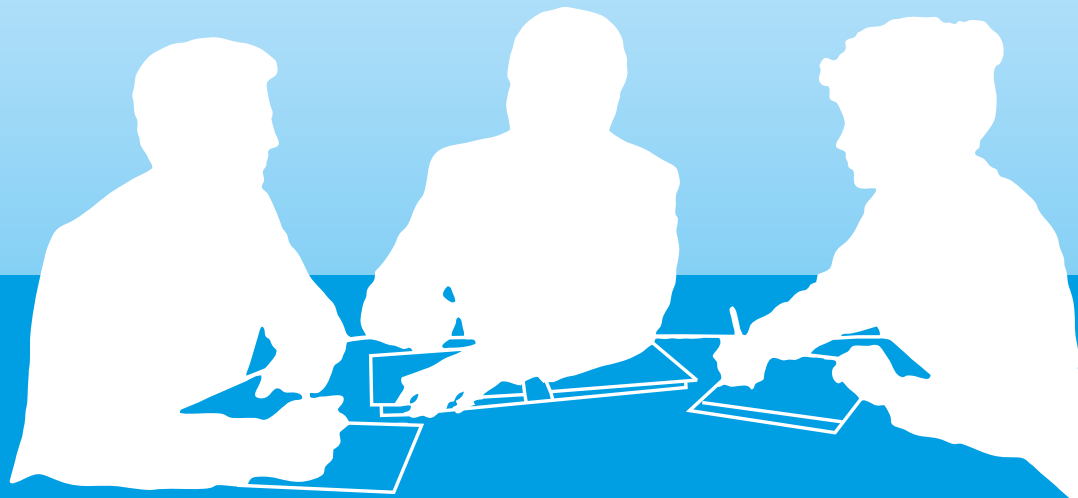


PRI-COORDINATED ENGAGEMENT ON EMPLOYEE RELATIONS

RESEARCH ON COMPANY DISCLOSURE
AND PRACTICES – ABRIDGED VERSION

CONDUCTED BY:
Carnstone Partners LLP

RESEARCH PARTIALLY SPONSORED BY:
APG
MN
UNISON



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

THE SIX PRINCIPLES

- 1** We will incorporate ESG issues into investment analysis and decision-making processes.
- 2** **We will be active owners and incorporate ESG issues into our ownership policies and practices.**
- 3** **We will seek appropriate disclosure on ESG issues by the entities in which we invest.**
- 4** We will promote acceptance and implementation of the Principles within the investment industry.
- 5** **We will work together to enhance our effectiveness in implementing the Principles.**
- 6** We will each report on our activities and progress towards implementing the Principles.



This publication focuses on supporting signatories implement Principles 2, 3 and 5 of the Principles for Responsible Investment (PRI). The Principles for Responsible Investment (PRI) Initiative was launched by the United Nations in 2006 after former UN Secretary-General Kofi Annan brought together a group of the world's largest institutional investors, academics and other advisors to draft a set of sustainable investment principles. At the heart of the six Principles for Responsible Investment is the premise that investors have a duty to act in the best long-term interests of their beneficiaries; this means taking into account environmental, social and governance factors.

PRI DISCLAIMER

The information contained in this report is meant for the purposes of information only and is not intended to be investment, legal, tax or other advice, nor is it intended to be relied upon in making an investment or other decision. This report is provided with the understanding that the authors and publishers are not providing advice on legal, economic, investment or other professional issues and services. PRI Association and the PRI Initiative are not responsible for the content of websites and information resources that may be referenced in the report. The access provided to these sites or the provision of such information resources does not constitute an endorsement by PRI Association or the PRI Initiative of the information contained therein. Unless expressly stated otherwise, the opinions, recommendations, findings, interpretations and conclusions expressed in this report are those of the various contributors to the report and do not necessarily represent the views of PRI Association, the PRI Initiative or the signatories to the Principles for Responsible Investment. The inclusion of company examples does not in any way constitute an endorsement of these organisations by PRI Association, the PRI Initiative or the signatories to the Principles for Responsible Investment. While we have endeavoured to ensure that the information contained in this report has been obtained from reliable and up-to-date sources, the changing nature of statistics, laws, rules and regulations may result in delays, omissions or inaccuracies in information contained in this report. Neither PRI Association nor the PRI Initiative is responsible for any errors or omissions, or for any decision made or action taken based on information contained in this report or for any loss or damage arising from or caused by such decision or action. All information in this report is provided "as-is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, expressed or implied.

CONTENTS

About the collaborative engagement and the research	4
The research	5
The universe	5
Human capital management key performance indicators	5
The scoring process	6
Results and discussion	6
Overall distribution by company and sub-sector	7
Geographical breakdown	8
Additional indicators	10
Appendix 1 - Company Universe	11
Appendix 2 - List of reviewed studies	13

carnstone
partners llp

Carnstone is a 20-strong independent management consultancy, specialising in sustainability. It advises clients on the full range of social, environmental and ethical topics – from supplier management to responsible investment, from environmental modelling to corporate governance. Based in London, Carnstone work with international organisations, NGOs and large companies, including around a fifth of the FTSE100 and a similar number of FTSE250 firms in all sectors.

ABOUT THE COLLABORATIVE ENGAGEMENT AND THE RESEARCH

At the end of 2012, the PRI Secretariat formed a Steering Committee (SC) of 11 signatories¹ to initiate a new collaborative engagement on employee relations. The committee's aim was to encourage improved company practices and enhanced company disclosure regarding employee relations within the retail industry.

