METHODOLOGY AND CLASSIFICATION GUIDE

This document provides information on the methodology used to create the database of transnational standard setting MSIs, as well as the classification guide used by researchers to collect data points for the MSI database. For additional information and answers to questions about the project not addressed below, please refer to the frequently asked questions page on the project website (www.msi-database.org) or contact MSI Integrity directly at info@msi-integrity.org.

Project Goals, Scope and Limitations

The principal goal of this project is to provide an open-access resource for researchers, MSIs, companies, and the public to use in identifying transnational, standard-setting multi-stakeholder initiatives and noting some key characteristics (available at www.msi-database.org). Together, the dataset and report serve as an introduction to the industries and issues MSIs were created to address, MSI characteristics potentially relevant to addressing these problems, and the prominent place of MSIs in the global governance landscape. This project also aims to lay a foundation for future research into the structure and function of MSIs, and to spark inquiry into and debate regarding their ability to serve as accountability tools.

This project defines MSIs as voluntary initiatives in which more than one stakeholder group (i.e., industry, civil society, government, or communities affected by business operations) collaborates in the primary decision-making processes of the initiative. Although MSIs perform a range of functions, the project analyzes *standard-setting* MSIs given their role in addressing global "governance gaps" related to the environmental and human rights impacts of corporations. The project focuses specifically on cataloguing MSI institutional design features, such as whether initiatives publicize that they include reporting or sanctioning mechanisms, providing a basic overview of reported MSI governance and operational characteristics.

This project has three important limitations:

(1) **The project does not collect information on the rigor, depth, or impact of MSI standards** – for instance, it does not assess whether an MSI requires meaningful changes to existing corporate practices, or sets standards that are less rigorous than what is already common practice in an industry.

(2) **The project relies on self-reporting by MSIs on their own websites** in order to represent MSIs as the general public might see them. The exclusive use of publicly available information highlights the varying levels of transparency and accessibility across initiatives. At the same time, the database does not verify whether an initiative's stated features are followed or implemented in practice, but simply notes that these processes and policies reportedly exist.

(3) **The project does not evaluate the implementation of the features catalogued** (for example, whether an MSI actually uses its sanctioning mechanism against non-compliant members), **nor their quality or effectiveness**. Instead, the project and resulting database aim to serve as an initial resource for researchers, civil society, MSI staff, and the private sector to support further research and critical reflection on MSIs, and to inform stakeholder engagement with MSIs.

Development of the MSI Database

The database was developed in four stages: project design and review, pilot research, data collection and internal review, and communication with MSIs.

Project Design and Review (Winter 2014-Winter 2015): In the winter of 2014, MSI Integrity and its pro bono counsel, Miller & Chevalier worked collaboratively to develop: (1) a strategy

for identifying potential MSIs, and (2) a set of MSI institutional design characteristics for data collection (the "data points"). During this phase, an initial classification guide was prepared which included a broad working definition of multi-stakeholder initiatives,[1] instructions for MSI identification,[2] and a list of 10 different MSI design characteristics to be catalogued. These design characteristics included each initiative's publicly-stated mission or aim, year launched, and human rights implicated (summary of specific human rights implicated based on MSI statements and relevant human rights instruments).[3] Miller & Chevalier used this initial classification guide to identify and catalogue fifteen MSIs in the technology industry.

In the fall of 2014, MSI Integrity and the Duke Human Rights Center at the Kenan Institute for Ethics reviewed the results of this trial, assessing both the content validity of the data as well as the relevance and usefulness of the material. Following the review, the MSI identification strategy was modified to focus on MSIs that address human rights and the environment, and was further elaborated to ensure that a broader range of civil society and government-led initiatives were captured in the dataset.[4] The classification guide was also revised to include a refined definition of an MSI, which focused on multi-stakeholder participation in the decision-making and governance of an initiative. Additional data points, were added including: geographical areas of application, number of members from each stakeholder group involved, stakeholder groups that actively participate in decision-making, whether an initiative emphasizes fostering dialogue, whether it seeks to engender collaborative learning, and whether it includes a grievance mechanism. In this phase, the project's definition of an MSI and criteria for each data point remained broad. Throughout the remainder of the database development process, various data point criteria were refined to ensure the consistency of classification across MSIs, and the project definition of an MSI was further refined in order to focus the database on a subset of initiatives of potential broad interest to various stakeholder groups.

---

[1] The working definition of an MSI Included in the initial classification guide defined these initiatives as "Processes that facilitate dialogue and foster collaborative engagement among businesses, governments, communities, civil society organizations, scholars, and other stakeholder groups in order to support, develop, or implement common standards for the protection of human rights." Moreover, it was noted that "one feature that differentiates an MSI from other types of initiatives is that at least two stakeholders must be directly included and empowered in the governance and decision-making of the initiative (e.g., business, government, civil society, or grassroots communities)."

[2] The research strategy outlined in the initial classification guide focused on identifying MSIs with participation of prominent companies in a particular industry. Specifically, researchers selected companies from the "high-tech" sector within the Forbes 500 (2013) listing and then conducted searches to determine whether each company participated in an MSI through review of the company's website and corporate social responsibility information, as well as through targeted keyword searches (ex. using the company name, and/or combinations of generic terms such as "human rights," "MSI," or "high-tech association.").

