



**International Organization
for Standardization**

www.iso.org



ISO Course on Enhanced Participation in International Standardization for Social Responsibility

Folke Hermanson Snickars/Graham Holloway
Amman, Jordan, October 2007

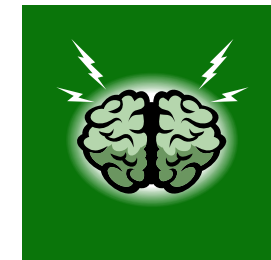
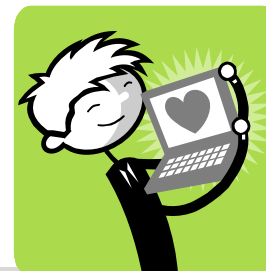


Training objectives

- Improve understanding of social responsibility in general and the core content issues of ISO 26000 in particular
- Review the content of ISO/WD.3 26000
 - Provide a basis for critical commentary
 - Priorities to enable sustainable development in the region
 - Potentially controversial in the setting and context of the region
- Understand the implications of the process of ISO 26000

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- What do you want to learn?
- What do you already know?
- What can we as instructors contribute?
- The three types of objectives
 - Knowledge by Thinking
 - Skills by Doing
 - Attitudes by Feeling



Brain

Hand

Heart



Programme logic and structure

- Day 1: Substantive issues
 - WD.3 content
 - Key contentious issues
 - Implications for the region
- Day 2: Process issues
 - History and background
 - Contribution of stakeholders from the region
 - Stakeholder involvement on national and regional level

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- The seating arrangement is chosen to enhance networking
 - Start networking by introducing yourselves at each table
 - Talk about
 - Who you are
 - Why you are here
 - Your expectations of the training
 - What you like to achieve by participating
 - How you can contribute
 - Assign one spokesperson to introduce shortly the collective capacity and experience represented at your table



What is Social Responsibility (SR)

- Sustainability and SR
- Business concepts
 - Corporate Social Responsibility (CSR)
 - Responsible Business Practices
 - Corporate Governance
- Is SR a concept only for business organizations?



The Benefits of Social Responsibility

A commitment to SR by companies:

- Increases awareness among staff, leads to better employee motivation
- Leads to added value products and services
- Engenders better ethical practices
- Produces better working environments
- Brings together stakeholders to jointly work on improving strategic practices
- Leads to a good corporate image

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Ultimate benefits of an SR culture (1)

- **Better coordination with Millennium Development Goals:**

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality
- Reduce child mortality
- Improve maternal health
- Combat diseases (HIV/AIDs, Malaria ...)
- Ensure environmental sustainability
- Global development partnership

Ultimate benefits of an SR culture (2)

SR is in line with the ten principles of the UN Global Compact, derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at work
- The Rio Declaration on Environment and Development
- The United Nations Convention against Corruption

The Global Compact Principles (1)

- Human rights
 1. Businesses should support and respect the protection of internationally proclaimed human rights
 - ... and make sure that they are not complicit in human rights abuses

The Global Compact Principles (2)

- Labour Standards
 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
 4. ... and the elimination of all forms of forced and compulsory labour
 5. ... and the effective abolition of child labour
 6. ... and the elimination of discrimination in respect of employment and occupation

The Global Compact Principles (3)

- Environment
 7. Businesses should support a precautionary approach to environmental challenges
 8. ... and undertake initiatives to promote greater environmental responsibility
 9. ... and encourage the development and diffusion of environmentally friendly technologies

The Global Compact Principles (4)

- Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Social Responsibility and ISO 26000 ...

- SR is compatible with the concepts of:
 - Good corporate governance
 - Ethical company behaviour
 - Social accountability / responsibility
- ISO 26000 does not ask how a company will spend its money for socially responsible causes; rather, it asks how ethically, how responsibly, how sustainably the profit is being made

The History of Social Responsibility

The future – standards set and followed because it is right and it still makes a profit !

