

Indicator Protocols Set: Product Responsibility

Disclosure on Management Approach Provide a concise disclosure on the following items. Respond with reference to: • Customer Health and Safety; • Products and Services; • Marketing Communications; • Customer Privacy.	
Policy	State any brief, organization-wide policy (or policies) that define the organization's overall commitment on the areas listed above or state where this can be found in the public domain (e.g. web link).
Responsibility	Identify the most senior position with operational responsibility for Product Responsibility areas or explain how operational responsibility is divided at the senior level for Product Responsibility areas.
Management	Identify key elements of management approach, including certifications for Product Responsibility related systems obtained from outside parties. Indicate percentage of operations covered by certifications.
Goals & Performance	List organization-wide goals set regarding performance against the Product Responsibility topics listed above.
	Report performance against goals. Use company-specific indicators as needed in addition to the GRI performance indicators.
Awards	Identify relevant awards related to performance on Product Responsibility issues that the organization has received from external parties.
Fines	Indicate the total amount and number of Product Responsibility related civil and criminal fines and other penalties (including imprisonment) assessed against the organization or its directors and officers when in their organizational capacity. Explain what response has been taken to resolve any issue for which significant fines were paid or for which organization's directors or officers were imprisoned.

Context	Disclose other relevant information required for user to understand organizational performance, including: • Key successes and shortcomings; • Major organizational risks and opportunities related Product Responsibility issues; and • Major changes in the reporting period to systems or structures to improve performance.
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Performance indicators

Aspect	Core Indicators	Additional Indicators
Customer Health and Safety	PR1. Procedures for improving health and safety across the life cycle of products and services.	PR2. Number and type of instances of non-compliance with regulations concerning health and safety effects of products and services.**
Product and Service Labeling	PR3. Procedures for product and service information and labeling.	PR4. Number and type of instances of non-compliance with regulations concerning product and service information and labeling.**
		PR5. Procedures related to customer satisfaction, including results of surveys measuring customer satisfaction.
Marketing Communications		PR6. Procedures and programs for adherence to laws, standards, and voluntary codes related to marketing communications including advertising, promotion, and sponsorship. PR7. Number and type of instances of non-compliance with regulations concerning marketing communication including advertising, promotion, and sponsorship.**
Customer Privacy	PR8. Percentage of customer data covered by the data protection procedures.	PR9. Number of substantiated complaints regarding breaches of customer privacy.

** Note – elements of these indicators can be satisfied with reporting on the MDF requirement on fines.

Relevance

This indicator set addresses the effect of the management of various aspects of products and services on customers and users. Organizations are expected to exercise due care in the design of their products and services to ensure that they are fit for purpose and do not pose unintended hazards to health and safety. In addition, communications related to the product and services and its users need to take into consideration the information needs of customers and their rights to privacy. The indicators are primarily structured in pairs with a core indicator seeking disclosure on the processes in place to address the aspect and an additional indicator to report on degree of compliance.

Definitions

Type of non-compliance

Court judgment on failure to act according with regulations or laws categorized by the nature of the laws or regulations breeched.

Product and service information/labeling

Information and labeling are used synonymously and describe communication delivered with the product or service regarding its characteristics.

Customer privacy

The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose unless specifically agreed otherwise, obligation to observe confidentiality, and protection from misuse or theft. Customer is understood to include end-customers (consumer) as well as business to business customers.

Marketing communication

The combination of strategies, systems, methods, and activities used by an organization to promote its reputation, brands, products, and services to target audiences. Marketing communications can include activities such as advertising, personal selling, promotion, public relations, and sponsorship.

General References

- The OECD Guidelines for Multinational Enterprises.

PR1. *Procedures for improving health and safety across the life cycle of products and services.*

1. Relevance

This measure helps identify the existence and scope of systematic efforts to address product and health & safety across the life cycle of the product. Customers expect products or services that perform their intended functions satisfactorily, and do not pose a risk to health and safety. This responsibility is not only subject to laws and regulations, but also addressed in voluntary codes such as the OECD Guidelines for Multinational Enterprises.

Efforts made to protect the health and safety of those involved in using or delivering the product/service are directly linked to reputation; legal and financial risk due to recall; market differentiation on quality; and employee motivation.

2. Compilation

- 2.1 This indicator provides further detail on specific procedures beyond the disclosure of policy information in the MDF.
- 2.2 State at which of the following life cycle stages procedures for assessing and improving product health and safety are implemented:
- | | |
|-----------------------------------|--------|
| • Development of product concept | Yes/No |
| • R&D | Yes/No |
| • Certification | Yes/No |
| • Manufacturing and production | Yes/No |
| • Marketing and promotion | Yes/No |
| • Storage distribution and supply | Yes/No |
| • Use and service | Yes/No |
| • Disposal, reuse or recycling | Yes/No |
- 2.3 State the percentage of significant product or service categories to which these procedures are applied and compliance is assessed.