[3] Additional data points included: the name and contact information of the MSI; Fortune 500 companies identified as members or partners (companies listed as members on the MSI's website and/or on companies' own websites); member stakeholders (as stated on the MSI's website, or summarized from other online sources); and non-member participants (distinguished from members involved in the initiative's governance). Miller & Chevalier and MSI Integrity considered which characteristics, or basic data points, would be collected about each MSI in the database, with a view to ensuring usability of the database, and to prioritize data of potential interest to various stakeholder groups. When determining which data points to include, MSI Integrity and Miller & Chevalier considered both the potential relevance and usefulness of the data points to various stakeholder groups. In particular, researchers looked at: (1) whether the characteristic is widely considered fundamental to an MSI's potential to be effective, (2) whether information about this characteristic could help close a knowledge gap or stimulate further research or debate into MSIs, and (3) whether the data point would be potentially useful to stakeholder groups seeking to engage with MSIs. In making that assessment, MSI Integrity staff drew on the comments and feedback obtained during MSI Integrity's global consultation on the *Essential Elements of MSIs*, as the consultation involved input from over 100 individuals on characteristics of potential importance the aspects most important to MSI efficacy. A brief explanation of the potential importance of each substantive data point is included in the Classification Guide.

[4] As noted above, the MSI identification strategy outlined in the initial classification guide began with the identification of prominent high-tech companies, thereby focusing on initiatives publicized by those companies. As such, this process was not specifically designed to identify initiatives driven by civil society, government, or small and mid-cap companies. The revised MSI identification strategy (elaborated in the Pilot Research phase) included broader keyword searches such as "multi-stakeholder initiatives," "voluntary standard," and "coalition" in addition to the review of academic articles that analyzed some subset of potential MSIs and the identification of MSIs from select databases.

Pilot Research, Review, and Preparation for Data Collection Stage (Spring 2015-Fall 2015): In the spring of 2015, students enrolled in the Kenan Institute for Ethics' *Business and Human Rights Advocacy Lab* used the draft classification guide to identify and catalogue potential MSIs in the agriculture, apparel, extractives, and technology industries.

During the summer and fall of 2015, MSI Integrity and the Duke Human Rights Center at the Kenan Institute for Ethics reviewed this pilot research and made revisions along three key dimensions: (1) further narrowing the definition of MSIs; (2) finalizing the list of data points for collection – including deleting[5], revising,[6] replacing,[7] and adding[8] data points to the draft classification guide; and (3) revising and adding significant detail to the classification guide to clarify the data collection strategy and definitions of MSI design characteristics for researchers.

In preparation for the data collection stage, MSI Integrity and the Duke Human Rights Center at the Kenan Institute for Ethics then compiled a list of potential MSIs that appeared likely to meet the project's definition of an MSI. The process for creating such a list consisted of two steps:

(1) *Identifying potential MSIs*: Researchers identified MSIs by compiling a list of initiatives from the *Business and Human Rights Advocacy Lab* pilot research, using key word searches, analysis of academic articles and locating relevant databases.

(2) *Determining whether potential MSIs met the project's definition of an MSI*: To determine whether initiatives met the project's definition of an MSI, researchers looked at each initiative's governance structure and included initiatives if they involved some form of collaboration between at least two stakeholders in decision-making or non-decision-making processes. Initiatives were also included if they self-identified as an MSI.[9]

Data Collection and Internal Review (Spring 2016-Summer 2016): In the spring of 2016, Duke University students in the Kenan Institute's *Business and Human Rights Advocacy Lab* were assigned initiatives from the compiled list of potential MSIs. Each MSI was assigned to two students who, using the classification guide, independently reviewed the documents and materials on the MSI's website to catalogue and code information about the MSI in the database. In collecting data, students:

- Relied only on publicly available information released by the MSI on its website;
- Read through publicly available MSI governance and procedural documents; and
- Followed the classification guide for instructions (see Appendix A).

Between May and September 2016, Kenan student researchers, MSI Integrity and the Kenan Institute reviewed and revised the project scope and MSI identification strategy in a number of ways. First, MSI Integrity and the Kenan Institute decided to further narrow the project's definition of an MSI to initiatives that involve at least two types of stakeholders in their primary decision-making processes. Initiatives in which multi-stakeholder collaboration was

---

[5] The data points on member and non-member stakeholder groups and number of stakeholder groups were deleted for being resource intensive to research and lower priority compared with other data points (in terms of potential interest among a broad set of stakeholder groups). The data points focused on dialogue and learning were deleted since they were deemed outside the project's core focus on MSIs' role in standard-setting.
[6] The data point on stakeholder groups involved in decision-making was revised to collect more nuanced information on the number of representatives for each stakeholder group involved in decision-making. The monitoring data point was revised to collect more nuanced information on third-party evaluation, independent reporting, and publicizing of reports.
[7] The data point "human rights implicated" was deemed to be too open to multiple interpretations and replaced with whether initiatives explicitly reference human rights in their mission statement or discussion of goals.
[8] Newly added categories included whether standards explicitly referenced human rights soft and/or hard law and whether initiatives included sanctioning mechanisms.
[9] This definition is not the final, narrower, definition of an MSI that the project ultimately used.

limited to more peripheral governance functions (such as through a stakeholder council or advisory group) were removed from the dataset.[10]

To ensure the consistent interpretation and application of this definition of an MSI, researchers were then instructed to follow a two-step initiative analysis in deciding whether to include MSIs in the final dataset (summarized on pages 6-8 in the classification guide):

(1) Researchers identified the body of the MSI that exercises primary decision-making power (often, but not always, the board of directors). If researchers were unable to identify the MSI's primary decision-making body, it was assumed that the board of directors is the primary decision-making body. Where applicable, this assumption was documented in the database.