Labour laws, 1940's

Plough back part of huge profits at owners discretion

Appeasing Society

Standards of Influence

Philanthropy

Good Corporate Citizenship

Take away, give back

Pressure to comply comes from external sources – head offices, customers, governments

Triple bottom line

Companies accountable to Society, Environment and for Operating Results

Appear socially responsible, provided profit has been made in first place



A business case for SR

Role play in teams:

- Topic to discuss:

Is a medical facility (a creche for young mothers) a cost or a benefit to a commercial (or a non-commercial) organisation

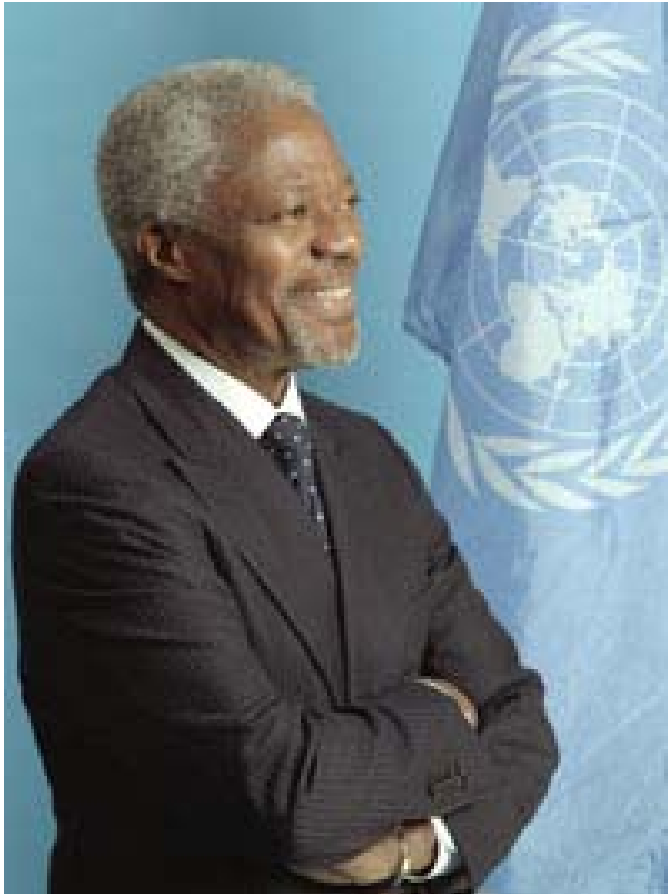
- Choose what role your team would like to play
- Employer
- Employees

Why is ISO developing an SR standard?

ISO develops International Standards for a sustainable world

Social responsibility fits with the strategy of ISO to develop standards that are market relevant and globally relevant and that help to create a sustainable world.

Why is ISO developing an SR standard?



International recognition:

“ISO standards are crucial to sustainable development as they are key of technological know how”

*Kofi Annan,
ISO General Assembly, sept. 2004*

When and how did ISO/SR standard development get started?



NWIP: Three month vote, ending 7 January 2005.



NEW WORK ITEM PROPOSAL		
Date of presentation 2004-10-01	Reference	number
Proposer ISO/TMB	ISO/TMB	N 26000
Secretariat ISO/CS		

Proposal (to be completed by the proposer)

Title of proposal (in the case of an amendment, revision or a new part of an existing document, show the reference number and current title)

English title **Guidance on social responsibility**

French title **Lignes directrices pour la responsabilité sociale**
(if available)

When and how did ISO/SR standard development get started?

April 2001	ISO Council requests ISO Committee on Consumer Policy (COPOLCO) to deliberate on the development of CSR standard
May 2001	ISO/COPOLCO Plenary – CSR Feasibility Study
June 2002	ISO/COPOLCO workshop, on Corporate Social Responsibility
Sept. 2002	ISO Council adopts COPOLCO Report and establishes Strategic Advisory Group (SAG) on Social Responsibility
April 2004	Final Report and recommendation from SAG to ISO Technical Management Board (TMB)
June 2004	Stockholm Conference & pre-Conference for Developing Countries
June 2004	ISO TMB decision to proceed with development of ISO SR Guidance Standard

When and how did ISO/SR standard development get started? (cont...)

