**The ISO 26000 Social Responsibility
Guidance Standard – Progress So Far**

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# Summary

The International Organization for Standardization (ISO) has embarked on the development of a guidance standard for social responsibility, called "ISO 26000."  Although it is expected to align with and be consistent with existing ISO 9000 and ISO 14000 quality and environmental management systems standards, ISO 26000 is not intended for certification, and is not a management system standard.  The ISO 26000 guidance standard is to be applicable to all types of organizations, not just commercial organizations.  This is similar to the situation with respect to ISO 9000 and 14000 standards in the sense that quality management and environmental management standards are important for both commercial and non-commercial entities, and have not been written exclusively for use by businesses.  This having been said, it is well known that the vast majority of organizations that have been certified to ISO 9001 and ISO 14001 are commercial in nature.  Well over 600,000 organizations have had their facilities certified to either ISO 9001 or ISO 14001.

For ISO to decide to develop an SR standard represents an important development in the social responsibility field, because of:
- the high profile ISO has with business and other players,
- a well developed (albeit far from perfect) global standards development infrastructure, with national standards body members in more than 150 countries,
- widespread use of its quality management and environmental systems standards by commercial and other actors around the world (acknowledging that the ISO 9000 or ISO 14000 family of standards are works in progress, that can be improved on in many ways).

Both quality management systems standards (centrally concerned with customer satisfaction through consistent levels of product/service, to meet the needs of interested parties) and environmental management systems standards (centrally concerned with systematically identifying and addressing environmental impacts, to meet the needs of interested parties) are directly relevant to social responsibility, since customer satisfaction, consistent levels of product and service, and systematic handling of environmental impacts, to meet the needs of interested

parties, are all part of social responsibility.  An ISO SR standard that is aligned with and builds on such quality and environmental standards is likely to have high "take up" by those who already have ISO quality and environmental management system-compliant approaches in place. Thus, an ISO Social Responsibility standard builds on a certain amount of momentum associated with the platform created by the pre-existing ISO 9000 and ISO 14000 series of standards and their widespread use.

The ISO 26000 standard is intended to:

- assist organizations in addressing their social responsibilities,

- provide practical guidance related to operationalizing social responsibility,

- assist organizations in identifying and engaging with stakeholders, and

- enhance the credibility of reports and claims made about SR.

The emphasis of ISO 26000 is to be on performance results and improvements, and to thereby increase consumer satisfaction and confidence with an organization, its activities and products and services.  The standard is also to be consistent with and not conflict with existing standards and treaties.  The standard will not set new substantive norms of behaviour, but rather refer to authoritative inter-governmental instruments that articulate such substantive norms. Because it is the product of an international *non-governmental* process and organization, it is explicitly designed to not infringe on or reduce the legitimate authority of governments to set appropriate substantive norms of behaviour through conventional legislative processes.

At the second meeting of the Working Group, in Bangkok, in late September, 2005, a "design specification" (i.e., a framework or outline) for the standard was agreed to, by a working group consisting of some 350 experts from 49 countries, coming from a wide range of inter-governmental, governmental, labour, consumer, and other NGOs, standards bodies, academia, and other institutions/organizations.  Of significance, participants include those from the United Nations Global Compact, International Labour Organization, United Nations Environmental Program, UNIDO, WHO, the Organization for Economic Cooperation and Development, the Global Reporting Initiative, Social Accountability (SA 8000), ISO 14000 (Technical Committee

207), Accountability (AA 10000), the International Social and Environmental Accreditation and Labelling Alliance (ISEAL), the International Chamber of Commerce, and the International Organization of Employers. Representation from such a broad range of significant "players" will assist in ensuring that the final version of the standard will be useful and "inter-operable" as far as possible with existing initiatives. Also noteworthy is the significant involvement of developing country participants, whose numbers are almost equal to those of developed country experts. In view of the relevance of an ISO social responsible standard for developing countries, the active and meaningful participation of developing countries is essential.

The design specification includes sections pertaining to:

- the social responsibility context in which organizations operate,
- SR principles,
- core social responsibility subjects and issues, and
- guidance on implementing and integrating social responsibility in the organization, including, for example, on policies, practices, approaches, issue identification, performance assessment, reporting and communication.

Stakeholder issues will be addressed throughout the standard.