The Employee Relations Steering Committee took the view that human capital management (HCM) is a topic that needs to be discussed beyond the downside risks related to investors' concerns about social issues. In fact, HCM could be used to emphasise potential investment opportunities. For this project, the focus is on direct employees, which extends beyond employees with fixed contracts to include the various forms of work relations between retail companies and employees such as those on temporary, seasonal or "zero-hour" contracts, but excludes supply chain labour.

To this effect, the Steering Committee decided to focus on four objectives:

- Identify and assess existing company practice
- Encourage improved company practice
- Encourage enhanced company assessment and reporting
- Heighten board and senior management attention of the issue

This summary note describes the first of the four objectives. It provides information on how the universe of companies was chosen and how specific HCM key performance indicators were selected, and identifies emerging trends from the analysis of results. This research was commissioned by the PRI Secretariat, in collaboration with the Steering Committee, to the UK-based management consultancy Carnstone. Additional financial contributions for the research have been provided by the following Steering Committee members: MN, APG and UNISON.

¹ APG, Bâtirente, F&C, Groupama AM, La Caixa, Middletown Works Hourly and Salaried Union Retirees Health Care Fund, MN, Standard Life Investments, Threadneedle, UFCW and UNISON

THE RESEARCH

THE UNIVERSE

Eighty companies were included in the assessment of HCM practices. These firms were selected from a larger universe of 500 companies using the following criteria:

- High direct employee numbers;
- Large market cap;
- Regional representation;
- Controversies/specific known challenges with employee relations; and
- Mix of leaders and laggards.

More specifically, Carnstone took the combined global top 40 companies by market cap and by employees - a total of 51 companies - and added the 'top five' by market cap in each of the five regions - Africa, Asia Pacific, Europe, North America and South America. Carnstone assigned an additional four 'wildcards' to companies whose employee relations practices have received praise or criticism by external stakeholders.

HUMAN CAPITAL MANAGEMENT KEY PERFORMANCE INDICATORS

To identify the strongest links between specific HCM practices and improved business performance, Carnstone

undertook a detailed review of 30 academic and industry research papers and books (listed in Appendix 1). Within this body of research, it identified a total of 163 HCM issues and practices. Carnstone narrowed these down and chose those indicators that would best measure core aspects of HCM. It did so by systematically assessing:

- The robustness of the research based on the levels of primary and secondary data used to inform the conclusions;
- The strength of the link between the conclusions and the impact on the bottom line presented in each article (defined as affecting profitability, sales or share price); and
- Additional areas of impact on company performance – either explicit or implicit – alluded to in each article, namely employee absence, customer satisfaction, employee commitment, productivity, impact on reputation/brand, and employee turnover.

Each of these indicators - or clusters against overlapping indicators – were assigned a score. Carnstone then assessed which of these was based on the most robust research and demonstrated the greatest impact on the bottom line, in order to produce a list of key performance indicators (KPIs) in HCM. These are presented in the table below:

Table 1 - Human capital management key performance indicators

CLUSTER	AREAS OF IMPACT	INDIVIDUAL KPI
Employee Turnover	Customer Satisfaction, Productivity & Profitability	Annual rate
		Length of service
Employee Absence	Customer Satisfaction, Productivity & Sales	Spot rate
Training Expenditure	Customer Satisfaction, Productivity & Sales	Total
		Trend/Future Spend
		Access
Employee Satisfaction	Customer Satisfaction, Productivity & Profitability	Employee Satisfaction
		Employee Attitude
		Degree of Empowerment
Access to Benefits	Impact on brand/reputation & Productivity	Access to Benefits
Expenditure on Employees	Productivity, Sales & Share Price	Total Expenditure
		Average Pay
		Access to Incentives

CLUSTER	AREAS OF IMPACT	INDIVIDUAL KPI
Total Number of Employees	Customer Satisfaction, Profitability, Sales and Share Price	Number of Employees Overall and in Frontline Roles
		Normalised for square footage of sales area/volume of sales

THE SCORING PROCESS

To understand how well the 80 companies in the universe manage and report on the critical HCM issues identified above, Carnstone reviewed the public reporting in their Annual Report & Accounts and their CR Reports. For each KPI identified, companies were assigned one score for their disclosure on the matter and a second score for their performance. Companies were able to score a maximum of 15 points for their disclosure and a maximum of 11 points for their performance, up to a total maximum score of 26.

Based on their score, companies were categorised into one of four bands, from the lowest, where there is no evidence that the core HCM KPIs are measured and managed, to the highest, where there is strong evidence that this is happening.