Sept. 2004	ISO TMB assigns leadership responsibilities to ISO member bodies SIS (Sweden) & ABNT (Brazil) – (Twinning)
Oct. 2004	New Work Item Proposal (NP) circulated among ISO MBs
Jan. 2005	Votes : Yes - 29; No – 4 On starting the development of a ISO standard (guidance) for SR
Mar. 2005	ISO concludes Memorandum of Understanding (MoU) with International Labour Organization (ILO)
Mar. 2005	1 st . Plenary Meeting, Salvador, Brazil
Sept. 2005	2 nd . Plenary Meeting, Bangkok, Thailand (co-hosted by Japan)
May 2006	3 rd Plenary Meeting, Lisbon, Portugal
Dec 2006	ISO concludes Memorandum of Understanding (MoU) with UN Global Compact
Jan. 2007	4 th Plenary Meeting, Sydney, Australia

When and How ISO 26000 is developed?

Mar / 05
Salvador, Brasil



Sept / 05
Thailand, Bangkok



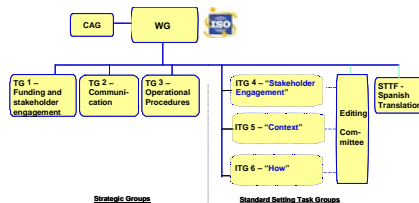
May / 06
Lisbon, Portugal



NEW WORK ITEM PROPOSAL		
Date of presentation 2004-10-01	Reference	number
Proposer ISO/TMB	ISO/TMB	N 26000
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Proposal (to be completed by the proposer)

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ISO Guidance Standard on Social Responsibility - ISO 26000

Design Specification

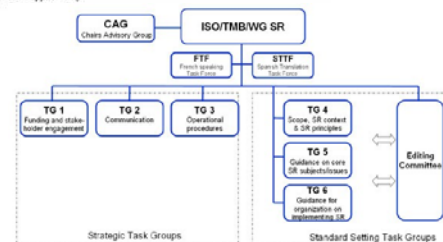
The attached Annex forms the part of the Design Specification.

0. Introduction

The introduction should give information or commentary about the content of the guidance standard and the reasons prompting its preparation. The introduction should describe the purpose of the guidance standard in informative terms.

1. Scope

This section shall define the subject of the guidance standard, its coverage and the limits of its applicability.



Working Draft

2140 commentaries

New arrangements (e.g. Key Topics)



Main Results of WG SR Meetings

Jan-Feb / 07
Sydney

WORKING DRAFT 2

ISO TMB/WG SR N 80

75 pages document

Open to comments: 04-12-2006

SR issues agreed as follows:

- Environment,
- Human Rights,
- Labour Practices,
- Organizational Governance,
- Fair Operating Practices,
- Consumer Issues, and
- Community Involvement / Society Development (Social development)

The work is now continuing in order to produce a third working draft for circulation and comment before the fifth WG SR meeting in November 2007



How much has the work progressed?

1st Plenary: Salvador, March 2005

~ 300 participants
43 ISO member countries
24 organizations

Focus on discussion and decisions on the scope of the future standard:

- Terms of reference of the WG
- Structure of the WG
- Allocation of the leadership of its subgroup
- Development of special working procedures
- Target date for publication

2nd Plenary: Bangkok, Sep 2005

- 1200 written comments before meeting
- About 350 participants
- 54 ISO member countries
- 24 liaison organizations
- developing countries: increase

Main objectives:

- decide a structure in a Design Specification
- divide the work among permanent task groups based on the structure
- agree project plan

How much has the work progressed?

