



SOCIAL SUSTAINABILITY CLINICS

Measuring social performance

Designing indicators that work

2025

Shift

01

ABOUT THE CLINIC

Shift's Financial Institutions Social Sustainability Clinics bring together a select group of investors, banks, and other financial institutions to explore best practices in managing social risks and addressing human rights issues.

Measuring Social Performance: Designing indicators that work will seek to advance the design and application of metrics and indicators of businesses' human rights performance. Over four workshops, participants will explore how to design effective metrics and indicators, and share their own experience of tracking portfolio company progress in addressing adverse impacts on people.

New corporate transparency and accountability laws cover thousands of companies across the EU and beyond. This collaborative clinic will support a small group of leading financial institutions to make use these disclosure requirements and develop leverage strategies that contribute to better outcomes for people.

The workshops will take place between January and May 2025.

The workshops are designed to be collaborative and hands-on. All participants will be supported to apply the lessons they learn to the measurement of salient human rights issues in their own business.

Participants will:

1. Critically analyze existing key performance indicators and metrics used by investees/clients.
2. Apply key design principles to help improve investee/client KPIs on relevant issues.
3. Develop data-driven approaches to assess whether applying leverage is successful.

Shift will publish a report outlining the key lessons from the clinic, using examples developed by the group.

Participants will have the opportunity to provide input into the final report and shape its recommendations.

03

WHY NOW?

The new Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive integrate international frameworks and standards including the UN Guiding Principles on Human Rights.

Together, the directives create a new regulatory framework for identifying and managing adverse human rights impacts and reporting on them.

The legislative drive for greater corporate transparency and accountability will require financial institutions to focus attention on their use of leverage to effect positive change for people.

However, social performance can be hard to analyze. Companies and data providers often define, measure, and report every social impact differently., and tend to rely on the inputs and activities that are most easily quantified, rather than focusing on what drives better outcomes.

The Measuring Social Performance Clinic will guide financial institutions through the process of developing metrics and indicators that work.

1. FEES

The fee for each participating institution is \$15,000.

2. WHEN

The four workshops will take place between January and May 2025. Each participant can nominate up to two individuals to attend.

**3. BILATERAL
SUPPORT**

Participants will also receive two days of bilateral engagement with Shift expert advisors to refine the indicators and metrics they use to assess a human rights issue of salience to the business.

4. REQUIREMENTS

To get the most out of the clinic, individuals are expected to do some of their own work between the first three workshops. It is estimated that this will require 8 to 16 hours of additional time from each participant.

05

ABOUT

Investors and lenders are uniquely positioned to influence business practice because of the scope of their portfolio exposures. At Shift, we work with financiers to help address their own human rights challenges and to develop and use their influence to shape portfolios that account for social risks and impacts. Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights, working across all continents and sectors to build a world where business is done with respect for people's dignity.

ABOUT THE SOCIAL SUSTAINABILITY CLINICS

Shift's focused Social Sustainability Clinics are for investors and lenders who are looking for innovative thinking on human rights respecting practices. Shift's clinics are purposefully small, to maximise learning and peer sharing between committed practitioners, and can be complemented by 1-1 advisory support.

In 2025, Shift will also offer clinics on:

- Integrating human rights into Just Transition strategies;
- Identifying and managing sources of risk to people in the business models of portfolio companies; and
- Portfolio Approaches to Human Rights Foundations.

SOCIAL SUSTAINABILITY CLINIC 2025

The workshops

JAN 2025

WORKSHOP 1. LAYING THE FOUNDATIONS

WORKSHOP 2. PREPARING FOR IMPACT

WORKSHOP 3. PUTTING THE IMPACT PATHWAY INTO PRACTICE

WORKSHOP 4. BRINGING IT ALL TOGETHER

MAY 2025

WORKSHOP 1: LAYING THE FOUNDATIONS

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PRELIMINARY INTERVIEWS

Shift will speak with each participating financial institution individually to develop an understanding of current measurement practices and confirm their objectives for the clinic.

WORKSHOP 1: LAYING THE FOUNDATIONS

This workshop will explore the current landscape for measurement of social performance. Together, we will identify the key weaknesses and strengths in existing practices, with a focus on the analytic needs of financial institutions. We will then look at the key design principles that can support financial institutions to develop high quality metrics and identify common pitfalls associated with social performance measurement.

CONTRIBUTION

Participants will apply the design principles to assess currently employed targets and metrics for assessing investee/client social risks (and potentially the institution's own disclosures around social risks).

02

WORKSHOP 2: PREPARING FOR IMPACT

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Here we will dive further into key design principles in relation to screening, validation of leverage strategy and gauging investee/client progress. Shift will present an ‘impact pathway’ paradigm that will help participants design indicators around a lifecycle of activities, outputs, behaviors, and practices.

CONTRIBUTION

Participants will apply the ‘impact pathway’ to existing investee/client leverage strategies (and/or their own leverage strategies).

WORKSHOP 3: PUTTING THE IMPACT PATHWAY INTO PRACTICE

Representatives of two real economy companies will share their experience of using the ‘impact pathway’ to develop social performance indicators. We will also discuss how to design and use meaningful qualitative indicators of effective leadership, governance, and stakeholder engagement.

CONTRIBUTION

Participants will develop indicators and metrics for at least one salient issue of relevance to a portfolio company, and up to three indicators and metrics to measure their own progress in addressing adverse impacts on people associated with their portfolios.

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WORKSHOP 4: BRINGING IT ALL TOGETHER

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Participants will present the metrics and indicators they have developed for feedback. We will also explore innovations in measurement, including the potential use of unstructured data. There will be an opportunity to discuss evolving disclosure regimes and the potential for more standardized disclosures focusing on higher quality measurement, including the work of the TISFD, ISSB, and EFRAG.

CONTRIBUTION

Participants will have the opportunity to use their bilateral time with Shift to review progress on developing key indicators and to set a plan for developing high quality indicators for the salient human rights issues of interest.



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For more information please contact Ashleigh Owens, Financial Institutions Lead at ashleigh.owens@shiftproject.org.

ABOUT SHIFT

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team of experts works across all continents and sectors to challenge assumptions, push boundaries, and redefine corporate practice, in order to build a world where business gets done with respect for people's dignity. Shift is a non-profit, mission-driven organization, headquartered in New York City.

Visit www.shiftproject.org.