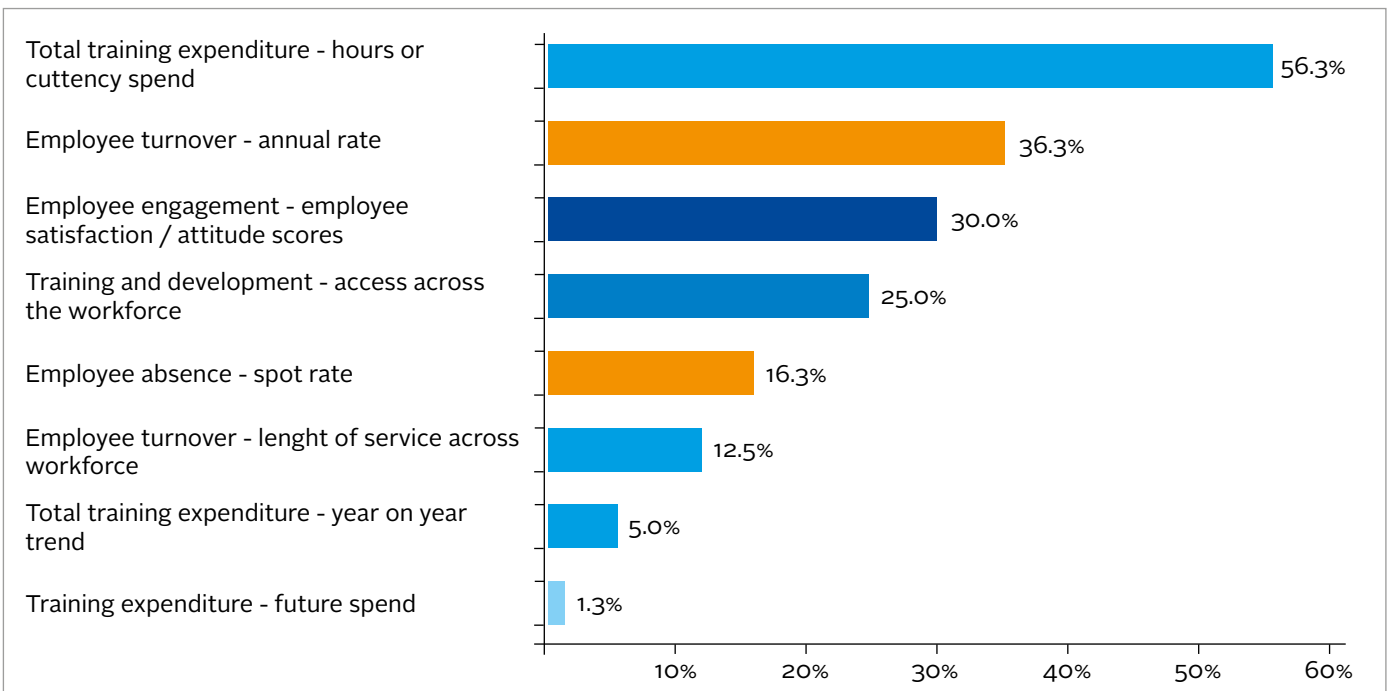
Naturally, only companies that actually reported on a specific KPI were assigned a performance score.

This raises an important caveat: companies may actually manage the critical HCM issues well, but, in this exercise, if they did not report on how they managed the issues, they received no points.

RESULTS AND DISCUSSION

The graph below shows the average level of disclosure for each key performance indicator by the selected 80 companies. The most popular indicator to report against was 'total training expenditure by hours or currency spend' (56.3%), followed by 'employee turnover – annual rate' (36.3%) and 'employee engagement' (30%). At the other end, the least popular indicators were 'training expenditure – future spend' (1.3%) and 'total training expenditure – year on year trend' (5%).

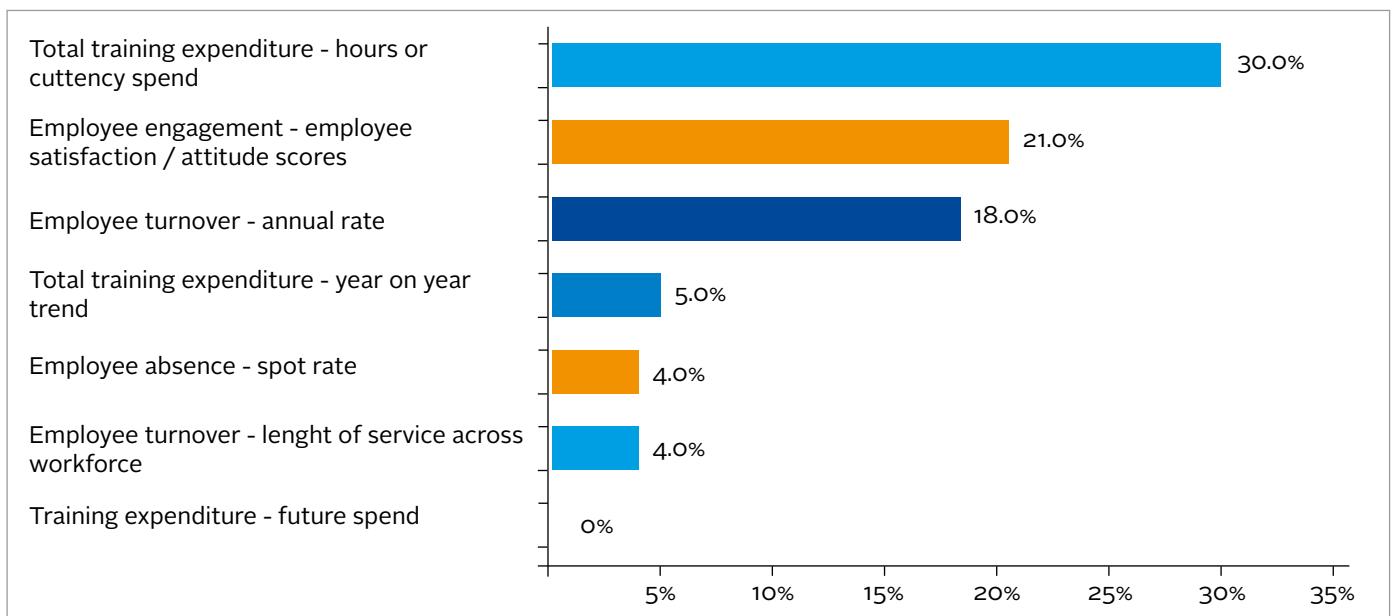
Figure 1 – Average level of disclosure of key performance indicators