3rd Plenary : Lisbon, May 2006

- 2140 written comments before meeting
- About 320 participants
- 55 ISO member countries
- 26 liaison organizations
- developing countries well represented

Main objectives:

- Work on the first working draft
- Further define operating framework to strengthen participation and accountability

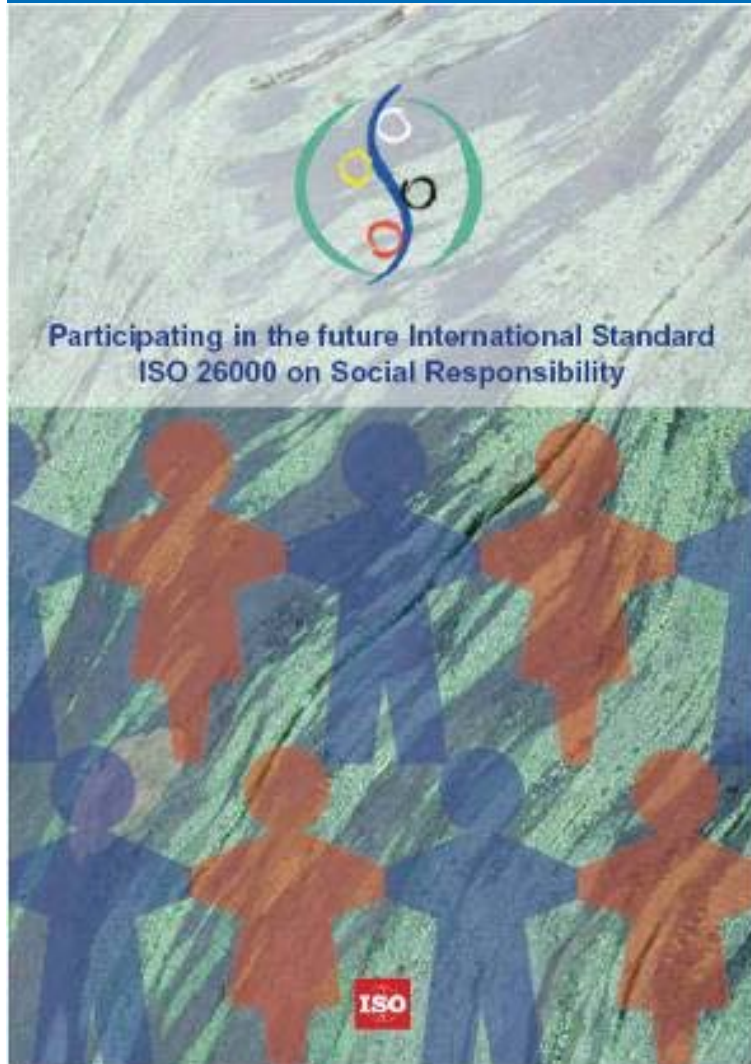
4th Plenary : Sydney, Jan-Feb 2007

- 5176 written comments before meeting
- About 275 participants
- 54 ISO member countries
- 28 liaison organizations
- developing countries participation consolidated

Main objectives:

- Resolve enough Key topics to produce next WD
- Further define operating framework to strengthen participation and accountability

ISO 26000 Design Specification



- 0 Introduction
- 1 Scope
- 2 Normative references
- 3 Terms and definitions
- 1 The SR context in which all organizations operate
- 5 SR principles relevant to organizations
- 6 Guidance on core SR subjects/issues
- 1 Guidance for organizations on implementing SR
- 8 Bibliography

ISO 26000 Design Specification (cont...)

- 0 Introduction

The introduction should give information on the content of the guidance standard and the objectives promoting its preparation.

- 1 Scope

This section will define the subject of the guidance standard, its coverage and the limits of its applicability.

- 2 Normative references

This section is for a list of documents, if any, which must be read in conjunction with the guidance standard.

- 3 Terms and definitions

This section will identify terms used in the guidance standard that require definitions and provide such definitions.

ISO 26000 Design Specification (cont...)

