



ISO Social Responsibility Guidance Standard: Sneak Preview

May 14th, 2009, Quebec

Presented by:
David Simpson
InterPraxis Consulting
www.interpraxis.com

INTERPRAXIS

© InterPraxis 2009

INTERPRAXIS

What's Inside?

- **Background on Standard:** what it is and what it isn't.
- **"The Plumbing":** how the standard is developed and who is involved.
- **Why a Standard?:** what use do standards serve and what's so special about ISO 26000?
- **Update... and Content So Far:** what's been achieved to date?
- **Hot Button Issues:** What issues seem to be the most problematic?
- **Possible Futures:** What possible future exists for ISO 26000?

INTERPRAXIS

What's behind this?



INTERPRAXIS

History of Standard

- 2001: ISO Consumer Policy Committee, COPOLCO Plenary - launching the CSR Feasibility Study
- 2002: ISO Council - adopts COPOLCO report, establishment of Strategic Advisory Group on Social Responsibility (SAG)
- 2004: Final Report from SAG to ISO Technical Management Board, TMB
- 2004 - Stockholm Conference and pre-Conference for Developing Countries
- 2004 - ISO TMB decision to proceed with development of ISO SR Guidance Standard. TMB - assigns the leadership responsibility to the ISO member bodies for Brazil and Sweden.
- October, 2004 - NWIP submitted - and passed.

The Road Travelled so far...



History of Standard

- March 2005: ISO concludes MoU with ILO
- March 2005: 1st WG Meeting, Salvador, Brazil
- September 2005: 2nd WG Meeting, Bangkok, Thailand
- March 2006: 3rd WG Meeting, Lisbon, Portugal
- December 2006: ISO concludes MoU with UN GC
- January 2007, 4th WG Meeting, Sydney, Australia
- March 2007: ISO concludes MoU with OECD
- November 2007, 5th WG Meeting, Vienna Austria
- September 2008, 6th WG Meeting, Santiago, Chile
- May 2009, 7th WG Meeting, Quebec City, Canada

INTERPRAXIS



Just the
Facts

INTERPRAXIS

About the Standard

- **Title:** Guidance on Social Responsibility
- **Designation:** ISO 26000
- **Target Group:** To be applied by all types of organizations (private, public and non-profit)
- **Target Date for Publication:** 2010
- **Type of Standard:** ISO standard providing guidance, not intended for third-party certification.
 - The verb form "should" shall be used throughout the standard.
 - Only one standard shall be developed



Objectives
of the
Standard

INTERPRAXIS

ISO Standard: Scope

To develop an international standard that should:

- Assist an organization in addressing their social responsibilities
- Provide practical guidance related to:
 - operationalizing social responsibility
 - identifying and engaging with stakeholders and
 - enhancing credibility of reports and claims made about SR
- Emphasize performance results and improvements
- Increase consumer satisfaction and confidence
- Promote common terminology in the Social Responsibility field
- Be consistent with and not in conflict with existing documents, treaties and conventions and other ISO standards
- Broaden awareness of social responsibility
- Not be intended to reduce governments authority

Objectives of the Standard

ISO Standard: Scope

To develop an international standard that should:

- Assist an organization in addressing their social responsibilities
- Provide practical guidance related to:
 - operationalizing social responsibility
 - identifying and engaging with stakeholders and
 - enhancing credibility of reports and claims made about SR
- Emphasize performance results and improvements
- Increase consumer satisfaction and confidence
- Promote common terminology in the Social Responsibility field
- Be consistent with and not in conflict with existing documents, treaties and conventions and other ISO standards
- Broaden awareness of social responsibility
- Not be intended to reduce governments authority