3. Definitions

None

4. Documentation

Potential information sources include the reporting organizations legal- and sales departments as well as the documentation collected through the quality management systems.

5. References

- The OECD Guidelines for Multinational Enterprises.

PR2. *Number and type of instances of non-compliance with regulations concerning health and safety of products and services during their life cycle.*

1. Relevance

Protection of health and safety is a recognized goal for many national and international regulations. Failing to comply with legal requirements indicates either inadequate internal management systems and procedures, or lack of their implementation. In addition to direct financial consequences, failure on a continuing basis poses a growing financial risk due to damage to both reputation and employee motivation. For an organization, the number of instances of non-compliance should remain as few as possible and the trends can indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

- 2.1 State the total number of instances of non-compliance with health and safety regulation, broken down by:
 - Instances resulting in a fine or penalty; and
 - Instances resulting in a warning.
- 2.2 This indicator addresses the life cycle of the product or service once it is available for use and therefore potentially subject to regulations concerning the health and safety of products and services.
- 2.3 Instances where the organization was determined not to be at fault are not counted in this measure.
- 2.4 This indicator refers to decisions within the reporting period. If a substantial number of instances relate to events in preceding years, this should be indicated by the reporting organization.
- 2.5 Where the reporting organization has not identified any non-compliance with regulations, a brief statement to this fact is sufficient.

3. Definitions

None

4. Documentation

Potential information sources include the reporting organizations legal- and R&D departments as well as the documentation collected through the quality management systems.

5. References

None

PR3. *Procedures for product and service information and labeling.*

1. Relevance

Accessible and adequate on the sustainability implications (positive and negative) of products and services is necessary for customers and end users to make informed purchasing choices and for these preferences to be factored into markets. Providing appropriate information and labeling with respect to sustainability implications is directly linked to compliance with certain types of regulations and codes (such as national laws or the OECD Guidelines for Multinational Enterprises) and potentially with strategies for brand and market differentiation. This measure provides an indication of the degree to which information and labeling addresses certain aspects of sustainability implications of a product.

2. Compilation

- 2.1 This indicator provides further detail on specific procedures beyond the disclosure of policy information in the MDF.
- 2.2 State if procedures require product/service information on:
- | | |
|--|--------|
| • The sourcing of components of the product or service | Yes/No |
| • Content, in particular with regard to substances that might pose an environmental or social impact | Yes/No |
| • Safe use of the product or service | Yes/No |
| • Disposal of the product and environmental/social impacts | Yes/No |
- 2.3 State the percentage of significant product or service categories to which these procedures are applied and compliance is assessed.

3. Definitions

None

4. Documentation

Potential information sources include legal and sales departments and the documentation collected through the quality management systems.

5. References

- OECD Guidelines for Multinational Enterprises.

PR4. *Number and type of instances of non-compliance with regulations concerning product and service information and labeling.*

1. Relevance

The display and provision of information and labeling as regards products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, in terms of penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction.

2. Compilation

- 2.1 State the total number of instances of non-compliance with regulation concerning product and service information and labeling, broken down by:
 - Instances resulting in a fine or penalty; and
 - Instances resulting in a warning.
- 2.2 Instances where the organization was determined not to be at fault are not counted in this measure.
- 2.3 This indicator refers to instances decided within the reporting period. If a substantial number of instances relate to events in preceding years, this should be indicated by the reporting organization.
- 2.4 Where the reporting organization has not identified any non-compliance with regulations, a brief statement to this fact is sufficient.

3. Definitions

None

4. Documentation

None

5. References

None

PR5. *Procedures related to customer satisfaction, including results of surveys measuring customer satisfaction.*

1. Relevance

Customer satisfaction is one measure of an organization's sensitivity to its customers' needs, and, from an organizational perspective, is essential to long-term success. In the context of sustainability, it provides insight into how an organization approaches its relationship with one stakeholder group (customers) and can also be used in connection with other sustainability measures. Used in combination, customer satisfaction can be used to provide insights into the degree to which an organization is able to deliver on core products and services in a manner that also considers the needs of other stakeholders.

2. Compilation

- 2.1 State organization-wide procedures in place to assess and maintain customer satisfaction, such as:
 - Frequency of measuring customer satisfaction;
 - Standard requirements regarding methodologies of surveys; and
 - Mechanisms for customers to provide feedback.
- 2.2 State the results or key conclusions of surveys implemented in the reporting period that provide information based on statistically relevant sample sizes for the organization on:
 - The entire organization;
 - A major product/service category; or
 - Significant locations of operations.
- 2.3 For any survey results summarized, identify the product/service category or locations of operations to which they apply.