- 4 The SR context in which all organizations operate
This section will provide the historical and contemporary contexts for SR. The section will also address questions arising out of the nature of the concept of SR. Relevant stakeholder issues should be addressed in this section.
- 5 SR principles relevant to organizations
This section will identify a set of SR principles drawn from a variety of sources and provide guidance on these principles. Relevant stakeholder issues should be addressed in this section.
- 6 Guidance on core SR subjects/issues
This section will provide separate guidance on a range of core subjects/issues and relate them to organizations. Relevant stakeholder issues should be addressed in this section.

ISO 26000 Design Specification (cont...)

- 7 Guidance for organizations on implementing SR
This section will provide practical guidance on implementing and integrating SR in the organization, including, for example, on policies, practices, approaches, issue identification, performance assessment, reporting and communication. Relevant stakeholder issues should be addressed in this section.

- 8 Guidance annexes
This section will identify a set of SR principles drawn from a variety of sources and provide guidance on these principles. Relevant stakeholder issues should be addressed in this section.

- Bibliography

Building Consensus: draft texts

Scope (1/2)

This International Standard provides guidance to all types of organizations, regardless of their size or location, on:

- principles and issues relating to social responsibility;
- integrating, implementing and promoting socially responsible practices;
- identifying and engaging with stakeholders;
- communicating commitments and performance relating to social responsibility; and
- contributing to sustainable development through social responsibility

This standard encourages organizations to undertake activities that go beyond legal compliance.

It promotes common understanding in the field of social responsibility. It clarifies the relationship between social responsibility principles and organizational governance frameworks.

Building Consensus: draft texts

Scope (2/2)

It complements other instruments and initiatives relating to social responsibility.

The application of this standard may take account of societal, environmental, legal and organisational diversity, as well as differences in economic conditions, provided international norms of behaviour are observed.

This standard is not a management system standard and is not intended for conformity assessment or certification purposes. Use of this standard does not imply governmental endorsement or ratification of any of the conventions, agreements, standards or tools mentioned.

Building Consensus: draft texts

Social responsibility definition

Responsibility of an organization for the impacts of its decisions and activities on society and the environment,

- through transparent and ethical behaviour that
 - Is consistent with sustainable development and the welfare of society
 - Takes into account the expectations of stakeholders
 - Is in compliance with applicable law and consistent with international norms of behaviour and
 - Is integrated throughout the organization
- **NOTE** Activities include products and services

Building Consensus: draft texts

The SR context in which all organizations operate

4.1 Historical background and trends

4.2 The concept of social responsibility

4.3 From theory to practice

4.4 The relationship of the stakeholder approach to the concept of social responsibility

Building Consensus: draft texts

Provisional SR principles

Provisional list of core SR Principles

1. **Respect for internationally recognised instruments**
2. **Compliance with the law**
3. **Recognition of stakeholders' rights**
4. **Accountability**
5. **Transparency**
6. **Sustainable development (provide for systems thinking/ coherence)**
7. **Ethical conduct/behaviour**
8. **Precautionary approach**
9. **Primacy of respect for fundamental human rights**
10. **Respect for diversity**

ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. [Fundamental subjects for SR] [Guidance on SR core issues]



ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- [Social development]
- [Contribution to the community and society]

Organisational Governance

Legal compliance
Accountability
Transparency
Ethical conduct
Recognition of stakeholders and their concerns



ISO/TMB WG SR ISO 26000

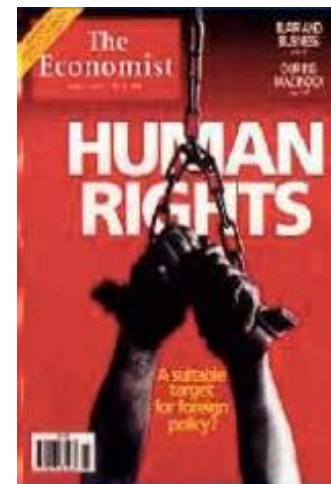
ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- [Social development]
- [Contribution to the community and society]