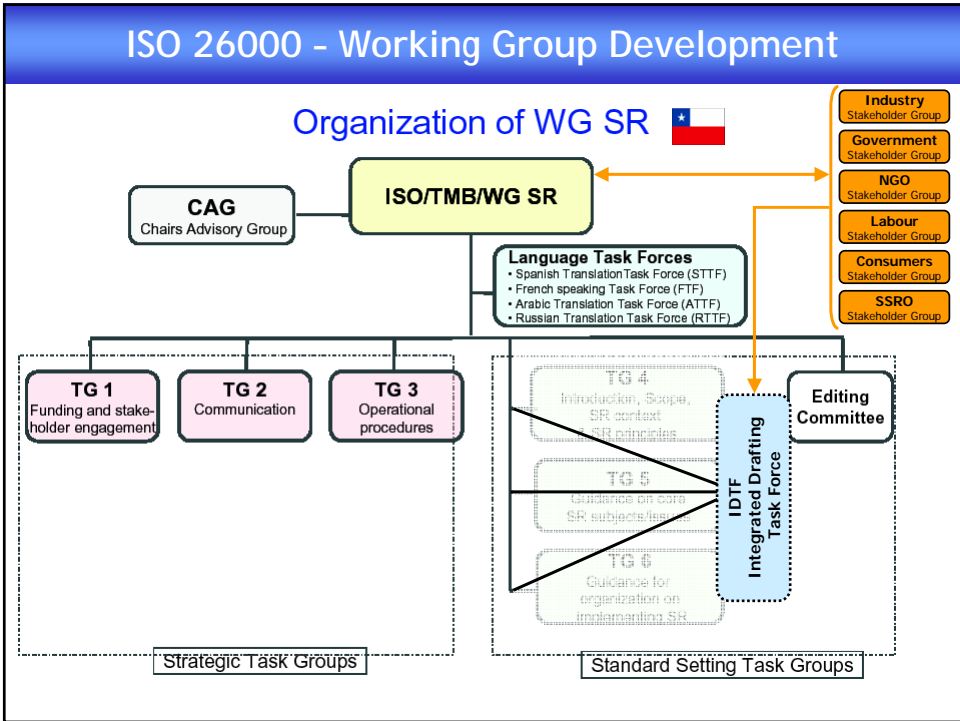
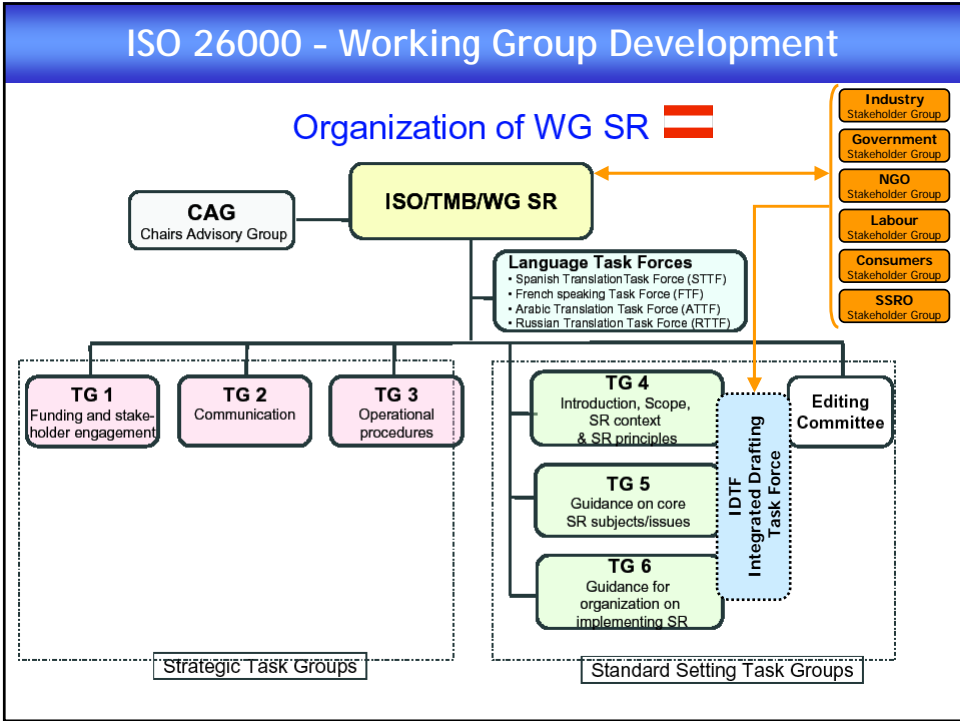


The Plumbing



The process of making an international guidance standard on social responsibility





Working Group by Numbers...