In terms of corporate performance, the key performance indicators on which companies performed well were 'total training expenditure – hours or currency spend' (30% of companies record the amount of training for the entire workforce), 'employee engagement' (21% of companies conduct an employee survey on a yearly basis) and 'employee turnover – annual rate' (18% of companies with turnover below 20%). On the other end, companies did not perform well on 'training expenditure – future spend' (none

of the companies provided an indication that future training spend will increase), 'employee turnover – length of service across workforce' (4% of the companies demonstrated that the employee retention rate is above the average for the sector or equal to or above 3 years), 'employee absence – spot rate' (4% of companies had absence rate below 3%) and 'total training expenditure – year on year trend' (5% of companies demonstrating a year-on-year increase in training spend or hours).

Figure 2 – Average level of performance of key performance indicators

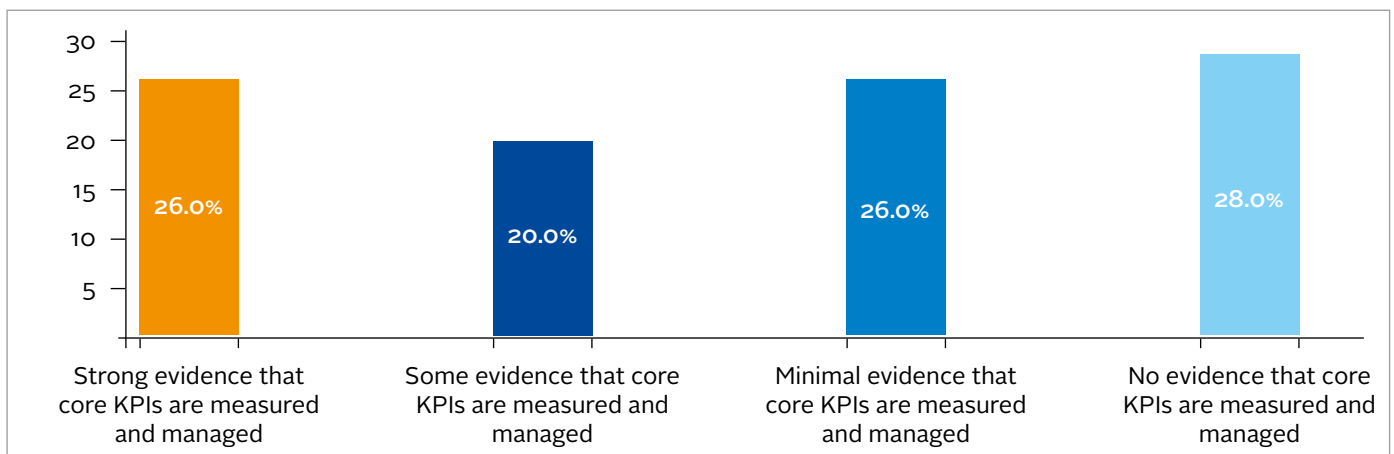


OVERALL DISTRIBUTION BY COMPANY AND SUB-SECTOR

As mentioned above, companies were classified in four bands, according to the level of disclosure and performance

of key KPIs. The analysis demonstrate that 26% of the companies provided strong evidence that indicators are measured and managed, 20% showed some evidence, 26% had minimal evidence and 28% no evidence.