(2) Researchers then determined whether that body *intentionally* involves at least two different types of stakeholders. The decision-making body was considered intentional if (1) members of the decision-making body are clearly organized by or provided with a stakeholder group designation (e.g. "the civil society chamber," "industry constituency," or "government pillar"); (2) the governing documents (e.g. bylaws, statutes or other founding documents) specify a multi-stakeholder composition for the relevant decision-making body; or (3) there are clear statements about the collaborative/partnership nature of the initiative and/or board of directors.[11]

After finalizing the initiatives that met the modified, narrow definition of an MSI, researchers cross-checked and reviewed the two independently-collected sets of data points for each MSI to resolve any discrepancies. MSI Integrity and the Duke Human Rights Center at the Kenan Institute for Ethics addressed any classification questions that arose during this period. Specifically, MSI Integrity and the Kenan Institute refined the definition of a grievance mechanism and provided more precise definitions of stakeholder groups to guide classification of the breakdown of stakeholder representation in decision-making processes. Finally, MSI Integrity and the Kenan Institute directly reviewed the data points concerning involvement of affected populations and grievance mechanisms across all MSIs in the database.

Communication with MSIs (Summer 2016-Fall 2016): From August-September 2016, MSI Integrity and Miller & Chevalier contacted MSIs catalogued in the database. Each MSI was sent information about the database project as well a sheet of the data points collected on their initiative, requesting feedback on the information collected. Of the 45 initiatives included in the database, 10 responded with corrections or clarification between August and November 2016. When determining whether to revise the data points catalogued based on MSI feedback, MSI Integrity and Kenan staff evaluated whether the corrections could be verified with publicly available information on the MSI's website and if they were consistent with the criteria and definitions in the project's classification guide. After completing these revisions, the data was finalized and uploaded to the database website.

---

[10] MSI Integrity and the Kenan Institute made this decision for several reasons. For one, contrary to our expectations, only a small fraction of the potential MSIs identified limited their multi-stakeholder collaboration to peripheral, non-executive decision-making functions. Secondly, it is difficult to assess based on public information whether these initiatives had a meaningful degree of multi-stakeholder collaboration as opposed to any number of organization types that involve an element of multi-stakeholder engagement. Lastly, our desire to limit the database to a more coherent, workable subset of initiatives of interest to stakeholder groups led us to exclude this broader category of initiatives in our analysis.

[11] If information on governance structure was available but researchers were unable to locate information on intentionality, researchers were instructed to keep such initiatives in the project but note the missing information in the database. If researchers could not find information confirming intentionality, and information was also missing on governance structure, then the MSI was excluded from the database.

APPENDIX A: MSI CLASSIFICATION GUIDE

The MSI classification guide outlines a set of instructions and definitions used by student researchers, as well as staff at Duke University's Kenan Institute for Ethics and MSI Integrity, to identify and collect information on the design features of multi-stakeholder initiatives included in the database. The Guide was developed, modified, and refined over the course of two years of pilot-testing, data collection, and review. The following version of the Guide has been modified slightly for public readership.

Each data point referenced in the Guide is meant to reflect language and information made publicly available on each MSI's website. This data is only a reflection of what initiatives self-report on their websites and therefore does not assess whether initiatives have effectively implemented the programs and processes identified by this guide, nor does it examine the quality of the MSI's programs and processes. The data therefore cannot be used to measure effectiveness or impact of an MSI, nor should it be used to rank or compare MSIs.

GENERIC GUIDANCE FOR RESEARCHERS:
- When a researcher has any reservations/doubts about any of the information that they are providing, note this in the comment box section of the raw data file.
- Use exact language from the initiative whenever possible, including quotations.
- If relevant files, documents, reports, or other information is available for a data point, include a hyperlink for future reference.

THRESHOLD QUESTION: Does the initiative meet our criteria for classification as a multi-stakeholder initiative?

There is no universally agreed-upon definition of an MSI. While some studies focus on the generic standard-setting form many MSIs take, others focus on the variety of stakeholders from different sectors involved in these initiatives.[12] In general, scholars have attempted to define MSIs by using a combination of their formal qualities, organizational processes, overall objectives, participants, and historical context.

With these considerations in mind, MSI Integrity and the Kenan Institute for Ethics use the following definition of MSIs:

MSIs are voluntary initiatives in which more than one stakeholder group (i.e., industry, civil society, government, or communities affected by business operations) collaborates in the primary decision-making processes of the initiative.

- By *"voluntary,"* we mean that MSIs must be optional for companies and other stakeholders to join, though once a member, compliance with certain standards may be mandatory.
- *"Primary decision-making processes"* include setting or amending governance rules and founding documents, establishing the strategic direction of an initiative, creating work plans, or approving new

---

[12] Laura Albareda, "Corporate responsibility, governance and accountability: from self-regulation to co-regulation" 8 *Corporate Governance* 430 (2008), at 436; Jeroen Warner, "The Beauty of the Beast: Multi-Stakeholder Participation for integrated Catchment Management", in Jeroen Warner (ed.), "Multi-Stakeholder Platforms for Integrated Water Management". Aldershot: Ashgate (2007), at 1.

policies. Primary decision-making processes are typically conducted by a Board of Directors.

