay, an important ILO goal, and the importance of the physical integrity of individuals, which constitutes a fundamental condition for a decent life. Using these benchmarks, a three-level scale was established. The S1 level corresponds to issues directly related to fundamental principles and workers rights (threshold of maximum severity). The S2 level corresponds to issues directly related to the specific challenges of migrant workers in terms of their employment contracts, as well as other issues related to wages and health & safety (less severe than S1). Finally, the S3 level was granted to the remaining issues, which deal mostly with working conditions (least severe level). All levels are described in Table 1.

Table 1: Social issues prioritization

S1	**Issues directly related to the ILO's fundamental rights and principles declaration and Decent Work Agenda** Child labor, freedom of association, forced labor, discrimination and practices that negatively affect human dignity
S2	**Issues relating to wages, health and the formalization of the employment relationship by the contract** Salaries and benefits, health & safety, labor relations and job insecurity, workers' housing (when provided by the employer)
S3	**Other issues** Failure to offer legally imposed social security benefits, excessive working hours, failure to provide overtime pay

Scale 2: Country level socio-economic evaluation

The second scale draws on the ILO's Decent Work Agenda's indicators, which offer somewhat comparable information via quantitative and qualitative data (ILO, 2012). The indicators, that took a decade to be designed and implemented, were first published in 2012. They comprise data pertaining to national legal frameworks and cover the 4 dimensions of Decent Work within 11 indicator categories[6] : 1) Economic and social context for decent work, 2) Employment opportunities, 3) Adequate earnings and productive work, 4) Decent working time 5) Combining work, family and personal life, 6) Work that should be abolished 7) Stability and security of work, 8) Equal opportunity and treatment in employment, 9) Safe work environment, 10) Social security and 11) Social dialogue, workers' and employers' representation.

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6   In addition, the indicators are divided into four categories: 1) Key indicators: representing priority indicators; 2) additional indicators: can be used for relevance and availability; 3) Background information: for better understanding of other indicators in their socio-economic context; and 4) future indicators: not yet used (under development by the Office of the ILO) (ILO, 2012). Only statistical indicators in the leading indicators are considered.

Eighteen indicators from the Decent Work framework[7] were included as a basis for the country scale socio-economic evaluation, as an integral analysis of all 92 indicators was not only inappropriate for the scope of the research project, but also was not possible within the allotted time frame. Congruence with confirmed social issues, accessibility and comparability, as well as expert judgment were used to prioritize which indicators were to be selected.

Based on the country portraits that were thus created from the analysis of the 11 indicators, a 3 levels scale was constructed, comprised of R1 (first rank), R2 (second rank) and R3 (third rank). The R1 scale corresponds to countries scoring low on the Decent Work inspired scale, whereas R3 countries presented the highest characteristics for presence of Decent Work.

Using this scale, South Africa (in comparison to the 10 other scenarios) was found to present the least amount of conditions leading to Decent Work. Close seconds are Argentina and Chile (R2). Finally, the United States, Italy, Spain and Portugal were classified as R3. It is important to note that the remaining countries not part of the ranking (Canada, France, New Zealand and Australia) may have Decent Work challenges, but these were not apparent from the chosen indicators. It is to be noted also that the indicators constitute a national and aggregated portrait that cannot be expected to paint a precise portrait of the agricultural sector or of wine growing. Therefore, the ranking merely acts as a backdrop for social issues found to be prevalent from the social LCA results. It can also be used by the SAQ as a way to prioritize programs or dialogue with the country or countries ranking highest in this scale.

Table 2: Prioritization based on 11 Decent Work Agenda indicators socio-economic portrait

R1	Most socially precarious: South Africa
R2	Very socially precarious: Chile
R3	Socially precarious: U.S., Italy, Spain and Portugal

Social issues and country hierarchy

Finally, the proposed ranking is based on the two previously explained scales (social issues severity and countries' social performance) as well as on the highest number of social issues identified in the wine social LCA. At the SAQ's request, it was decided to produce a country ranking as a deliverable, as it was considered a more manageable

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7   It should be noted that the Human Development Index (HDI) and the number of temporary migrants are not native to this framework and have been added as deemed appropriate by the research team.

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way of prioritizing actions and plans on a global scale with geographically distributed wine merchants. The final ranking is based on this three-pronged evaluation, presented in Table 3.

Table 3: Three pronged analysis of social issues based on country level prevalence

Rank	Social issues severity scale (S scale)	Socio-economic evaluation scale (R scale)	Wine Social LCA
P1	South Africa	South Africa	South Africa
	Chile		Chili
P2	Argentina	Argentina	Argentina
	Spain	Chile	Spain
	Italy		Italy
			New Zealand
P3	France	U.S.	U.S.
	New Zealand	Italy	Québec
	Australia	Spain	Australia
	U.S.	Portugal	
	Québec		

Thus, a final 3 levels scale was developed, a result of complementary research and much discussion within the research team. The first row of the ranking, P1, includes Chile and South Africa, as these countries have the largest number of social issues with the highest severity levels (S1 and S2). Both countries have over four issues identified in each of these levels. The second row, P2, includes Argentina, Spain and Italy, countries that host two to three S1 issues and two to three S2 issues. The third row (or P3) is shared by France, Australia, the United States, Québec and New Zealand, as they are home to one or two S1 or S2 issues. In this category, France and New Zealand stand still as lying closer to the second than the others because they clearly have a higher number of issues than their peers.

Table 4: Final geolocalized social issues prioritization

P1	**Largest number of S1 and S2 social issues: South Africa and Chile**
P2	**Argentina, Spain, Italy**
P3	**France, Australia, US, Québec, New Zealand**

Implementation perspectives and recommendations

Following the proposed hierarchy of social impacts to be considered, the ILC Chair proposed general principles as a guide for the initial implementation of the prioritization process. These principles cover issues such as the the proper use of private standards as ways to tackle hotspots within the 13 scenarios, recommendations as to human rights vigilance according to scenarios, data to be collected to bridge information and assessment gaps, and general governing principles for the eco-socio labelling scheme.

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