

## Appendix C.

### Key Impact Categories

Type	Impact	Definition
Negative social impacts	Child labour	Child labour is work that deprives children of their childhood, their potential and their dignity, and is harmful to physical and mental development. Whether participation of children in work is deemed child labour depends on age, nature of the work and the work relation, as specified by international institutions such as ILO (1999) and UNICEF (2014).
	Gender wage gap	Lower pay for equivalent work between men and women constitutes the gender wage gap.
	Underpayment	Underpayment occurs when the actual wages of employees over standard working hours, including financial wages and some forms of in-kind compensation, lie below the legal minimum wage or below a decent living wage. Underpayment in the value chain can also include underpayment of child labourers and forced labourers. It excludes underpaid overtime, which is included under 'Excessive and underpaid overtime'.
	Forced labour	Forced labour concerns all physical and psychological damage from work or service that is claimed under threat of punishment and for which the person concerned has not volunteered. Forced labour includes practices such as the use of compulsory prison labour by private business entities, debt bondage, indentured servitude, and human trafficking.
	Workplace health and safety	Impact on workers' health and safety at work: the extent to which working in the value chain negatively affects the safety and overall health status of the workers. The term health, in relation to work, indicates not merely the incidence of disease or infirmity, but also includes the physical and mental elements affecting health, which are directly related to safety and hygiene at work (ISO 2010, Goedkoop et al., 2018). Safety is understood as the extent to which working under defined conditions reduces safety of employees. This includes fatal and non-fatal incidents, the application of prevention measures and management practices and the incidence of occupational diseases.
Positive social impacts	Consumer surplus of products and services,	Economic welfare gained from consumption of goods and services by end users.
	Well-being effects of employment	Besides a source of income, employment is also a source of well-being for people. Surveys show consistently that there is a small but significant difference between people that are unemployed and people that have work, even after controlling for the income received.
	Creation of human capital	Creation of Human Capital (e.g., new competences through training and on-the-job learning) is a positive impact for employees (as they have higher earning potential reflected in higher salaries) and company and investors (as the trained worker contributes more to future earnings of the company) (FIS Beta, 2019). The stakeholder group 'employees' typically only considers employees of the organisation in scope. Employees of value chain partners are typically part of the stakeholder group 'government, local communities, and others.'

Type	Impact	Definition
Negative environmental impacts	Contribution to climate change	Negative contribution to climate change from emissions of greenhouse gases (carbon dioxide, methane, nitrous oxide and other). Emissions of greenhouse gases increase their atmospheric concentration (ppb), which increases the radiative forcing capacity and consequently increases the global mean temperature. Ultimately this results in damage to human health – e.g. increased risk of diseases, and ecosystems (Huijbregts et al., 2016).
	Air pollution	Impacts caused by emissions to air other than climate change, namely ozone layer depletion, acidification, photochemical oxidant formation, particulate matter formation, terrestrial and aquatic ecotoxicity and human toxicity, as defined in LCA methodologies (European Commission, 2012, Huijbregts et al., 2016).
	Use of scarce water	Water usage impact concerns the use of water in such a way that the water is evaporated, incorporated into products, transferred to other watersheds or disposed into the sea (Falkenmark et al. 2004). Water that is used as such is not available anymore in the watershed of origin for humans nor for ecosystems (Huijbregts et al. 2016). Scarcity of water depends on the watershed of origin and the geographical context.
	Water pollution	Water pollution is the emissions to water contributing to eutrophication of marine and freshwater bodies. Eutrophication occurs due to the runoff and discharge of nutrients, for example from leaching of plant nutrients, into soil, marine and freshwater bodies and the subsequent rise in nutrient levels, i.e. phosphorus and nitrogen (Huijbregts et al. 2016). Rising nutrient levels affect water quality and transparency and damage ecological systems.
	Land use	Land occupation impact is the decreased availability of land for purposes other than the current one, through land occupancy. Land occupation displaces habitats and ecosystems and therefore leads to biodiversity loss and loss of ecosystem services. (Groot et al., 2012).
	Fossil fuel depletion	Fossil fuel depletion is the primary extraction of fossil fuels linked to fuel use, energy use and energy required to produce other inputs. Extraction of crude oil, hard coal or natural gas bears external societal costs because the stock of these materials is reduced for present and future generations. In this methodology, fossil fuel depletion is considered separately from the depletion of other non-renewable materials.
	Use of scarce materials	Use of scarce material is the primary extraction of scarce, non-renewable resources besides fossil fuels, such as minerals. These are external societal costs because the stock of these materials is reduced for present and future generations. Fossil fuel depletion is excluded from this impact and calculated separately.