To determine if an initiative meets the threshold criteria for involvement in decision-making processes, the classification proceeds in two steps: (1) determine which body has primary decision-making power (usually the board of directors, but sometimes other entities), and (2) determine whether it is intentionally multi-stakeholder. NOTE: The determination of this question requires assessment at the initiative level, rather than at the programmatic or project level.

Step One: Record supporting information in comment box. If information about the initiative's governance structure is not available on its website, examine the MSI's statutes/founding documents etc. If there is no clear information about the status of the board (i.e. no such documents can be located, or documents do not discuss governance structure), assume that the board is the main decision-making body and make an explicit note of this (e.g. "Cannot find specific information on decision-making structures. For this coding, we assume that the board of directors *(or substitute a different body if relevant)* has final decision-making authority.").

Step Two: Look for a description of the relevant body (often this is the board of directors) that explicitly mentions its multi-stakeholder composition. If you find such a statement, copy and paste (using quotes) into the comment box. If an explicit statement is not available, then move to the next step.

(i)   Look to see if the members of the decision-making body are clearly identified with, or labeled by, their stakeholder group on the website (whatever categories the MSI chooses to use) and at least two different stakeholder types (e.g. civil society and industry) are represented. In that case, please note that the initiative is classified as multi-stakeholder based on labeling of members by stakeholder category. If relevant members are not labeled by stakeholder groups, please move to the next step.

(ii)   Look to the founding/governance documents to see whether they specify the multi-stakeholder composition of the relevant body. In that case, please note that the initiative is coded as multi-stakeholder based on founding/governance documents. If such documents are not available, or the necessary information is not included, please note that and move to the next step.

(iii)   Look to see if there are general statements about the multi-stakeholder or collaborative/partnership nature of the initiative or board. In that case, please note that the initiative is coded as multi-stakeholder based on general statements and include these statements in the comment box. If you cannot find such statements, please move to next step.

(iv)   Here, presumably you just have a list of board members, identified by their specific company/NGO/organization. In that case, please write "NEI – not enough information. Unclear if (name the body, i.e. board of directors) is intentionally designed to be multi-stakeholder; members listed by their organizations only."

(v)   If a threshold coding is "NEI" at both steps one and step two, the initiative will not be included in the database.

This definition centers on the participation of at least two different types of stakeholders in an MSI's governance, meaning the processes by which responsibility, power and authority are organized. This emphasis on involvement in governance processes has the effect of excluding many initiatives commonly referred to as MSIs. While business coalitions or associations *may* collaborate or engage with other stakeholders in some ways, they often exclude those stakeholders in decision-making processes. Therefore, although such coalitions or associations may set standards or foster dialogue for companies to

address human rights or CSR issues, they do not meet this project's definition of an MSI and were not included in the data collection process.

ADDITIONAL THRESHOLD CRITERIA FOR INCLUSION IN THE DATABASE

(i) The initiative must set standards for company or government conduct. To be considered standard-setting, initiatives must require members to work towards compliance with the standard – it is not enough for an initiative to simply "endorse" or "encourage" compliance with a set of norms or rules. Please note in the comments field if the initiative applies more than one standard (ex. an MSI designed to protect workers that sets multiple, product-specific labor standards).

NOTE: It was generally assumed that multi-standard MSIs have similar governance and implementation structures and processes for all their standards. In cases where multi-standard MSIs operated across industries, and with distinct oversight bodies (ex. Rainforest Alliance), standards were classified as part of separate MSIs.

(ii) The initiative must be transnational, defined as implementing its standard in more than one country.

Important note on the scope of data collection: The database only includes standard-setting MSIs that address business conduct on issues of public concern. For the most part, this involved limiting data collection to MSIs that addressed issues related to human rights or environmental sustainability. However, a few MSIs included in the database, such as the Extractive Industries Transparency Initiative, focused on issues such as reducing corruption and improving government and corporate transparency.

DATA COLLECTION

I. Informational Data Points

MSI Name

Definition of the data point	The precise name of the initiative.
Rationale for the data point/ potential significance	To identify the initiative and distinguish it from others.
Answer options and Guidance	State the full name of the MSI, include abbreviation in parentheses (if applicable).

MSI Website

Definition of the data point	The web address (URL) of the internet home-page of the initiative.
Rationale for the data point/	To guide interested parties to the main source of information published by the initiative, and to help highlight the level of transparency of the initiative.

potential significance	
Answer options and Guidance	The URL link to the MSI's homepage.

Contact Information

Definition of the data point	The contact person, phone number, email address, and/or postal address for the primary contact for the initiative. If no specific contact information is given but a contact form is available, provide the link to the contact form.
Rationale for the data point/ potential significance	To identify whether and how to contact the initiative in the process of collecting and verifying information, others can contact the initiative for their own reasons.
Answer options and Guidance	Information such as, but not limited to, contact person, email, telephone number, and address (fill in as available) OR Unknown.