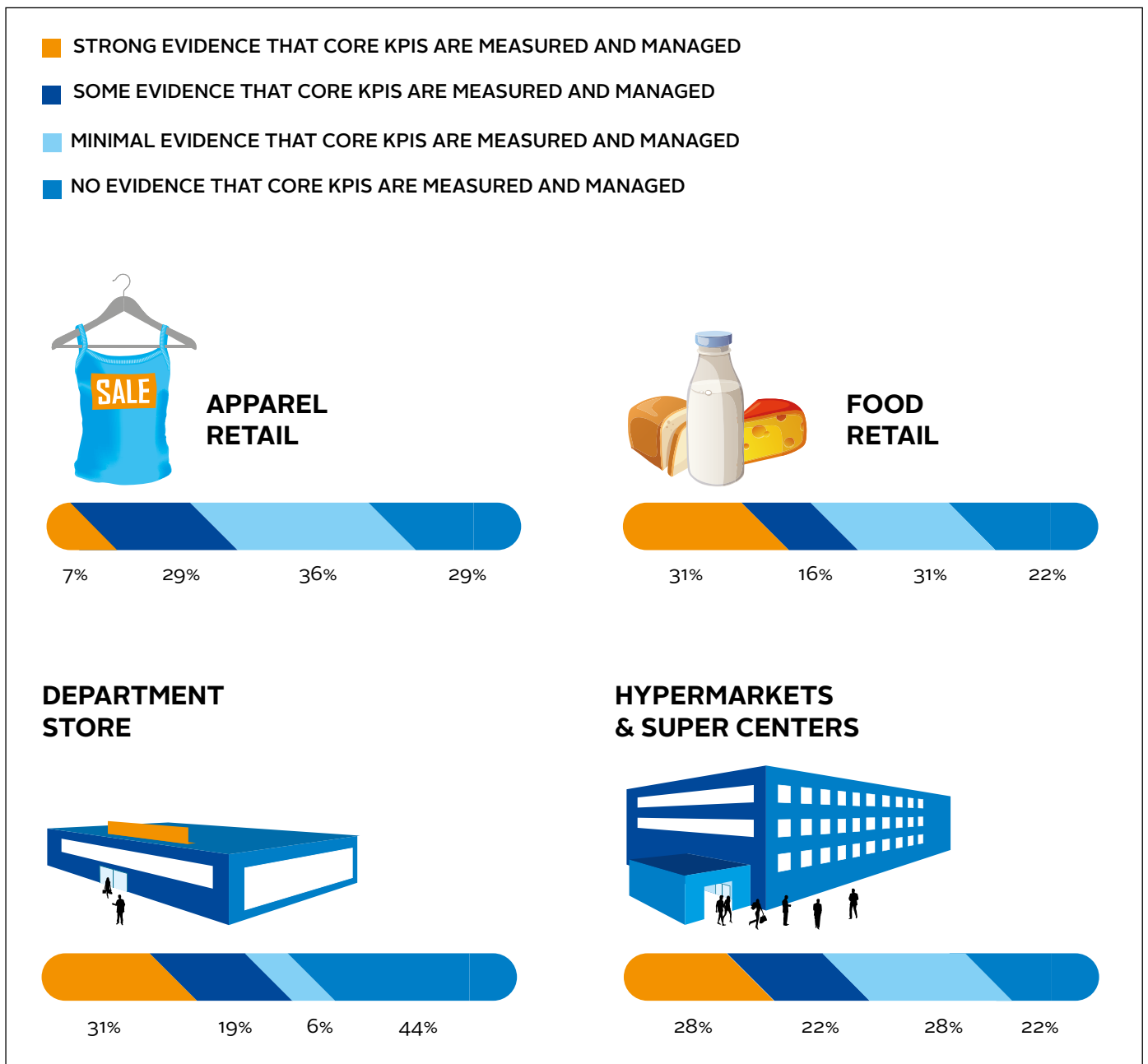
Figure 3 – Evidence that key KPIs are measured and managed



The distribution across the four bands by sub-sector shows that Apparel Retailers clearly stood out as the sub-sector with the lowest proportion of companies in the top category

(7%) and department stores had the highest level of companies in the bottom category (44%).

Figure 4 – Evidence that key KPIs are measured and managed by sub-sector



GEOGRAPHICAL BREAKDOWN

The breakdown below shows company scores by country. While the sample size is very small, it indicates that South African and British retailers are best at managing HCM risks and opportunities. By contrast, North American retailers

performed poorly. Even though roughly one quarter of the overall number of companies assessed are American, not one is in the top score band. Canadian retailers demonstrate similarly poor disclosure and performance.

Table 2 - Evidence that companies measure and manage KPIs by region

	STRONG EVIDENCE THAT CORE KPIs ARE MEASURED AND MANAGED		SOME EVIDENCE THAT CORE KPIs ARE MEASURED AND MANAGED		MINIMAL EVIDENCE THAT CORE KPIs ARE MEASURED AND MANAGED		NO EVIDENCE THAT CORE KPIs ARE MEASURED AND MANAGED		GRAND TOTAL OF COMPANIES	
United Kingdom	4	5%	3	4%	-	-	1	1%	8	10%
South Africa	4	5%	1	1%	-	-	-	-	5	6%
Brazil	2	3%	-	-	-	-	-	-	2	3%
France	2	3%	-	-	1	1%	-	-	3	4%
Australia	1	1%	1	1%	-	-	-	-	2	3%
Sweden	1	1%	1	1%	-	-	-	-	2	3%
Colombia	1	1%	-	-	-	-	-	-	1	1%
Finland	1	1%	-	-	-	-	-	-	1	1%
Germany	1	1%	-	-	-	-	-	-	1	1%
Japan	1	1%	1	1%	1	1%	2	3%	5	6%
Belgium	1	1%	-	-	1	1%	-	-	2	3%
South Korea	1	1%	-	-	-	-	1	1%	2	3%
Chile	1	1%	-	-	1	1%	1	1%	3	4%
Spain	-	-	2	3%	1	1%	-	-	3	4%
Portugal	-	-	1	1%	-	-	-	-	1	1%
Mexico	-	-	1	1%	2	3%	2	3%	5	6%
United States	-	-	4	5%	6	8%	9	11%	19	24%
Canada	-	-	1	1%	1	1%	3	4%	5	6%
Hong Kong	-	-	-	-	2	3%	1	1%	3	4%
Taiwan	-	-	-	-	1	1%	-	-	1	1%
Netherlands	-	-	-	-	1	1%	-	-	1	1%
Turkey	-	-	-	-	1	1%	-	-	1	1%
China	-	-	-	-	1	1%	-	-	1	1%
Luxembourg	-	-	-	-	1	1%	-	-	1	1%
Russia	-	-	-	-	-	-	1	1%	1	1%
Thailand	-	-	-	-	-	-	1	1%	1	1%
Grand Total	21	26%	16	20%	21	26%	22	28%	80	100%

ADDITIONAL INDICATORS

The SC also collected data on how the 80 companies reported against a set of six additional indicators. The assessment was made against their disclosure on these, not on their actual performance. The additional indicators were:

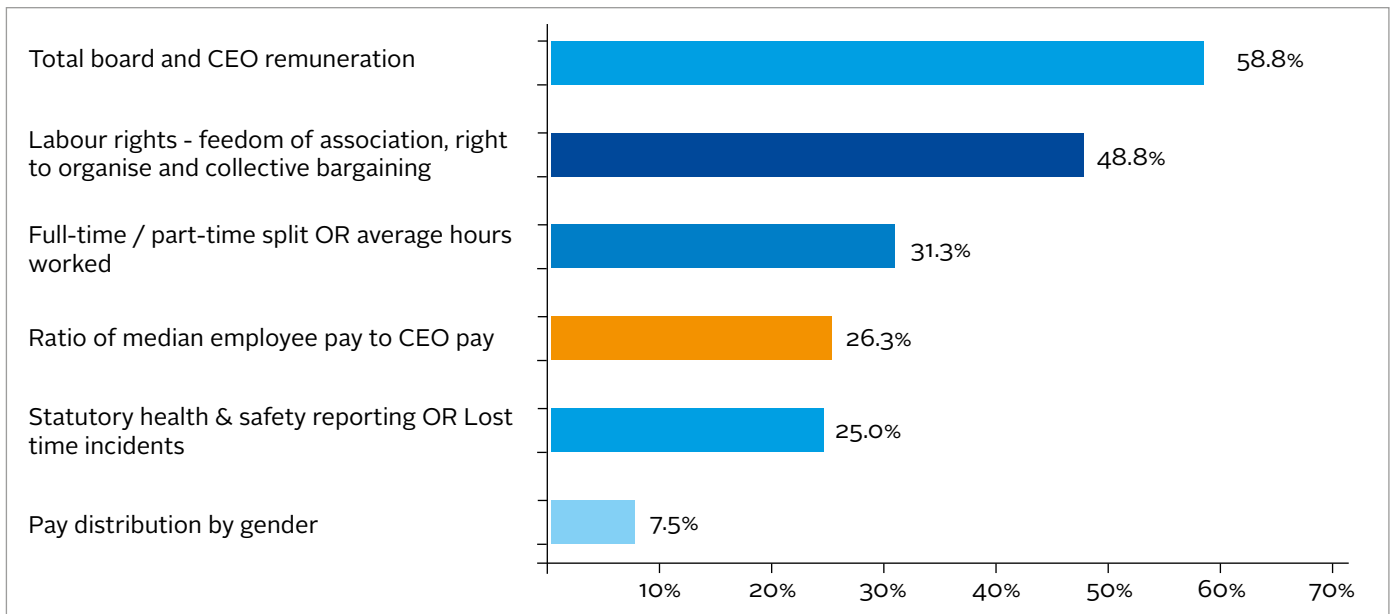
- Total board and CEO remuneration;
- Ratio of median employee pay to CEO pay;
- Pay distribution by gender;
- Labour rights - freedom of association, right to organise and collective bargaining;
- Full-time/part-time split OR average hours worked; and
- Statutory health & safety reporting OR Lost time incidents.

Scores against each indicator were assigned as follows:

- 0 points for no disclosure;
- 1 point for limited disclosure;
- 2 points for full disclosure.

The figure below demonstrates that the most commonly disclosed additional indicators are 'total board and CEO remuneration' (58.8%) and 'labour rights' (48.8%), while the most rarely reported additional indicators include 'pay distribution by gender' (7.5%) and 'statutory health & safety reporting or lost time incidents' (25%) and 'ratio of median employee pay to CEO pay' (26.6%).

Figure 5 – Average level of disclosure of additional performance indicators



As expected, the top-scoring companies – with few exceptions – were those which performed best in the benchmarking against core KPIs.

APPENDIX 1 - COMPANY UNIVERSE

Please see below the list of 80 companies included in the research.

STOCK	COUNTRY	SUB INDUSTRY
AEON CO LTD	Japan	Hypermarkets & Super Centers
AHOLD NV	Netherlands	Food Retail
ALIMEN COUCHE-B	Canada	Food Retail
ALMACENES EXITO	Colombia	Hypermarkets & Super Centers
ASDA STORES LIMITED	United Kingdom	Food Retail
BELLE INTERNATIONAL HOLDINGS L	Hong Kong	Apparel Retail
BIM BIRLESIK MAG	Turkey	Food Retail
CARREFOUR SA	France	Hypermarkets & Super Centers
CASINO GUICHARD	France	Food Retail
CENCOSUD SA	Chile	Hypermarkets & Super Centers
CHINA RESOURCES ENTERPRISE LTD	Hong Kong	Food Retail
COLRUYT SA	Belgium	Food Retail
CONTROLA COM-UBC	Mexico	Hypermarkets & Super Centers
COSTCO WHOLESALE	United States	Hypermarkets & Super Centers
CP ALL PCL	Thailand	Food Retail
DAIRY FARM-900	Hong Kong	Food Retail
DELHAIZE GROUP	Belgium	Food Retail
DILLARDS INC-A	United States	Department Stores
DISTRIBUIDORA IN	Spain	Hypermarkets & Super Centers
DSW INC	United States	Apparel Retail
EL PUERTO LIVE-1	Mexico	Department Stores
E-MART CO LTD	South Korea	Hypermarkets & Super Centers
EMPIRE CO LTD A	Canada	Food Retail
FALABELLA	Chile	Department Stores
FAST RETAILING	Japan	Apparel Retail
FOOT LOCKER INC	United States	Apparel Retail
GAP INC/THE	United States	Apparel Retail
GRUPO SANBORNS S	Mexico	Department Stores
HENNES & MAURI-B	Sweden	Apparel Retail
ICA GRUPPEN AB	Sweden	Food Retail
INDITEX	Spain	Apparel Retail
ISETAN MITSUKOSHI HOLDINGS LTD	Japan	Department Stores
J.C. PENNEY CO	United States	Department Stores
JERONIMO MARTINS	Portugal	Food Retail
JOHN LEWIS PARTNERSHIP	United Kingdom	Department Stores
KESKO OYJ	Finland	Food Retail
KOHL'S CORP	United States	Department Stores
KROGER CO	United States	Food Retail