It is expected that the standard will be completed in 2008. A group of five Canadian experts is participating in the development of the standard (including government, industry, standards body, consumer, environmental experts), supported by a multi-stakeholder mirror committee of 30-plus persons in Canada.

At the Bangkok meeting, three task groups were identified to begin work developing the standard:

- Task Group 4, on the social responsibility context and principles aspects,
- Task Group 5, on social responsibility subjects and issues; and
- Task Group 6, on social responsibility implementation aspects.

The leadership of these groups is now being decided upon, and it is expected that actual work within Task Groups 4 – 6 will begin in January, 2006.

At this point, no definition of social responsibility has been agreed upon by the Working Group. This is not surprising, given the fact that there is no universally accepted and authoritative definition of social responsibility at present. In the view of this participant in the ISO SR Working Group process, social responsibility is generally understood as encompassing the way an organization integrates social, environmental and economic concerns into its values, culture, decision-making, strategy and operations, and thereby establishes better practices within the organization, creating wealth and improving society. In this conception of the concept, compliance with laws (social, environmental and economic) is assumed. Building on a base of compliance with legislation and regulations, social responsibility typically includes "beyond law" commitments and activities pertaining to:

- corporate governance and ethics;

- health and safety;

- environmental stewardship;

- human rights (including core labour rights);

- human resource management;

- community involvement, development and investment;

- involvement of and respect for Aboriginal peoples;

- corporate philanthropy and employee volunteering;

- customer satisfaction and adherence to principles of fair competition;

- anti-bribery and corruption measures;

- accountability, transparency and performance reporting;

- supplier relations, for both domestic and international supply chains.

These elements are frequently inter-connected and inter-dependent, and apply to firms wherever they operate.

Industry Canada's Office of Consumer Affairs is keenly interested in the ISO Social Responsibility standards development process, because it believes that such voluntary, market-

driven standards represent important ways of implementing public policy in a complex global marketplace, as adjuncts to conventional regulatory models. Canadian consumers, along with those in other jurisdictions, are looking for ways of distinguishing credible and effective social responsible organizations from those that are not. In the opinion of the author, while it is important to respect the sovereignty of nations to develop their own substantive norms of environmental, social, and economic behaviour through legislative processes in their jurisdictions, it is also important for commercial and non-commercial organizations to behave responsibly in their home jurisdictions and in other jurisdictions where they have operations.

In this regard, the existence of a voluntary international standard on social responsibility, developed through an established, high profile organization such as ISO, operating in a transparent manner, with meaningful participation of all stakeholders, is arguably an important piece in the overall global framework for social responsibility, working in conjunction with existing instruments such as the United Nations Global Compact, the Organization for Economic Development and Cooperation Guidelines for Multinational Enterprises, and the Global Reporting Initiative reporting guidelines. The final version of the ISO Social Responsibility standard should provide useful guidance to an organization wherever it operates, while also providing objective criteria of acceptable behaviour for use by those outside the organization.

National and international standards work in Canada pertaining to ISO is coordinated through the Standards Council of Canada, a federal Crown Corporation, reporting to the Minister of Industry. The Standards Council of Canada is the custodian of the national standards system, and as such is responsible for oversight and quality control of standards development bodies in Canada such as the Canadian Standards Association and the Bureau de normalisation du Québec, and also standards accreditation and conformity activity. The Standards Council of Canada is also the Canadian national standards body representative within ISO.

The social responsibility standard being developed through ISO breaks new ground in a number of important respects:

- it has brought together inter-governmental, governmental, NGO, labour, consumer, standards organizations, and others to develop a standard applicable throughout the world;
- it applies to social responsibility of all types of organizations, not just commercial organizations;
- the standard takes the form of a non-management system standard, not intended for certification, yet intended to provide guidance on operationalization;
- it potentially is an important bridging instrument when aligned with other instruments, such as those of the United Nations, the OECD, and the Global Reporting Initiative.

For all of these reasons, ISO 26000 is arguably an important new instrument for governance, intended to address the increasingly complex situations faced by organizations around the world in the 21st century.

For further information regarding the ISO social responsibility guidance standard, please feel free to contact the author at:

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# Appendix 1

# Power Point Presentation

## The ISO 26000 Social Responsibility Guidance Standard –Progress So Far

Dr. Kernaghan Webb,

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Presentation to the Chair of Social Responsibility and
Sustainable Development

Département d'Organisation et Gestion des ressources
humaines, École des sciences de la gestion,

November 23, 2005

Université du Québec à Montréal,

Montréal, Québec

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# Organization of Presentation

- Introduction: who am I and why am I here
- A definition of social responsibility
- Background on Standard
- Progress To Date
- The Path Forward

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# Who am I? Why am I here?