Reported Year Launched

Definition of the data point	The date that the MSI self-reports as being launched on their website.
Rationale for the data point/ potential significance	To understand how much time has passed since the initiative's formation and to be able to identify progress the initiative has made in its development and implementation. By understanding when the initiative was formed, we can also identify which other initiatives already existed and infer what the MSI could have known about its potential design options or lessons learned from older MSIs.
Answer options and Guidance	The date the MSI states it was "started" or "formed" on its website. If this information is not available on the website, then write "Not stated on website."

II. Scope and Mandate Data Points

Industry/Sector

Definition of the data point	The industrial sector(s) that the MSI seeks to address with its implementation programs. For a list of the sectors, and examples of sub-sectors that should be categorized within each, see Appendix I. Only provide the industry sector and the supersector; do *not* include subsectors.
Rationale for the data point/ potential significance	To contextualize the scope and mandate of the initiative by clarifying that it relates to specific sectors of the global economy (or to the whole economy generally).
Answer options and Guidance	Universal application OR identify the applicable sector(s) (not subsectors) as we define the options based on standardized industry classifications (see Appendix I).

Stated Aim/Mission/Core Goals and Objective

Definition of the data point	The specific mission of the initiative or the core goals and objectives.
Rationale for the data point/ potential significance	To clarify the mission and goals of the initiative.
Answer options and Guidance	Copy and paste the stated mission/aim/goals from the MSI's website – include quotation marks.

Do the MSI standards explicitly mention human rights law or principles (i.e., the UN Guiding Principles on Business and Human Rights) or other international environmental sustainability standards and rules?

Definition of the data point	Whether standards explicitly reference international human rights instruments (e.g., the UN Declaration on Human Rights, the ILO Core Conventions, etc.)
Rationale for the data point/ potential significance	To understand the degree to which the MSI standards are related to human rights law, environmental law, or human rights principles, and to determine whether MSIs are setting standards that are, at a minimum, consistent/equal to the requirements of international law.
Answer options and Guidance	Yes or No

NOTE I: In the "Comments" section of the template, note specific provisions of the international laws and principles when available. If the MSI has too many to list in a sensible way (as a general rule, more than more than nine legal reference), make note of this and list links to the relevant documents for further consultation. Note that ILO Conventions constitute human rights law for this question.

NOTE II: The reference must be to a specific international legal (soft or hard) provision and not just vague support for human rights law or environmental standards. If there is vague support, code as "no" in data collection box but explain the support.

NOTE III: Reference to "ILO provisions" without specific provision number would qualify as "yes," and reference to general human rights law would be coded as "no." Reference to other MSIs (such as the UN Global Compact) would be coded as "no." |

III. Internal Decision-making / Governance Data Points

Which stakeholder groups are involved in the primary decision-making body of the initiative?

Definition of the data point	The stakeholders that are involved in the decision-making process of the initiative. This may include setting governance rules, establishing the strategic direction, creating work plans, or approving new policies etc.
Rationale for the	To understand which stakeholders are actually empowered to drive the

data point/ potential significance	initiative, and to understand the power-balance between different stakeholder groups in deciding the direction and actions taken by the MSI.
Answer options and Guidance	- Government - Includes not only national and local governments, but also international governmental organizations including UN bodies, World Bank, etc. - Industry - Companies, investors, trade or industry associations, (note that these may be <u>non-profit organizations</u> that look like NGOs but represent industry perspectives and preferences). - Civil society - NGOs, academics/academic institutions, (labor unions and farmers/farmer groups are also included in this category under some circumstances) - Affected populations (i.e., rights-holders) - Organized or semi-organized groups whose rights are affected by the activities addressed by the MSI or who have an interest in the activities addressed by the MSI (e.g., labor unions – under some circumstances, farmers' associations –under some circumstances, community groups, women and/or children advocacy groups, trade unions and workers) - Local communities affected by the activities addressed by the MSI (e.g., local/grassroots organizations, councils, community groups, representatives from local communities that the targeted activity affects, such as indigenous groups in towns where a factory operates, or consumers in developed countries). - Other (explain) - In some cases, individuals may be classified as "independent" if they have no clear sectoral or organizational affiliation - MSIs and multi-stakeholder roundtables - Socially responsible investment firms **NOTE:** **(1)** In cases where the General Assembly is noted as the primary decision-making body but it elects the Board of Directors (or a different representative body) please catalogue the Board/representative body instead. NOTE: the primary decision-making body is the body with final decision-making authority on issues concerning initiative governance rules, strategy, or policies. Where information is publicly available, all bodies designated as primary decision-making bodies should be cross-checked to ensure that they served this function. **(2) Quantify stakeholder representation according to the MSI's own typology, where relevant, and put in the comment box.** In the comment box, provide a specific breakdown of the groups, using the language the initiative provides on their website. If no stakeholder

