



Geneva, 10 June 2009
G-2009/29(32.13)

Dear Madam, dear Sir,

**Summary of the 7th Meeting of the
ISO Working Group on Social Responsibility
Quebec City, Canada
May 18-22, 2009**

Please find attached a summary of the background to, and outcomes of, the above meeting on ISO 26000.

If you have any questions on this subject, please do not hesitate to contact me at wilton@ioe-emp.org.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brent Wilton', written in a cursive style.

Brent WILTON
Deputy Secretary General

Annex – Summary of ISO 26000 meeting

Circular addressed to IOE member federations and employers members of the ILO Governing Body

Summary of the 7th Meeting of the ISO Working Group on Social Responsibility

**Quebec City, Canada
May 18-22, 2009**

Executive Summary

The ISO Working Group on Social Responsibility held its 7th meeting from May 18-22, 2009 in Quebec City, Canada as part of its multi-year effort to develop an ISO guidance standard on Social Responsibility (SR). Roughly 300 individuals from 57 countries participated in the meeting, as well as 24 liaison organizations, down about 25% on previous meetings. Developing countries now represent a clear majority of the Working Group, with both China and India taking very active roles in the process.

With the decision to move to the next stage of the ISO drafting process – a Draft International Standard (DIS) – taken prior to the meeting in Quebec, the main objective was to improve the text in order to increase consensus on the document. This is necessary, since 30% of the countries voting on the previous draft voted against it. While 70% approval was enough to move from the Committee Draft (CD) stage to the DIS stage, the DIS will need 75% approval to move to the next and near final stage.

The revised document (DIS) will be available by September 1, after which it will be open for comments for 5 months. The comments received on the DIS will be addressed at the next Working Group meeting in Copenhagen, Denmark from May 3-7, 2010, with the final publication scheduled for December 2010.

Background:

The International Organization for Standardization (ISO) has been studying the issue of social responsibility for a number of years in order to determine if there was any value in developing ISO products in this area. Following discussions in the ISO Consumer Policy Committee in 2001-2002, the ISO Advisory Group on CSR in 2003-2004, and at a two-day international conference in June 2004, the ISO Technical Advisory Board (TMB) decided that ISO should develop a single guidance document on social responsibility (SR) that would provide information on SR relevant to all types of organizations, not just companies. The TMB has mandated that the SR guidance standard not be used for certification of any kind (self-assessment or third-party) and that it not be a management system standard.

As part of its decision to develop a document in this area, ISO also decided to adjust its normal operating procedures to reflect the many differences between SR and the technical issues ISO normally addresses. First, the Working Group is co-chaired by representatives of a developed and a developing country: Jorge Cajazeira of Suzano Pulp and Paper of Brazil and Staffan Söderberg of WWF Sweden.

Second, the Working Group has been organized according to stakeholder groups rather than national delegations, which is the normal ISO practice. Experts are drawn from six stakeholder groups: industry, government, labour, NGOs, consumers, and other. Each country can nominate six experts (one for each stakeholder group), and international organizations with liaison status with the Working Group can each nominate two experts. The IOE has had liaison status since the start of the process and named **Mr. Adam Greene** of the U.S. Council for International Business and **Mr. Clifford Henry** of the Procter & Gamble Company as its two experts.

The Working Group established six Task Groups (TG's) to carry out the work. TGs 1-3 address organizational issues including participation, communication and procedures, respectively. TGs 4-6 were originally charged with drafting the guidance standard: TG4 covered introduction, scope, SR definition, context, and principles; TG5 covered SR issues; and TG6 covered SR implementation. With the establishment of the Integrated Drafting Task Force (IDTF) at the 5th WG meeting in Vienna, all drafting responsibilities have been assigned to a single group (the IDTF) in order to develop a cohesive, unified text.

Committee Draft 1

The WG meeting in Quebec was organized to review and address the 3,400 comments that were received on CD1 from participating ISO National Standards Bodies (NSB) and liaison organization. Industry organizations with liaison status include the IOE, International Chamber of Commerce (ICC) and the Business and Industry Advisory Committee (BIAC) to the OECD), as well as a number of sector organizations.

