



Norwegian Institute for  
Sustainability Research

Session TU.3.D Life Cycle Innovation to Drive Sustainability and Business Performance

Oral presentation

# Social innovation and workplace development for social entrepreneurship

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# Goal and scope

To find out how social LCA (S-LCA) & social organizational LCA (SO-LCA), can be used to shape an early-stage business that wants to be social sustainable

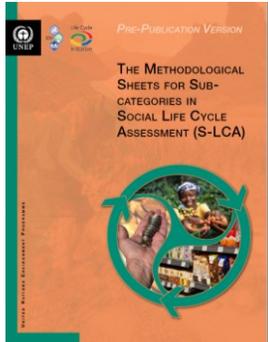
We want to provide a theoretical framework to measure the impact of social entrepreneurship.

- a. How can we implement a new approach, as SO-LCA, to a new business? What is the way to go forward?
- b. Which are the most important indicators when implementing a new business from a social point of view?

# Material and methods

Current SLCA studies do not really assess the social performance of products, because most of the indicators refer to the organizational level (Martínez-Blanco et al. 2015).

- Social organizational LCA (SO-LCA) (UNEP, 2020)
- Extensive list of indicators presented by Martínez-Blanco et al. (2015) based on the methodological sheet of UNEP guidelines (2013)
- Selection of the most appropriate indicators for business at early-stage phase
- Extend business modelling guidance by using The Business Model Canvas (BMC) methodology (Osterwalder & Pigneur, 2010)
- Brainstorming and workshops with innovation company.



# Case study: Eventyrlige folk (Adventurous people!)

Eventyrlige folk!™

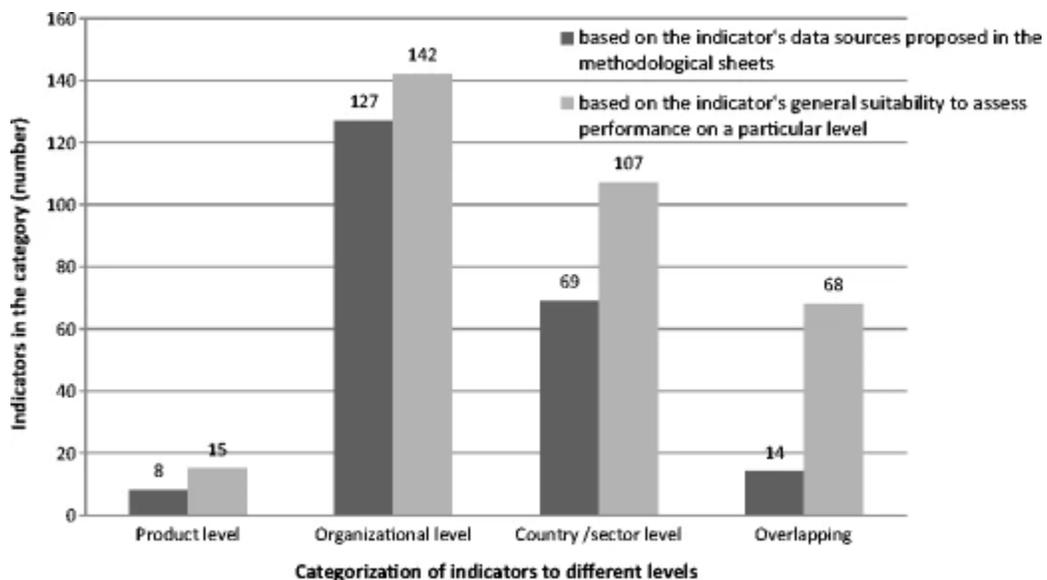


Source: Cube8

- A pilot project
- 5 years project
- A new established center with focus on workplace development for young people, refugees, and immigrants who are out of work in a Norwegian municipality.

# From here...189 indicators\*

The indicators were categorized starting from the work of Martínez-Blanco et al. (2015). Only the relevant indicators for the organization were presented based on the recommendation in the UNEP/SETAC methodological sheet and the general suitability principle.



Martínez-Blanco et al. 2015



Stakeholder	Subcategory	Type of proposed data source (generic/specific)	Indicators
	Delocalisation and migration	G	Description of causes for and treatment of internally displaced persons
		S	Number of individuals who resettle (voluntarily and involuntarily) that can be attributed to organization
		S	Strength of organizational policies related to resettlement (e.g. due diligence and procedural safeguards)
		S	Strength of organizational procedures for integrating migrant workers into the community
	Community engagement	G	Freedom of peaceful assembly and association
		S	Strength of written policies on community engagement at organization level
		S	Diversity of community stakeholder groups that engage with the organization
		S	Number and quality of meetings with community stakeholders
	Cultural heritage	S	Organizational support (volunteer-hours or financial) for community initiatives
		G	Prevalence of racial discrimination
		S	Strength of policies in place to protect cultural heritage
		S	Presence/ strength of organizational program to include cultural heritage expression in product design/production
Respect of indigenous rights	S	Is relevant organizational information available to community members in their spoken languages?	
	G	Prevalence of racial discrimination	
	G	Indigenous land rights conflicts/ land claims	
	S	Strength of policies in place to protect the rights of indigenous community members	
Local employment	S	Annual meetings held with indigenous community members	
	S	Response to charges of discrimination against indigenous community members	
	S	Percentage of workforce hired locally	
	S	Strength of policies on local hiring preferences	
		S	Percentage of spending on locally-based suppliers