	groups are given, use the four-fold typology. **(3) Quantify the stakeholder representation according to the five-fold typology and put in data box (**civil society, industry, government, affected population, other). Provide numbers of representatives from each stakeholder group if available (e.g., 4 industry, 2 government, 1 civil society) **(4) If members are retired, or have affiliation in more than one stakeholder group, note the one they seem most closely aligned with and any questions/reservations in comment box.** **NOTE: In some circumstances, the line between the affected population and civil society stakeholder groups may be blurry.** In general, organizations and individuals are considered *affected populations* when they are the beneficiaries of standards (e.g. their rights, health, or livelihoods are protected by them), or their organization is directly accountable to the standard's beneficiaries (e.g. in some contexts, a community-based organization can be best characterized as such). Organizations are considered *civil society* if they have a mandate or mission to address the issue governed by the MSI but are neither the intended beneficiary of the MSIs standards nor directly accountable to beneficiaries. • Unions are classified as either civil society or affected population on a case by case basis. Factors to consider are whether the union and its members are – on the whole – the beneficiaries of the MSI's standards (e.g. rights-holders) or implementers of/advisors to the standards. Other factors include whether the union is local, national, or global and whether it represents workers in multiple industries or just the industry covered by the MSI. For example, unions with a broad scope and more expansive geographical reach may be classified as civil society because of their coalition-building approach to advocating for diverse populations facing similar issues. While such organizations may involve high numbers of affected community members, they should be classified differently than unions with a narrow scope and limited geographical reach that may be more intimately aware of specific issues facing a given affected population. • Farmer organizations are also classified as either civil society or affected population on a case by case basis. As with unions, factors to consider are whether the organization and its members are – on the whole – the beneficiaries of the MSI's standards (e.g. rights-holders) or implementers of/advisors to the standards.

Do affected populations have input in the MSI in some other form? **NOTE**: this question documents input of affected populations **outside of decision-making processes**. Affected

population involvement in decision-making processes is catalogued in the preceding category. Examples of affected community input outside of decision-making include involvement in the creation of standards, participation in public feedback mechanisms, etc.

Definition of the data point	The role and inclusion of affected populations (i.e., rights-holders) in the MSI, if they are not included in decision-making. **NOTE:** Capacity building initiatives and service work done by the MSI targeting affected communities does not mean that the MSI offers involvement for affected populations. Interviews with affected populations and other work in which affected populations participate in MSI operations (rather than be a target of activity) *does* qualify for input. In this way, distributing pamphlets to workers that explain initiative labor standards would *not* qualify as affected population input, although a town hall with workers to discuss whether these labor standards are being upheld *would*.
Rationale for the data point/ potential significance	As the intended beneficiaries of MSIs, affected populations are uniquely well-suited to provide insight to the MSI and its stakeholders on the human rights and environmental concerns most important to them and how best to address them. This data point captures whether MSIs are listening to affected community voices, even if they are not given decision-making power.
Answer options and Guidance	Yes / No – If yes, explain what their participation entails. **NOTE**: The opportunity for input must be direct representation to qualify (i.e., an NGO that works on workers' rights and involves affected participants does NOT satisfy this criterion, even if that NGO is involved in the decision-making body of an MSI). Also: this refers to participation in activities OTHER than decision-making, despite the additional data point on "Internal Decision-Making." Look for opportunities like worker interviews, etc.

IV. Implementation Data Points

Are evaluations by a third-party required in the MSI framework to monitor/examine compliance with MSI standards?

NOTE: These evaluations should not be collective evaluations for all members, but instead should be individualized for each individual company/member.

Definition of the data point	Evaluations are monitoring procedures established to assess, audit, verify or otherwise determine whether the targeted actors are complying with the standards set by the MSI. "Evaluation" encompasses activities such as "assessments," "audits," and "verification processes" when describing a monitoring process or methodology.

Rationale for the data point/ potential significance	To understand how the MSI knows when and/or if standards are being implemented and met, and to understand whether the MSI is sufficiently designed to ensure that its standards are implemented in compliance with its intentions. Although there are other forms of monitoring, such as self-reporting, third-party audits are the most commonly used assurance mechanisms.
Answer options and Guidance	Yes / No / Unknown **NOTE I:** to be coded as "yes," these evaluations must be required of the MSI members, rather than optional. **NOTE II:** the first line of the comment box should say whether or not the evaluations are conducted by an external auditor that is not the MSI or the participating company/government.

<u>Does the MSI require reports of evaluations/monitoring of compliance with MSI standards?</u>

NOTE: These reports should be produced by the MSI or by a third party, not the company/member. **Corporate self-reporting does NOT satisfy this criterion**. However, if the MSI does encourage/require companies to self-report, note this in the comments section of the data file.

Definition of the data point	Whether there are results or outputs produced from the monitoring and verification process.
Rationale for the data point/ potential significance	To understand whether the MSI requires outputs from its monitoring/evaluation process, which would allow the MSI to understand how its standards are being implemented, whether particular standards are being met, and how well its overall standards are being implemented across the board. The credibility and impact of standards rests on their effective implementation, and reports/outputs from monitoring and verification processes help the MSI to monitor its progress and understand its impact. Such outputs also form a basis for detecting whether any members are failing to meet standards and how to improve member performance.
Answer options and Guidance	Yes / No / Unknown, **NOTE:** (i) To be coded as "yes," reports must be required, rather than simply an option. Reports are considered "required" if evaluation/certification is a condition of membership and evaluation processes are described as having a reporting component on the MSI website. (ii) In the comment box, specify author of reports: third party evaluator (e.g., consultant, academic institution, or other external party engaged to evaluate) / MSI overall etc. (iii) If MSI encourages/requires companies/members to self-report, note this in the comment box.

If yes, does the MSI require that reports of evaluations be made publicly available on the website or in hard copy by the MSI's secretariat office?