The IOE made the following general comments on CD1:

1) Length and readability

The draft standard is too long, too dense, too complicated and too difficult to read. This will make the standard difficult to use, especially for smaller organizations, and reduce the potential use and value of the document. In order to avoid this, efforts should be made to make the document more concise and easier to read.

2) Applicability to all organisations

The scope of ISO 26000 states that the standard is intended to “*(provide) guidance to all types of organizations, regardless of their size or location*”. As currently drafted, the text fails to meet the intent of the scope. The draft is directed primarily at industry organizations, specifically multinational companies, and is particularly unsuitable for small organizations

3) Negative tone

The tone of CD1 is too negative and will discourage the reader rather than encourage organizations to address social responsibility issues. For example, it too often states what organisations should not do rather than what they should do. It also often suggests the possibility or probability of potential negative consequences of organization's activities, both of which will discourage or alienate potential users.

Unfortunately, it was clear from the other comments on CD1, and the discussion in Quebec City, that the other stakeholder groups do not share these concerns. Other

groups seem primarily concerned with getting their particular issues covered in the text and much less concerned with whether the final product will provide clear guidance for organizations. So these IOE comments are not likely to be addressed to any extent in previous drafts.

Additionally, a number of the industry organizations with D liaison status (IPIECA, OGP, IOE, ICC, BIAC, IFAN and NORMAPME) submitted a letter to the Working Group leaders, and copied to ISO Central Secretariat, that restated many of our concerns and expressed our interest in resolving those concerns at the Quebec meeting.

Main Issues Debated in Quebec City:

Prior to the Quebec meeting, the Integrated Drafting Task Force (IDTF) met in Bahrain to analyze all the comments received on CD1 and identify the key problems or differences of opinion that should be addressed in Quebec. The IDTF identified 17 “Quebec Key Topics” and developed draft approaches to dealing with these topics. While some of the key topics were more technical in nature (e.g. ensuring consistent use of terminology), the following seven issues were the most pressing:

- 1) **World Trade Organization (WTO) language:** Because the WTO agreements give preference to “international standards”, it was critical for the scope to clarify that ISO 26000 should not be given this status since it could be used to justify significant trade barriers and put the burden of proof on the complaining country.

Most stakeholder groups supported the inclusion of the WTO language, with the notable exception of governments from the EU area and the Global Compact. China, India and other developing country governments pressed very strongly for the inclusion of the WTO text.

In the end, the following text was adopted: *“This International Standard is intended to provide guidance to organizations concerning social responsibility and may be used as part of public policy activities. However, for purposes of the Marrakesh Agreement Establishing the World Trade Organization (WTO) it is not intended to be interpreted as an “international standard”, “guideline” or “recommendation.”*

- 2) **Disclaimer language:** Since many national standards bodies are already developing national standards on social responsibility that will be for certification, it was a key industry objective to strengthen the disclaimer text in the scope to indicate that ISO 26000 was not to be used for certification.

The disclaimer text was revised to read: *“This International Standard is not a management system standard. It is not intended or appropriate for certification purposes or regulatory or contractual use. Any offers to certify, or claims to be certified, to ISO 26000 would be a misrepresentation of the intent and purpose of the International Standard.”*

- 3) **International Norms of Behaviour:** The issue has been a concern for industry since it was first introduced into the document, mainly because the concept is not clearly defined and most organizations will be unable to implement this guidance in practice. However, since it was clear that there was no support for removing the phrase, industry proposed a series of changes intended to make it more consistent and reasonable. The changes included the following:

Scope:

“The application of this International Standard may take into consideration societal, environmental, legal and organizational diversity, as well as differences in economic conditions, while being consistent with international norms of behavior.”

Note to definition of international norms of behaviour:

“NOTE: Although these expectations derived from customary international law, generally accepted principles of international law, or intergovernmental instruments are directed primarily at states, they express goals and principles to which all organizations can aspire. International norms of behaviour evolve over time.”

Principle of respect for international norms of behaviour:

“Where national law or its implementation significantly contradicts international norms of behaviour, an organization should strive to respect such norms to the greatest extent possible.” “An organization should avoid being complicit in another organization’s activities that fail to be consistent with international norms of behaviour.”