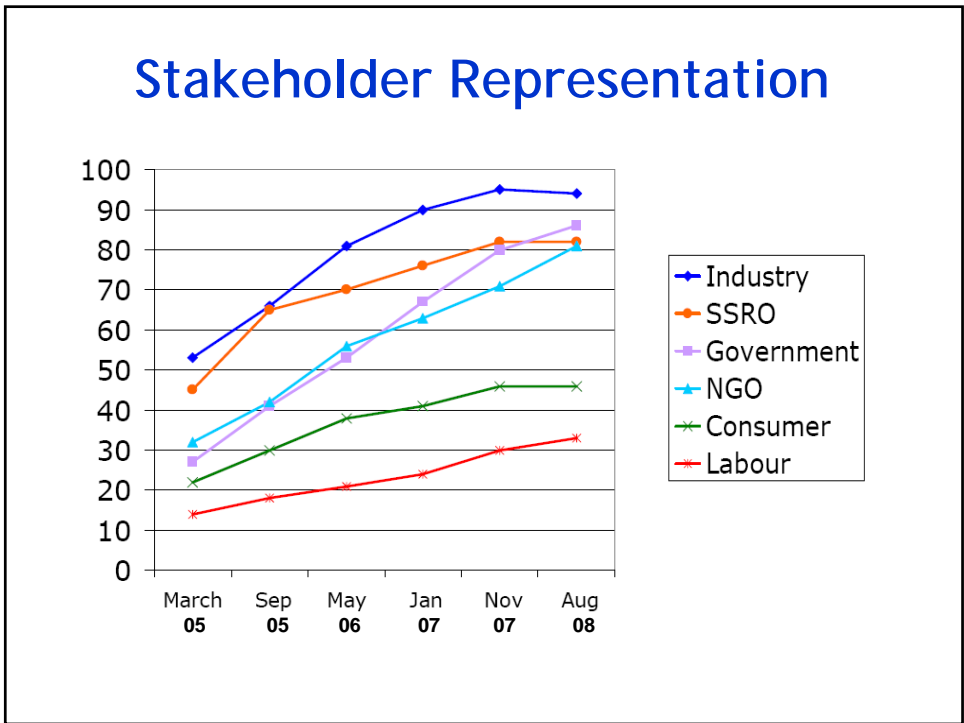
The
plumbers

426 Number of nominated experts (+31)

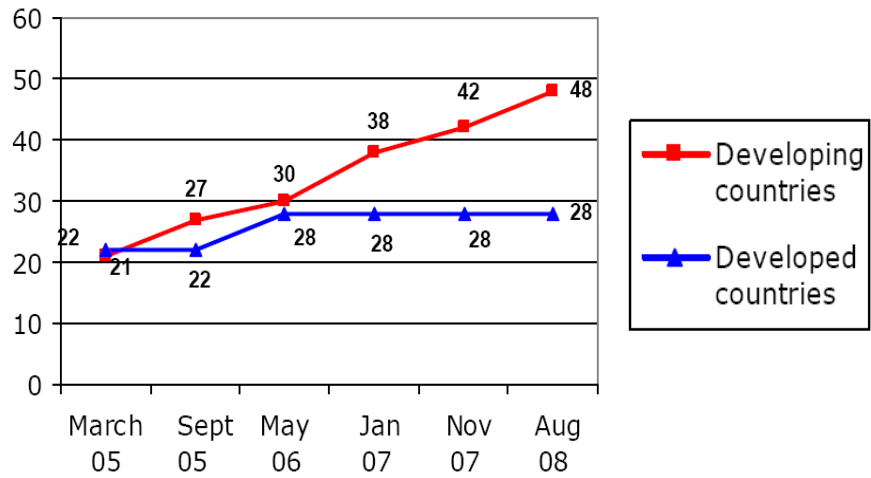
84 Countries represented (+6)

40 Participating liaison organizations (+3)

39:61 Ratio of women-to-men participants (%)



Regional Balance



(Does not include observer countries)

Raise your hand

If you think that this standard development process is a fair one.