Definition of the data point	The transparency and accessibility of monitoring/evaluation reports that describe actors' compliance with standards. "Publicly available" means that the reports are available online in some form for the public to access (including through paid downloads). Note that these reports are *not* the same as the annual reports the MSI may release regarding an overall appraisal of their work.
Rationale for the data point/ potential significance	Transparency in reporting the monitoring/evaluation of compliance levels is beneficial to the credibility and legitimacy of the MSI as it allows observers and affected populations to understand initiative progress and therefore appropriately manage expectations of the initiative's ability to act as an accountability tool. It also helps external parties understand the effectiveness of the initiative, performance of the industry, and individual levels of compliance of members.
Answer options and Guidance	Yes (specify where/how) / No / Unknown **NOTE:** **(1)** To be coded as "yes," reports must be required to be publicly available, rather than simply made available at the discretion of members. **(2)** Reports should summarize or explain the monitoring/evaluation results for specific MSI members. They need not be the exact report of the monitor or evaluator, but should delineate the member's level of compliance with the MSI's standards. **(3)** If a report requires a password to login, then it is not considered publicly available. Note this in the comments box.

Does the MSI have an external complaints mechanism for complaints regarding member compliance with standards, or the substantive behavior of MSI members and/or participants?

NOTE: This project uses a broad definition of "external complaints mechanisms" in an effort to capture all efforts made by MSIs to enable external voices to raise concerns that a company or government may have failed to meet their commitments under the MSI. Note that the term "external complaints mechanisms" has a wider definition than a "grievance mechanism," which is generally understood as including access to a remedy. Nevertheless, external complaints mechanisms should be distinguished from more general "complaints processes" that address corporate/member-specific complaints about MSI procedure, governance, certification/validation etc. This data point does not assess the quality or effectiveness of the complaint mechanism, such as whether it is accessible, transparent, independent or designed with the input of affected communities.

Definition of the data point	A formal, legal or non-legal ('judicial/non-judicial') complaint process for resolving allegations of wrongdoing, non-compliance with legal or MSI standards, and/or human rights abuses. An external complaints mechanism must have a *designated* process and/or review body. External complaints

	mechanisms are also distinct from processes or bodies responsible for resolving disputes between MSI members related to internal governance or decision-making within the MSI.

EXAMPLE: While an online complaints form would count as a "designated process," a "general feedback" or "contact us" form would not. |
| Rationale for the data point/ potential significance | Grievance mechanisms relate to the *right to remedy*, which is outlined in Principle 31 of the UN Guiding Principles for Business and Human Rights as a key pillar in the business and human rights accountability framework. It is critical to identify initiatives that allow affected populations and/or groups representing their interests to complain/allege to the MSI about substantive breaches of standards and/or substantive human rights abuses by members/participants of the MSI. Such mechanisms are useful not only as a form of access to remedy, but as an additional form of accountability and – if designed effectively – early warning systems regarding issues of non-compliance. |
| Answer options and Guidance | Yes (specify) / No / Unknown

Explain the mechanism, including its name, and a citation to the information that explains how it works, where possible. Cite the exact language that states that stakeholders are able to file a complaint with the MSI concerning *member* actions. External complaints mechanisms will be considered if they offer stakeholders the opportunity to file a complaint regarding member noncompliance *or* general harms they have experienced *or* both.

NOTE I: It is assumed that MSIs with complaints processes that are open to "any" or "all stakeholders" are intended for use by the public, which may include affected populations and civil society. As such, these mechanisms should qualify as a "Yes." However, in some cases it may be unclear whether the term "all" is meant to reference the public or whether it is meant to reference "all" stakeholders *formally involved in the initiative* (i.e. members). Here, it should be noted in the comments section that more precise language is desired to clarify whether a mechanism is specifically available to affected populations and civil society.

NOTE II: If an MSI only requires a company to have an operational level complaints mechanism, but does not itself have an external complaints mechanism, note that in the comment box, but you should still code this category as "no." |

Does the MSI have some authority to sanction or hold members accountable for breaches of standards related to MSI activities?

Definition of the data point	The power of an MSI to sanction members for breaches or violations of the standards or as the result of the complaints process.
Rationale for the data point/	Incorporating a range of defined sanctions, including suspension or expulsion, allows the MSI to act decisively to enforce standards and hold

potential significance	targeted actors accountable for complying with their MSI obligations. By holding targeted actors accountable and maintaining the authority to sanction them for non-compliance or other violations related to MSI membership, the MSI has greater capacity to enforce compliance with standards, create incentives for compliance, and improve human rights and environmental outcomes.
Answer options and Guidance	Yes (specify) / No / Unknown This includes the power to suspend or revoke memberships, impose fines, to withdraw certification, seal, use of logo, or require redress or remedies in other forms. Include detailed explanation in the adjacent box such as description of the mechanism and how it is implemented/enforced. **NOTE**: Where information is publicly available, provide examples of sanctions that apply in the comment box. (e.g., withdraw logo or suspend membership)

APPENDIX B: Industry Classifications

This industry classification table is based on the Industry Classification Benchmark (ICB).[13] However, some classifications have been regrouped or renamed to reflect how common human rights and environmental risks of similarly situated industries are distributed For example, the ICB "Oil & Gas" industry has been combined with the "Basic Resources" supersector under the heading "Mining and Energy," as many MSIs address issues around extractives broadly. Another example is that the ICB "Basic Resources" industry has been replaced with an "Agriculture, Forestry and Fishing" industry, which is common in other industry classification systems such as the United Nations' International Standard Industrial Classification code.