- 4) **Complicity:** This term has also caused considerable concern for industry since its use in ISO 26000 applies to both legal and non-legal activity. As with international norms of behaviour, there was no support for removing the term, so industry sought to improve the explanation of the term as follows:

“Complicity has both legal and non-legal meanings. In the legal context complicity has been defined in some jurisdictions as perpetrating an act or omission having a substantial effect on the commission of an illegal act such as a crime, and having knowledge of contributing to it.

In the non-legal context, complicity derives from broad societal expectations of behaviour. In this context, an organization may be considered complicit when it assists in the commission of wrongful acts of others that are inconsistent with, or disrespectful of, international norms of behaviour that the organization, through exercising due diligence, knew or should have known, would lead to substantial negative impacts on the environment or society. An organization may also be considered complicit where it stays silent about or benefits from such wrongful acts.”

- 5) **Fair Sharing of Costs and Benefits of SR:** This issue, dealing with supply chain management, became contentious when industry comments were successful in deleting the phrase in CD1 although it had been present in earlier drafts. Industry’s main concern was that it was unclear what was meant and that “fair” was a very subjective term. After considerable debate, the WG agreed in Quebec to add the following text:

“An organization should consider the potential impacts or unintended consequences of its procurement and purchasing decisions on other organizations, and take due care to avoid or minimize any negative impacts. It can also stimulate demand for socially responsible products and services. These actions should not be viewed as replacing the role of authorities to implement and enforce laws and regulations.

Each organization in the value chain is responsible for complying with applicable laws and regulations and for its impacts on society and the environment.

Subject to the above, an organization should:

- *integrate ethical, social, environmental and gender equality criteria, including health and safety, in its purchasing, distribution and contracting policies and practices in order to improve consistency with social responsibility objectives.*
- *promote fair and practical treatment of the costs and benefits of implementing socially responsible practices throughout the value chain, including, where possible, enhancing the capacity of organizations in the value chain to meet socially responsible objectives.”*

- 6) **Community Involvement and Development:** Of all the sections of the text, the one on community involvement and development is the least developed and has undergone a number of wholesale revisions. The key problem is that it lacks any clear focus and has been used as a dumping ground for a variety of unrelated topics. Another challenge is that it has attempted to go beyond community issues to include broader issues related to development, which confuses the section and has made it very unworkable. The WG meeting in Quebec devoted a considerable amount of time to this section but it is clear that the other stakeholder groups do not support a significant change in this section. Work is continuing on this section.
- 7) **Annex A on Voluntary Initiatives:** The Annex on voluntary initiatives was created as a compromise between those who wanted to refer to specific voluntary initiatives in the body of the standard and those who did not. The agreed approach was that voluntary initiatives would not be referenced in the text, but listed in the annex with a brief description of the issue.

However, since that agreement was reached, a number of governments, including China and India, have raised significant concerns about the annex since it includes a number of certification programs and other profit-making activities for the organizations involved. These governments are seeking to have the Annex deleted or moved to a web-based format. If that is not possible, they hope to limit the Annex to voluntary initiatives that have been developed by inter-governmental organizations. A special group was formed to continue to discuss this issue after Quebec.

Finally, while it was not identified as a “Quebec Key Topic”, the proposal to **make ISO 26000 free of charge** was another main item for debate in Quebec. The WG had discussed this proposal for a number of years and it had broad support across all of the stakeholder groups, with the only exception being the national standards bodies themselves. In the end, the following Resolution was adopted in Quebec:

Resolution 12

ISO/TMB/WG SR requests ISO Council to make ISO 26000 and all previous drafts available free of charge and asks the ISO/TMB/WG SR Secretariat, in consultation with the CAG, to provide the ISO Council with the reasons for doing so.

A letter to ISO has since been drafted setting out the reasons why ISO 26000 should be made available for free – at least in electronic format – and will be sent to ISO shortly. The final decision will be made by the ISO Council.

Next Meeting Date:

The revised document will be distributed as a Draft International Standard (DIS) for comment by September 1, after which it will be open for comments for 5 months. The comments received on the DIS will be addressed at the next Working Group meeting in Copenhagen, Denmark on May 3-7, 2010, with the final publication scheduled for December 2010.

June 9, 2009