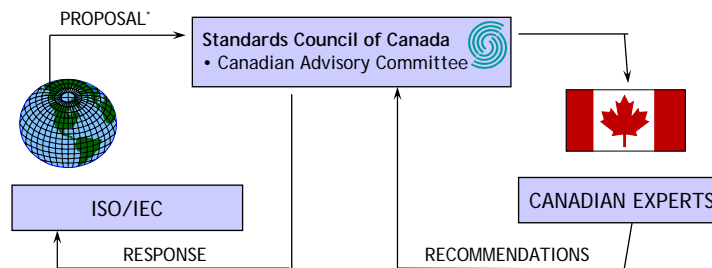
Canadian Content

Canadian Experts on ISO Working Group

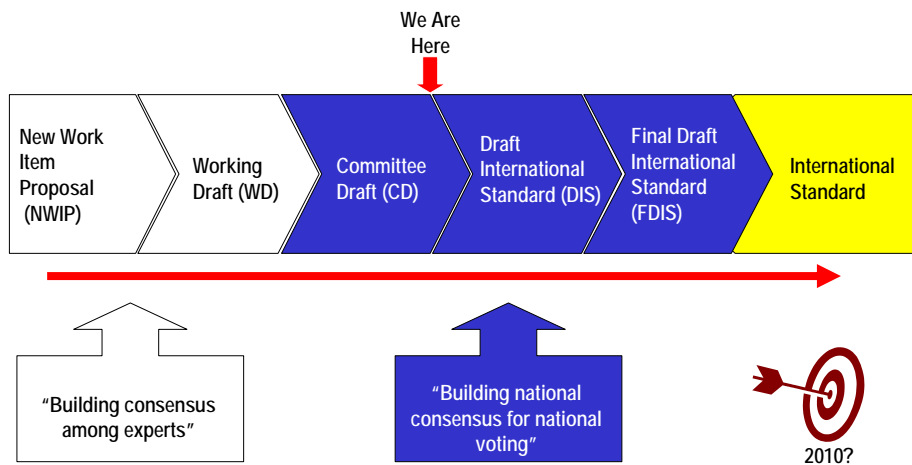
- Representing industry, government, consumers, civil society organizations and standards development organizations.

Canadian Advisory Committee (convened by SCC)

- Mirror committee made up of representatives of stakeholders



Where We Are Now



Why ISO 26000?

"ISO 26000 will contribute to helping all kinds of organizations to improve in socially responsible behaviour."

- J. Cajazeira (Suzano)



INTERPRAXIS

Standards

Strengths

- Standards offer practical frameworks to interpret universal principles.
- Standards enable wide uptake of CR innovations.
- Standards help to eliminate confusion.
- Standards provide a basis for engagement and partnership.
- Standards are open to experimentation and continuous improvement.

Weaknesses

- Standards can stifle innovation.
- Standards are better able to deal with technical issues than complex political and social issues.
- Standards often focus on compliance at the expense of relationships and trust.
- Standards lack the legitimacy and strong compliance mechanisms available in law.

INTERPRAXIS

Leading Codes, Standards and Frameworks - Spoiled by Choice

- AA1000 Series
- Amnesty International's Human Rights Guidelines for Companies
- Association of British Insurers Guidelines
- CERES Principles
- DJSI
- Eco-Management and Audit Scheme (EMAS)
- EU Eco-label
- Ethos Reporting Guidelines
- European Foundation for Quality Management
- Fair Trade Labelling Standards
- Forest Stewardship Council
- FTSE4Good Criteria
- IFOAM Organic Standards
- Global Compact
- Global Reporting Initiative
- Investors in People
- ISO14000
- London Benchmarking Group
- The Natural Step
- OECD Guidelines
- Responsible Care
- SA8000
- Sarbanes-Oxley
- SIGMA
- Sullivan Principles
- Sustainable Forest Management (CSA)
- UN Human Rights Norms
- WHO/UNICEF International Code on Marketing.