- The historical link: Canadian Office of Consumer Affairs (OCA) and voluntary codes/standards
  - Voluntary codes guide
  - Involvement in voluntary codes
  - Adjuncts to conventional regulatory approaches, important ways of implementing public policy
- OCA and the national/international standards system
- The federal government and the national/international standards system
- The role of OCA in developing the ISO social responsibility guidance standard

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# Definition – social responsibility

- An evolving concept, no universally accepted definition
- Generally understood as **the way organizations integrate social, environmental and economic concerns into their values, culture, decision-making, strategy and operations, and thereby establish better practices within the organization, create wealth and improve society**
- Compliance with law assumed: commitments go beyond regulatory compliance

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# ISO SR standard – early story

- 1980s – ISO 9000 quality management series developed
- 1992ff – ISO 14000 environmental management series developed
- 2001 – ISO Consumer Policy Committee (COPOLCO) prepares and accepts ISO CSR Standard Desirability and Feasibility Report
- 2002 – ISO Council - adopts COPOLCO report, establishes multi-stakeholder Advisory Group on Social Responsibility (AG)
- 2004 – Final Report from AG 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.
- January, 2005 – New Work Item Proposal approved by National Standards Bodies

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# 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:** 1st quarter of 2008

- **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

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# 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

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# Participation in ISO SR standard

- Number of Countries Represented: 49
- Participating Liaison organizations: 32
- Number of nominated experts: 270
- UN Global Compact, UNEP, UNDP, ILO, OECD, WHO, GRI, SAI (SA 8000), Accountability (AA1000), ISEAL
- Governments from developed and developing countries
- Union representatives
- Consumer, environmental, other, NGOs
- Standards bodies
- Over 100 experts from developing countries, rest from developed countries

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# Canadian Participation

Canadian Experts on ISO Working Group

- Kernaghan Webb (Government)
- Nicki Islic (Standards Development Organization)
- Joanne Petrini (Others - environmental expert)
- David Simpson (Consumer)
- Bob White (Industry)

Canadian Advisory Committee (convened by SCC)

- 32+ members made up of representatives of industry, labour, government, consumer and public interest groups, SDO, academics and others

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# Standards Development Process

- 2005 – 2008 – Working Group meetings
  - Two meetings so far: Brazil (March), Bangkok (September)
- 2006 – first working group draft
- 2007 – draft international standard
- 2008 – completed standard

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# Key Developments So Far

1. Memorandum of Understanding between ISO and International Labour Organization
2. Twinned Developed-Developing Country Representation in ISO/SR leadership and Task Groups
3. Participation by organizations having significant impact on SR and Sustainable Development (UN, OECD, GRI, SAI, AccountAbility)
4. Consensus decision-making on standard
5. Stakeholder approach in process
6. Inclusivity (attempt to get developing countries involved with training sessions in Africa, etc.)
7. Stakeholder Engagement to be throughout standard
8. Design Specification approved and content now being drafted

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# ISO 26000 Framework

- Introduction; Scope; Normative References; Terms and Definitions
- The SR context in which organizations operate
  - Historical/contemporary contexts, issues arising from concept, and addressing stakeholder issues
- SR principles relevant to organizations
  - Drawing on variety of sources, and addressing stakeholder issues
- Guidance on core SR subjects/issues
  - Relate SR subjects/issues to organizations, and stakeholder issues
- Guidance for organizations on implementing SR
  - Practical guidance on implementing and integrating SR in the organization, including for example, on policies, practices, approaches, issue identification, performance assessment, reporting and communication. Stakeholder issues also addressed.
- Guidance annexes

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## Link: ISO 9000/14000 and 26000

- ISO 26000 will be aligned with/compatible with ISO 9000 and ISO 14000
- ISO 26000 is not a management system standard, as are ISO 9001/ISO 14001
- ISO 26000 is not a standard designed for certification, as are ISO 9001/ISO 14001
- ISO 26000 will not set normative obligations
- ISO 26000 likely to serve as operationalization "link" between UN Global Compact, OECD MNE Guidelines, GRI, ISO 9000/14000, and private standards

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## Questions?

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