Human Rights

Civil and Politics Rights
Social, Economical and Cultural Rights
Vulnerable Groups
Fundamental Rights at Work



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ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- [Social development]
[Contribution to the community and society]

Labour practices

Employment and Employment relationships

Conditions of work and social protection

Social dialogue

Health and Safety at work

Human [resource] development



ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- [Social development]
- [Contribution to the community and society]

Environment

[Identifying and managing] Environmental aspects of activities, products and services

Promoting sustainable consumption and production

Sustainable resource use

[Combating] [Addressing] climate change

[Valuing ecological services] [Ecosystems]



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ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- [Social development]
[Contribution to the community and society]

Fair operating practices

Anti-Corruption and Anti-Bribery
Responsible political involvement
Fair Competition
Promoting social responsibility through the supply chain
Respect for property rights



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ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues
- [Social development]



Consumer issues

- Fair operating, marketing and information practices
- Protecting consumers' health and security
- Mechanism for product recall
- Provision and development of environmentally and socially beneficial products and services
- Consumer service and support
- Consumer data protection and privacy
- Access to essential goods and services
- Sustainable consumption
- Education and awareness

ISO/TMB WG SR ISO 26000

ISO 26000.WD3

6. Guidance on SR core issues

- Organisational governance
- Human rights
- Labour practices
- Environment
- Fair operating practices
- Consumer issues

– [Social development]
[Contribution to the community and society]

[Social development]
[Contribution to the community and society]

Contribution to social development
Contribution to economic development
Community involvement [issues]



ISO/TMB WG SR ISO 26000

ISO 26000.WD3

7. Guidance for an organization on implementing social responsibility

7.1 General

7.2 Understanding the social responsibility context

- Key considerations
- Understanding the organization's profile
- Analyzing the social responsibility boundaries and context
- Understanding the stakeholder concerns

7.3 Working with stakeholders

- Key considerations
- Identification of stakeholders
- The engagement process

ISO/TMB WG SR ISO 26000

ISO 26000.WD3

7. Guidance for an organization on implementing social responsibility

7.4 Integrating SR into an organization's goals and strategies

- Key consideration
- Adopting SR principles and connecting them to the organization's statements
- Developing objectives and strategies

7.5 The implementation of SR in daily practice

- Key consideration
- Raising awareness and building competencies
- Establishing structure and reviewing operations against strategy
- Setting targets for social responsibility
- Action plans, instruments and implementation

ISO/TMB WG SR ISO 26000

ISO 26000.WD3

7. Guidance for an organization on implementing social responsibility

7.6 Communicating on social responsibility

- Key Consideration
- Types of communication on social responsibility
 - Periodic public reporting
 - Additional SR communications
- Planning and selecting communication forms and media
- Stakeholder dialogue on communication about social responsibility

7.7 Evaluating SR activities and practices

- Key considerations
- Monitoring
- Improvement options

ISO/TMB WG SR ISO 26000

ISO 26000.WD3

ISO 26000.WD3 - Some key issues for consideration

- Length / density of the document
- Ensuring the standard is applicable to all organisations
- The relationship and ordering between Clause 6 and Clause 7
- Agreeing the definition of stakeholder and stakeholder engagement
- Addressing Clause 5 (Principles) and its relationship with Clause 6

ISO/TMB WG SR ISO 26000

ISO 26000.WD3

ISO 26000.WD3 - Some key issues for consideration

- Nature of Clause 4 (Context) and its relationship with Clause 6 and 7
- Clarifying the function and nature of help boxes
- Use of the term ‘supply chain’
- References to other instruments relevant to social responsibility

Submitted comments on WD.3

Document number	Clause	Number of pages of comments
• N115	0	52p
• N116	1	23p
• N117	3	98p
• N118	4	138p
• N119	5	120p
• N120	6	134+84+104+90+81
• N121	7	124+78
• N122	Annex, Bibliography	9
• N123,124	Additional comments	9+24

Review of Working Draft (WD.3)

- Create 3 teams
 - 1 English-speaking – Team EN
 - 2 Spanish-speaking – Team ES1, Team ES2
- Discuss within the teams which clause(s) you like to select for in-depth review
- As soon as you have reached consensus, tell the instructors which clause(s) you like to start with. "First come, first served"
- After the first round, two further rounds will be followed, giving you opportunity to review the full document

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Review of Working Draft (WD.3) (cont.)