3. Definitions

None

4. Documentation

None

5. References

None

PR6. *Procedures and programs for adherence to laws, standards, and voluntary codes related to marketing communications including advertising, promotion and sponsorship.*

1. Relevance

Marketing communications are designed to influence opinions and purchasing decisions. Marketing communications which do not conform to generally accepted ethical or cultural standards, privacy intrusion, dual standards or attempts to influence vulnerable audiences such as children can be a significant issue for stakeholders, as shown by the growth of consumer activism. Organizations that take approaches to marketing communications that are seen as inappropriate can incur risks including alienation of customers and other stakeholders, damage to reputation, financial costs, and legislative action.

In addition to frameworks of national or international law, voluntary and self-regulatory codes (such as the ICC International Code of Advertising Practice or the OECD Guidelines for Multinational Enterprises) seek to express concepts of responsibility in marketing communications. The adoption of such self-disciplinary codes or rules can assist organizations in ensuring that their marketing communications practices conform to generally accepted standards.

2. Compilation

- 2.1 State any codes or voluntary standards applied across the organization.
- 2.2 State the frequency with which the organization reviews its compliance with these standards or codes
- 2.3 State whether the organizations sells products that are banned in certain markets that have been the subject of stakeholder questions or the subject of public debate. State how the organization has responded to questions or concerns regarding these products.

3. Definitions

None

4. Documentation

Potential information sources include the reporting organizations legal-, sales and marketing departments.

5. References

- International Chamber of Commerce recommendations (i.e. the ICC International Code of Advertising Practice) and the related codes of conduct.
- OECD Guidelines for Multinational Enterprises.

PR7. *Number and types of instances of non-compliance with regulations concerning marketing communications including advertising, promotion, and sponsorship.*

1. Relevance

Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, in terms of penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction.

2. Compilation

- 2.1 State the total number of instances of non-compliance with regulations concerning marketing communication, broken down by:
 - Instances resulting in a fine or penalty; and
 - Instances resulting in a warning.
- 2.2 Instances where the organization was determined not to be at fault are not counted in this measure.
- 2.3 This indicator refers to instances decided within the reporting period. If a substantial number of instances relate to events in preceding years, this should be indicated by the reporting organization.
- 2.4 Where the reporting organization has not identified any non-compliance with regulations, a brief statement to this fact is sufficient.

3. Definitions

None

4. Documentation

Potential information sources include the reporting organizations legal-, sales and marketing departments.

5. References

None

PR8. *Percentage of customer data covered by the data protection procedures.*

1. Relevance

The use of and protection of personal information is a common consumer concern. Misuse or lack of control of personal information, data systems and data can lead to individual rights abuse, financial loss, risk from terrorism, or other personal or commercial damage. Privacy of customers and the protection of their personal data are not only subject to national and international regulations, but also to a growing number of codes and guidelines, such as the OECD set concerning the privacy of personal record.

Efforts to guard customer privacy are directly linked to compliance with regulations, legal and financial risks, and reputation. This measure provides an indication of the extent to which systems/procedures are in place to protect customer privacy.

2. Compilation

- 2.1 State the percentage of customer data that is subject to data protection procedures.
- 2.2 The percentage should be stated in terms of volume of data under management, total number of files/records, or types of records protected.
- 2.3 State key elements of data protection procedures.

3. Definitions

None

4. Documentation

Potential information sources include the reporting organizations legal, sales and service departments as well as field staff.

5. References

- OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data.
- Implementing the OECD 'Privacy Guidelines' in the Electronic Environment: Focus on the Internet.

PR9. *Number of substantiated complaints regarding breaches of customer privacy.*

1. Relevance

Protection of customer privacy is a generally recognized goal in national regulations and organizations' policies. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. This indicator provides an evaluation of the success of management systems and procedures. In addition to direct financial consequences, in terms of penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction.

2. Compilation

- 2.1 State the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
 - Complaints received from outside parties and substantiated by the organization; and
 - Complaints from regulatory bodies.
- 2.2 State the number of identified leaks, thefts, or losses of customer data.
- 2.3 Where the reporting organization has not identified any substantiated complaints, a brief statement to this fact is sufficient.

3. Definitions

Breach of customer privacy

Covers any non-compliance with existing legal regulations and (voluntary) standards of which the reporting organization is a member regarding the protection of customer privacy.

Substantiated complaint

Written statement by regulatory or similar official body addressed to the reporting organization identifying breaches of customer privacy or complaint lodged with the organization which has been recognized as legitimate by the organization.

4. Documentation

Information can be drawn from departments responsible for customer service, public relations and/or legal concerns.

5. References

None