INTERPRAXIS

Apparent Chaos... but

Management Systems

Assurance Standards

Codes

Performance Reporting

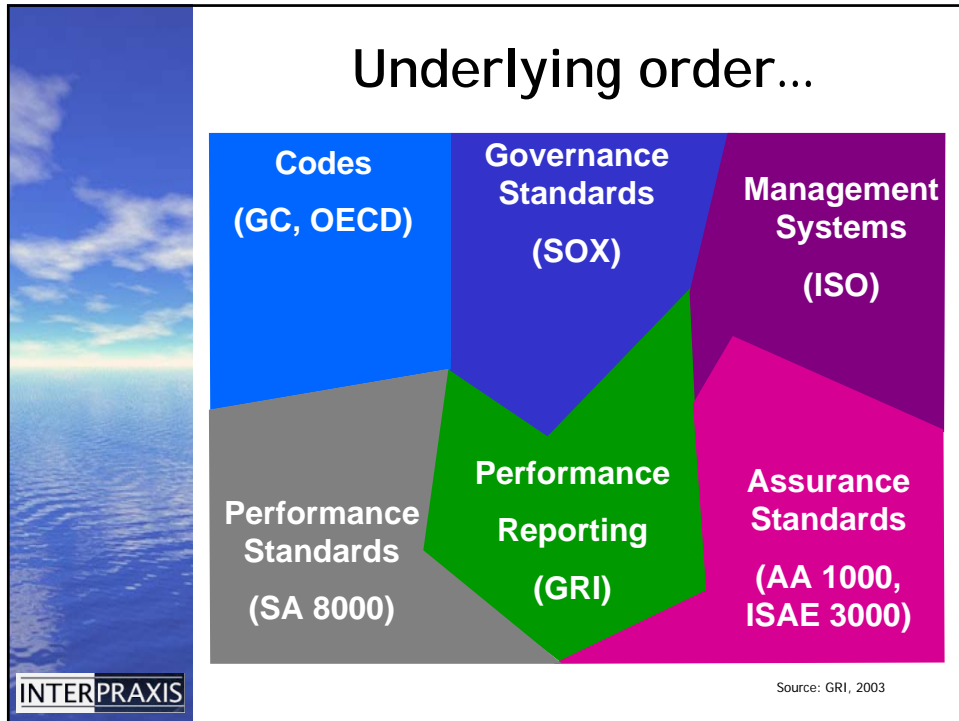
Performance Standards

Governance Standards

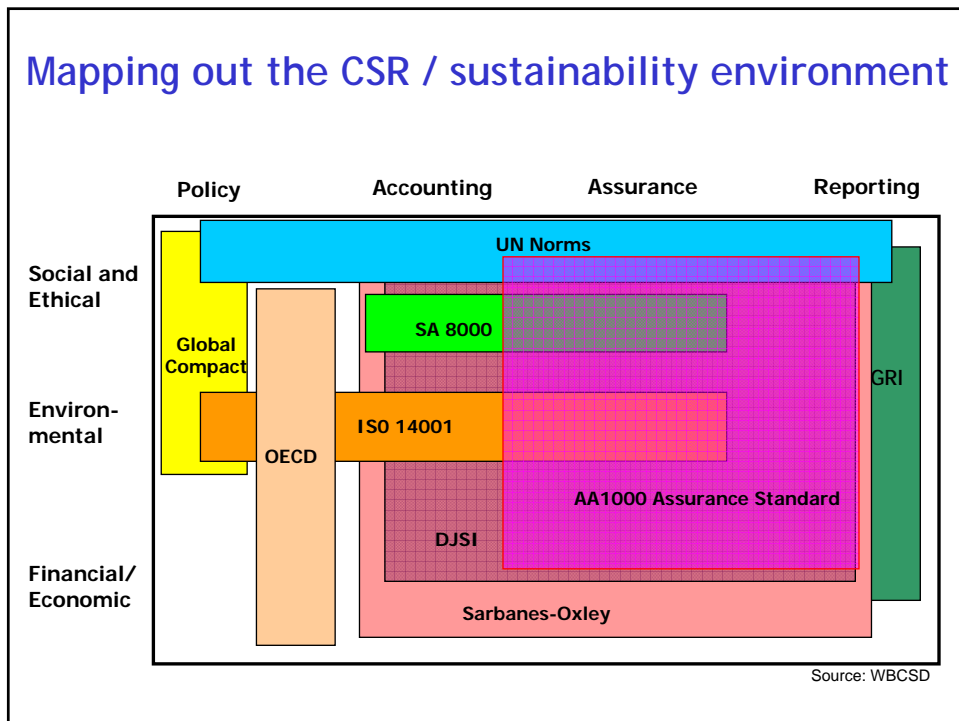
Source: GRI 2003

INTERPRAXIS

Underlying order...