- Having agreed on the comments your team like to submit, fill in the comments template, either on paper or in electronic form
- Be prepared to present your comments for the other teams
- Time allocation:
 - First round
 - Review 60 min
 - Preparation of comments 15 min
 - Feedback report 5 min
 - Second and third round
 - Review 30 min
 - Preparation of comments 15 Min
 - Feedback report 5 min

Implications of ISO 26000 for the region

- Identify contentious issues for the region
- Discuss differences between stakeholder opinions within the team



Problems in SR Implementation

Common concerns :

- There is not a SR planning program in the enterprises
- Lack of knowledge about SR investment of companies – insufficient reporting and monitoring
- Most companies believe that SR is charity, donation or philanthropy
- Focus on external rather than internal issues – there exist several faults in the internal dimension of the SR programs like education, health, safety and security of the workers, environmental impacts, solid residuals behavior, etc
- Medium and Small enterprises will have difficult problems in SR implementation, as are just beginning with implementation of MSS (ISO14001/ISO 9001)



Problems in SR Implementation

- Programmes for promoting SR not always consistent and/or systematic.
- Business organizations promoting SR are mostly larges enterprises, small to medium-sized enterprises and these do not have the level of resources required to invest heavily and consistently in such programmers.
- SR not embraced as an integral part of most business operations.
- No agreement on definition and the scope of SR.
- Insufficient comprehension of relation between SR and SD.
- Sustainability report is deemed too difficult to develop.
- Insufficient support from government to encourage.



Problems in SR Implementation

- S&MEs not prepared for the change in the production practices
- In some countries Legal compliance in terms of health and safety is very weak
- International SR and CSR relatively new concepts
- Lack of financial and technical resources to implement SR
- Weak competition positions of domestic enterprises



Expected impact of ISO 26000

- America
 - To create a culture towards Social Responsibility. The guide must be an instrument to help the organizations to be aware of the role in society and their contribution to the social development. It is not to accomplish with legal requirements
 - To promote the use of key indicators
 - To obtain a set of guidelines of what SR really means, and how to implement them in the different organizations
 - To facilitate the conceptual understanding and how a socially responsible organization should be. There exist expectations to know their content
 - To clarify the difference between philanthropy and SR
 - Common procedures



Expected impact of ISO 26000

Asia

- Agreement on the definition and scope of SR
- Guidance on how to plan, implement, monitor & evaluate SR
- Raised awareness that SR is for all organizations
- More organizations develop sustainability reports
- More support from government to encourage SR
- Raised awareness on the relation between SR and SD
- Increased costs of enforcing and monitoring workplace practices
- Save money by committing to cleaner production
- Create more safety, friendly working environment
- Increase productivity and contribute to SD



Expected impact of ISO 26000

Africa

- Improved social, environmental, community & ethical performance
- Improved standardisation and planning of activities in this field
- Encourage local legislation and sectoral initiatives
- Improved monitoring of company performance
- May end up as a de facto standard applied through supply chain
- Possibility for serving as non-tariff barrier
- Might have very limited impact – currently low levels of interest
- Ethical, environmental, economical, social and sustainable development impact.
- Raise SR commitment
- Improve SR performance and measures
- Compliance to International measures



Common implementation problems

- Language barrier
- Speed of the process
- The absence of the representation of consumers, government and labour as the most difficult in the mirror Committees
- Lack of interest of some stakeholders
- Political situation in some countries
- Local laws
- Particular situations of the DCs
- Diversity
- Number of Unions (Asia)
- Lack of funding