\*Original number of indicators proposed in the methodological sheet (UNEP/SETAC, 2013)



# To here...18 indicators

Stakeholder	Subcategory	Indicators
Local community	Community engagement	Diversity of community stakeholder groups that engage with the organization
		Organizational support (volunteer-hours or financial) for community initiatives
	Local employment	Percentage of workforce hired locally
		Strength of policies on local hiring preferences
		Percentage of spending on locally-based suppliers
	Access to immaterial resources	Presence/strength of community education initiatives
	Access to material resources	Changes in land ownership
		Levels of industrial water use
		Extraction of material resources
		Has the organization developed project-related infrastructure with mutual community access and benefit
Strength of organization risk assessment with regard to potential for material resource conflict		
	Does the organization have a certified environmental management system?	
Society	Public commitment to sustainability issues	Presence of mechanisms to follow-up the realisation of promises
		The organization has pledged to comply with the global compact principles and has engaged itself to present yearly communication on progress
	Implementation/signing of principles or other codes of conduct (Sullivan Principles, Caux Round Table, UN principles, etc)	
Contribution to economic development	Contribution of the product/service/organisation to economic progress (revenue, gain, paid wages, R+D costs in relation to revenue, etc.)	
Value chain actor	Promoting social responsibility	Support to suppliers in terms of consciousness-raising and counselling concerning the social responsibility issues
	Respect of intellectual property rights	Use of local intellectual property

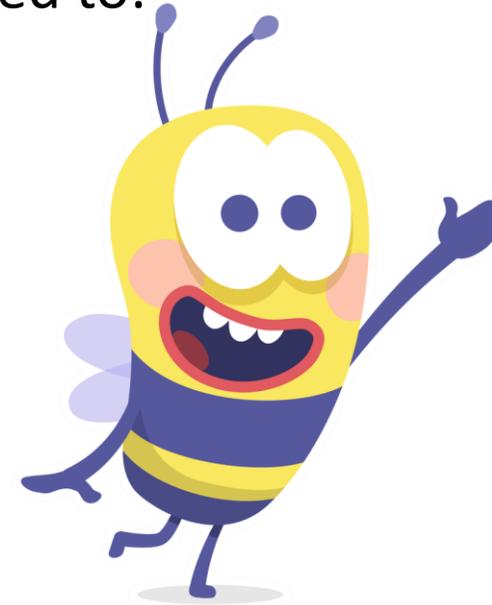
Selected based on the aim of the newly established centre for social entrepreneurship



## Based on the brainstorming and workshop with the innovation company...

The indicators from UNEP do not fit very well to an organization («Adventurous people») at an early-stage of business development. There is a need to develop new social indicators linked to:

1. Quality of life
2. Social inclusion
3. Improve social environment
4. Worker motivation



## However....

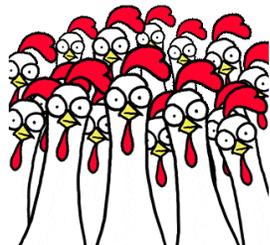
Even if the indicators proposed by the methodology of SO-LCA are not considered as appropriate by the innovation company, the most quantifiable indicators are still linked to the social subcategories proposed by the UNEP guidelines such as local employment

In our case study:

the number of new established jobs without special education

and the work experience (such as internships, voluntary work, full-time)

are quantifiable.



# Nevertheless - important to think about and include and social indicators early on in the business modelling

**The Business Model Canvas**

Designed for: \_\_\_\_\_ Designed by: \_\_\_\_\_ Date: \_\_\_\_\_ Version: \_\_\_\_\_

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure		Revenue Streams		

DESIGNED BY: Strategyzer AG  
The makers of Business Model Generation and Strategyzer

**Strategyzer**  
strategyzer.com

BMC building block	Part of value chain	Economic aspects	Ecological aspects	Social aspects
⑤ Revenue stream				Created jobs
				Work training / inclusive working life
				Good working conditions
				High focus on health and safety



# Take home message

1. To have a single methodology or a standard set of indicators for assessing the social impact of companies at early-stage is challenging due to the diversity in the organization, the type of people that are working and the geographical context.
2. There is not consensus on the definition and the meaning of other social aspect such as quality of life, hence the socio-economic approach as presented by UNEP are in principle still valid.
3. The sociological and psychological dimension is a very important aspect to consider when assessing quality of life e.g., but it is outside conventional LCA competences.
4. Implementation of a social aspects in business development can contribute to increase the motivation to realize projects, but indicators should be adapted to the resources and the time availability of the social enterprise

**Thanks!**

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