Mapping out the CSR / sustainability environment



An adaptive
technology?

INTERPRAXIS

ISO 26000: Applicability

- Business organisations
- Governmental organisations
- Non-governmental organisations (NGOs)
- Globally applicable, i.e. all countries, but not part of law



Practical Applications:

- A harmonization tool for existing codes and standards
- A practical tool for SMEs
- A branding / marketing tool for commercial enterprises
- A political lever for stakeholder groups
- A cost to be internalized in the daily operations
- A framework for consultants and researchers to build indicators / indexes and benchmarking tools

It's all
about
process and
uptake

INTERPRAXIS

Why ISO?




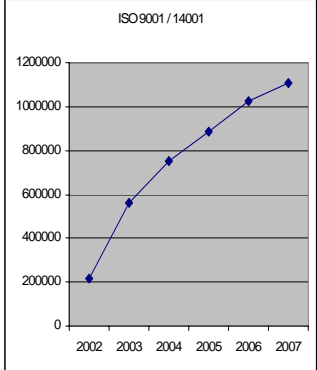
- Many (C)SR norms, indices, declarations, etc around - ISO 26000 connects these codes, standards and conventions to the daily management of organizations.
- ISO's international position is unique as a UN recognized body of reach.
- ISO is in position to establish a universally accepted system standard
- Established system standards to help build the organisation's management and operational systems: (e.g. ISO 9000, ISO 14000)
- 156 country members (110 developing)

It's all about process and uptake

INTERPRAXIS

Uptake





Year	Number of Certificates
2002	~200,000
2003	~550,000
2004	~750,000
2005	~880,000
2006	~1,020,000
2007	1,106,058

- 1,106,058 certificates (ISO 9001/14001 alone)
- ISO's delivery channel is impressive
- ISO's influence in supply chain is considerable and it's in this area where the drivers for change are most significant.
- Universal recognition?

Source: ISO Survey 2007

ISO 26000 is a work in progress

INTERPRAXIS

What's been done so far?



So far... so good?



Where
are we
now?

INTERPRAXIS

Highlights of Work So Far..

1. MOU with ILO, Global Compact and OECD
2. Balanced stakeholder representation in ISO/SR leadership and Task Groups
3. Participation by organizations having significant impact on CSR and Sustainable Development (UN, OECD, GRI, SAI, AccountAbility)
4. Consensus decision-making on standard
5. Stakeholder approach in process (new for ISO)
6. Inclusivity (attempt to get developing countries involved with training sessions throughout.)
7. Stakeholder Engagement to be throughout standard



Defining
Social
Responsibility

(ISO 26000 WD 4.2)

INTERPRAXIS

Social Responsibility:

Responsibility of an organization for the impacts of its decisions and activities¹ on society and the environment, through transparent and ethical behaviour that:

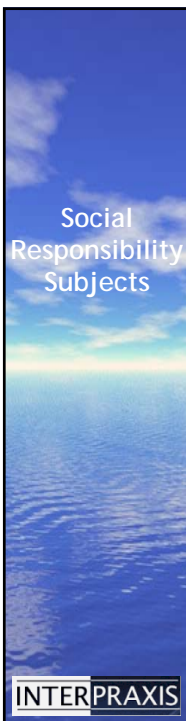
- Contributes to sustainable development, health and the welfare of society;
- Takes into account the expectations of stakeholders;
- Is consistent with applicable law and consistent with international norms of behaviour; and
- Is integrated throughout the organization and practiced in its relationships.²

1. Activities include products, services and processes
2. Relationships refer to an organization's activities within its sphere of influence



7 Core SR Principles

- Respect for int'l norms of behaviour
- Compliance with the law
- Recognition of stakeholder's interests
- Accountability
- Transparency
- Ethical conduct / behaviour
- Respect for fundamental human rights



SR Core Subjects



Relevance of Core Subjects



INTERPRAXIS

Guidance on Core Subjects

“These core subjects cover the most likely economic, environmental and social impacts that should be addressed by organizations.”