STOCK	COUNTRY	SUB INDUSTRY
L BRANDS INC	United States	Apparel Retail
LAWSON INC	Japan	Food Retail
LOBLAW COS LTD	Canada	Food Retail
LOJAS RENNER SA	Brazil	Department Stores
LOTTE SHOPPING	South Korea	Department Stores
MACY'S INC	United States	Department Stores
MAGNIT	Russia	Food Retail
MARKS & SPENCER	United Kingdom	Department Stores
MASSMART HLDGS	South Africa	Hypermarkets & Super Centers
MERCADONA SA	Spain	Food Retail
METRO AG	Germany	Hypermarkets & Super Centers
METRO INC	Canada	Food Retail
MR PRICE GROUP	South Africa	Apparel Retail
NEXT PLC	United Kingdom	Department Stores
NORDSTROM INC	United States	Department Stores
O'KEY GROUP- GDR	Luxembourg	Hypermarkets & Super Centers
PAO ACUCA-PREF	Brazil	Hypermarkets & Super Centers
PRESIDENT CHAIN	Taiwan	Food Retail
PUBLIX SUPER MKT	United States	Food Retail
RALLYE SA	France	Food Retail
ROSS STORES INC	United States	Apparel Retail
SAFEWAY INC	United States	Food Retail
SAINSBURY PLC	United Kingdom	Food Retail
SEARS HOLDINGS	United States	Department Stores
SEVEN & I HOLDIN	Japan	Food Retail
SHOPRITE HLDGS	South Africa	Food Retail
SORIANA-B	Mexico	Hypermarkets & Super Centers
SPORTS DIRECT INTERNATIONAL PLC	United Kingdom	Apparel Retail
SUN ART RETAIL	China	Hypermarkets & Super Centers
TESCO PLC	United Kingdom	Food Retail
TJX COS INC	United States	Apparel Retail
TRUWORTHS INTL	South Africa	Apparel Retail
URBAN OUTFITTER	United States	Apparel Retail
WALMART CHILE SA	Chile	Hypermarkets & Super Centers
WALMART DE MEX-V	Mexico	Hypermarkets & Super Centers
WAL-MART STORES	United States	Hypermarkets & Super Centers
WESFARMERS LTD	Australia	Hypermarkets & Super Centers
WESTON (GEORGE)	Canada	Food Retail
WHOLE FOODS MKT	United States	Food Retail
WM MORRISON SUP	United Kingdom	Food Retail
WOOLWORTHS HLDGS	South Africa	Department Stores
WOOLWORTHS LTD	Australia	Food Retail

APPENDIX 2 - LIST OF REVIEWED STUDIES

- Appelbaum, E.; Gittell, J.H. and Leana, C., 2011. *High-Performance Work Practices and Sustainable Economic Growth*. Available at <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?ots591=oc54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=128703>. Accessed 21 October 2013.
- Bassi, L. and McMurrer, D. 2009. *Training Investments as a Predictor of Banks' Subsequent Stock Market Performance*. Available at <http://www.mcbassi.com/resources/documents/McBassi-BankingWhitePaper-Feb09.pdf>. Accessed 21 October 2013.
- Bassi, L. et al., 2004. *The Impact of U.S. Firms' Investments in Human Capital on Stock Prices*. Available at <http://www.mtdiabloastd.org/Resources/Documents/Meetings/2010-07%20Gina%20Jesse%20Impact%20on%20Stock%202004%20research-Bassi.pdf>. Accessed 21 October 2013.
- BITC, 2013. *BITC Public Reporting Guidelines: Employee Engagement and Wellbeing*. Available at <http://www.bitc.org.uk/our-resources/report/bitc-public-reporting-guidelines-employee-wellness-and-engagement>. Accessed 21 October 2013.
- Carré, F., Tilly, C. and Appelbaum, L.D., 2010a. *Competitive Strategies and Worker Outcomes in the US Retail Industry*. Available at <http://www.irle.ucla.edu/publications/documents/ResearchBrief5.pdf>. Accessed 21 October 2013.
- Carré, F., Tilly, C. and Denham, D., 2010b. *Explaining variation in the quality of U.S. retail jobs*. Available at <http://www.russellsage.org/sites/all/files/Carre-Tilly-Retail%20job%20quality-LERA-01.03.10-final-rev2.pdf>. Accessed 21 October 2013.
- CEDEFOP, 2009. *Modernising vocational education and training - Fourth report on vocational training research in Europe: background report*. Available at <http://www.cedefop.europa.eu/EN/publications/5011.aspx>. Accessed 21 October 2013.
- CIPD, 2012. *Using HR metrics for maximum impact*. Available at <http://www.cipd.co.uk/binaries/5728%20StF%20Metrics%20PT.pdf>. Accessed 21 October 2013.
- DVFA, 2010. *KPIs for ESG: A Guideline for the Integration of ESG into Financial Analysis and Corporate Valuation*. Available at http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=5314. Accessed 21 October 2013.
- Edmans, A., 2011. *Does the stock market fully value intangibles? Employee satisfaction and equity prices*. *Journal of Financial Economics*, 101, pp. 621-640.
- Fisher, M., 2012. *Retail Rage*. Available at <http://blogs.hbr.org/2012/01/retail-rage/>. Accessed 21 October 2013.
- Harter, J.K., Schmidt, F.L. and Keyes, C.L.M., 2003. *Well-being in the Workplace and its Relationship to Business Outcomes: a Review of the Gallup Studies*. Available at <http://media.gallup.com/documents/whitePaper--Well-BeingInTheWorkplace.pdf>. Accessed 21 October 2013.
- Homburg, C. and Stock, R.M., 2004. *The Link Between Salespeople's Job Satisfaction and Customer Satisfaction in a Business-to-Business Context: A Dyadic Analysis*. *Journal of the Academy of Marketing Science*, 32(2), pp. 144-158.
- Huselid, M.A., 1995. *The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance*. *Academy of Management Journal*, 38(3), pp. 635-672.
- ILO, 2006. *Freedom of Association - Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO*. Available at http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_090632.pdf. Accessed 21 October 2013.
- Koys, D.J., 2001. *The effects of employee satisfaction, organizational citizenship behavior, and turnover on organizational effectiveness: a unit-level, longitudinal study*. *Personnel Psychology*, 54, pp. 101-114.
- Lambert, C., 2011. *Our Unpaid, Extra Shadow Work*. Available at http://www.nytimes.com/2011/10/30/opinion/sunday/our-unpaid-extra-shadow-work.html?pagewanted=all&_r=0. Accessed 21 October 2013.
- LAPPF, 2012. *People & Investment Value: beyond financial rewards*. Available at <http://www.lapfforum.org/TTx2/news/commitment-not-financial-reward-motivates-executives>. Accessed 21 October 2013.