Deviations from the ICB are highlighted in red.

	Industry	Supersector	Sector	Subsector
I. Mining and Energy[14]		Energy	Oil & Gas Producers	Exploration & Production
				Integrated Oil & Gas
			Oil Equipment, Services & Distribution	Oil Equipment & Services
			Alternative Energy	Pipelines
				Renewable Energy Equipment
				Alternative Fuels
		Basic Resources	Industrial Metals & Mining	Aluminum
				Nonferrous Metals
				Iron & Steel
			Mining	Coal
				Diamonds & Gemstones
				General Mining
				Gold Mining

---

[13] http://www.icbenchmark.com/structure
[14] The ICB "Oil & Gas" industry was combined with the "Basic Resources" supersector under the heading "Mining and Energy," as many MSIs address issues around extractives broadly (which include mining, oil and gas).

			Platinum & Precious Metals
II. Agriculture, Forestry and Fishing[15]	Forestry & Paper	Forestry & Paper	Forestry
			Paper
	Food & Beverage	Beverages	Brewers
			Distillers & Vintners
		Food Producers	Soft Drinks
			Farming & Fishing
			Food Products
			Tobacco
III. Industrials	Construction & Materials	Construction & Materials	Building Materials & Fixtures
			Heavy Construction
	Industrial Goods & Services	Aerospace & Defense	Aerospace
			Defense
		General Industrials	Containers & Packaging
			Diversified Industrials
		Chemicals	Commodity Chemicals
			Specialty Chemicals

---

[15] Parts of the ICB "Basic Materials" industry (i.e. "Basic Resources") were merged into the "Mining and Energy" industry, leaving the "Forestry & Paper" and "Chemicals" sectors behind. "Chemicals" was moved into the "Industrials" industry, and "Forestry & Paper" was merged with the "Food & Beverage" sector under a new "Agriculture, Forestry and Fishing" industry. "Agriculture, Forestry and Fishing" is a common industry classification in other industry classification systems such as the United Nations' International Standard Industrial Classification code.

		Electronic & Electrical Equipment	Electrical Components & Equipment
			Electronic Equipment
		Industrial Engineering	Commercial Vehicles & Trucks
			Industrial Machinery
		Industrial Transportation	Delivery Services
			Marine Transportation
			Railroads
			Transportation Services
			Trucking
		Support Services	Business Support Services
			Business Training & Employment Agencies
			Financial Administration
			Industrial Suppliers
			Waste & Disposal Services
IV. Consumer Goods	Automobiles & Parts	Automobiles & Parts	Automobiles
			Auto Parts
			Tires
	Personal & Household Goods	Household Goods & Home Construction	Durable Household Products
			Nondurable Household Products
			Furnishings
			Home Construction
		Leisure Goods	Consumer Electronics
			Recreational Products
			Toys
		Personal Goods	Clothing & Accessories
			Footwear

			Personal Products
V. Health Care	Health Care	Health Care Equipment & Services	Health Care Providers
			Medical Equipment
			Medical Supplies
		Pharmaceuticals & Biotechnology	Biotechnology
			Pharmaceuticals
VI. Consumer Services	Retail	Food & Drug Retailers	Drug Retailers
			Food Retailers & Wholesalers
		General Retailers	Apparel Retailers
			Broadline Retailers
			Home Improvement Retailers
			Specialized Consumer Services
			Specialty Retailers
	Media	Media	Broadcasting & Entertainment
			Media Agencies
			Publishing
	Travel & Leisure	Travel & Leisure	Airlines
			Gambling
			Hotels
			Recreational Services
			Restaurants & Bars
			Travel & Tourism
VII. Telecommunications	Telecommunications	Fixed Line Telecommunications	Fixed Line Telecommunications
		Mobile Telecommunications	Mobile Telecommunications
VIII. Utilities	Utilities	Electricity	Conventional Electricity

			Alternative Electricity
		Gas, Water & Multiutilities	Gas Distribution
			Multiutilities
			Water
VIIII. Financials	Banks	Banks	Banks
	Insurance	8530 Nonlife Insurance	Full Line Insurance
			Insurance Brokers
			Property & Casualty Insurance
			Reinsurance
		Life Insurance	Life Insurance
	Real Estate	Real Estate Investment & Services	Real Estate Holding & Development
			Real Estate Services
		Real Estate Investment Trusts	Industrial & Office REITs
			Retail REITs
			Residential REITs
			Diversified REITs
			Specialty REITs
			Mortgage REITs
			Hotel & Lodging REITs
	Financial Services	Financial Services	Asset Managers
			Consumer Finance
			Specialty Finance
			Investment Services
			Mortgage Finance
		Equity Investment Instruments	Equity Investment Instruments
		Nonequity Investment Instruments	Nonequity Investment Instruments
X. Technology	Technology	Software & Computer Services	Computer Services
			Internet
			Software

		Technology Hardware & Equipment	Computer Hardware
			Electronic Office Equipment
			Semiconductors
			Telecommunications Equipment

APPENDIX C: FAQ