Within each core subject there may be a number of specific issues that an organization should take into account when identifying its social responsibility.

“All of the core subjects, but not all the issues, have some relevance for every organization.”

ISO 26000 Framework

7 Principles of Social Responsibility

1. Accountability
2. Transparency
3. Ethical behaviour
4. Respect for and considering of stakeholder interests
5. Respect for rule of law
6. Respect for international norms of behaviour
7. Respect for human rights



Source: Martin Neureiter

Now that's
hot!

INTERPRAXIS

Hot Button Issues

- International norms of behaviour
- Sphere of Influence
- Complicity
- Others...

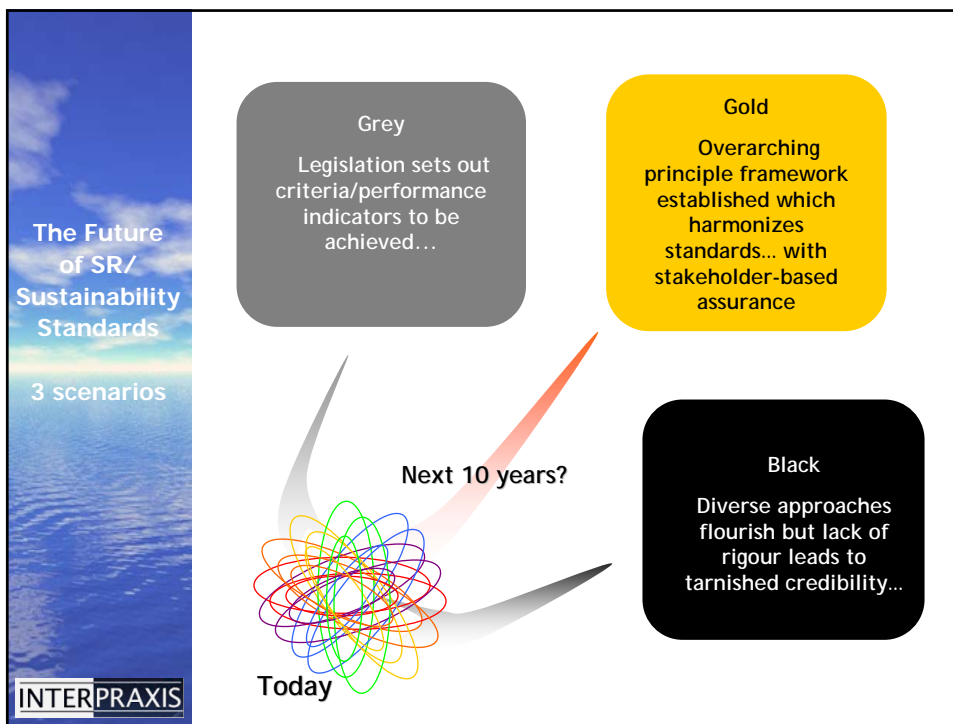


Future: ISO 26000

Guidance is good, but probably insufficient

- Stakeholders will want:
 - A benchmark to assess performance
 - Assurance of claims and results
- Organizations will want:
 - A benchmarks to assess performance
 - Recognition of their efforts

INTERPRAXIS




Standards to be a part of the new governance

Future Predictions

- Principle-based standards will consolidate
- Process-based standards will struggle
- Performance based standards will strengthen
- Sector, product and geographic-based standards will expand.


INTERPRAXIS




Thank
You!

INTERPRAXIS


INTERPRAXIS




INTERPRAXIS




Strategy



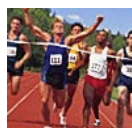
Communications




Research



Stakeholder
Engagement



Training



Social Auditing

InterPraxis Consulting
T: 416-465-1972
www.interpraxis.com