- Merholz, P., 2011. *The Future of Retail? Look To Its Past*. Available at <http://blogs.hbr.org/2011/12/the-future-of-retail-look-to-i/>. Accessed 21 October 2013.
- Orgel, D., 2012. *Goal for 2012: Re-embracing the people factor*. Available at <http://supermarketnews.com/blog/goal-2012-re-embracing-people-factor>. Accessed 21 October 2013.
- Pfeffer, J., 2005. *Changing Mental Models: HR's Most Important Task*. *Human Resource Management*, 44(2), pp. 123-128.
- Rayton, B., Dodge, T. and D'Analeze, G., 2012. *The Evidence: Employee Engagement Task Force "Nailing the Evidence" Workgroup*. Available at <http://www.engageforsuccess.org/wp-content/uploads/2012/09/The-Evidence.pdf>. Accessed 21 October 2013.
- Rohde, D., 2012. *The Anti-Walmart: The Secret Sauce of Wegmans Is People*. Available at <http://www.theatlantic.com/business/archive/2012/03/the-anti-walmart-the-secret-sauce-of-wegmans-is-people/254994/>. Accessed 21 October 2013.
- SHARE, 2012. *Cleaning up: Second Annual Assessment of Responsible Contracting and Procurement in Canada's Commercial Real Estate Sector*. Available at http://www.share.ca/files/Cleaning_Up_2012_Full_Report.pdf. Accessed 21 October 2013.
- Sisodia, R.S., Shesh, J. and Wolfe, D.B., 2007. *Firms of Endearment: How World-class Companies Profit from Passion and Purpose*. New Jersey: Wharton School Publishing.
- Surowiecki, J., 2012. *The more the merrier*. Available at http://www.newyorker.com/talk/financial/2012/03/26/120326ta_talk_surowiecki. Accessed 21 October 2013.
- Sustainalytics, 2012. *Building a Sustainable South African Food Retail Sector Issues for Responsible Investors*. Available at http://www.sustainalytics.com/sites/default/files/uploads/BuildingSustainableSAFoodRetailSector_August2012.pdf. Accessed 21 October 2013.
- Tajgman, D. and Curtis, K., 2000. *Freedom of association: A user's guide*. Available at http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_o87990.pdf. Accessed 21 October 2013.
- Wharton, 2007. *Out of Stock? It Might Be Your Employee Payroll — Not Your Supply Chain — That's to Blame*. Available at <http://knowledge.wharton.upenn.edu/article/out-of-stock-it-might-be-your-employee-payroll-not-your-supply-chain-thats-to-blame/>. Accessed 21 October 2013.
- Zeynep, T., 2012. *Why good jobs are good for retailers*. *Harvard Business Review*, Jan-Feb, pp. 125-131.
- Zeynep, T., 2011. *Retailers Should Invest More in Employees*. Available at <http://blogs.hbr.org/2011/12/retailers-should-invest-more-i/>. Accessed 21 October 2013.

The PRI is an investor initiative in partnership with
UNEP Finance Initiative and the **UN Global Compact**.

United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a unique partnership between the United Nations Environment Programme (UNEP) and the global financial sector. UNEP FI works closely with over 200 financial institutions that are signatories to the UNEP FI Statement on Sustainable Development, and a range of partner organisations, to develop and promote linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, UNEP FI carries out its mission to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.

More information: www.unepfi.org



UN Global Compact

Launched in 2000, the United Nations Global Compact is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to catalyse actions in support of broader UN goals. With 7,000 corporate signatories in 135 countries, it is the world's largest voluntary corporate sustainability initiative.

More information: www.unglobalcompact.org

