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## **ISO SOCIAL RESPONSIBILITY CONFERENCE Stockholm, Sweden June 21 – 22, 2004**

### **Joint views of the ICC and the IOE on the Recommendations of the ISO Advisory Group on Social Responsibility**

The International Chamber of Commerce (ICC) and the International Organisation of Employers (IOE) – the most representative global business organizations – have prepared the following joint views on the recommendations of the ISO Advisory Group on Social Responsibility, for the information of business representatives and other participants to the ISO International Conference on Social Responsibility, 21-22 June 2004, Stockholm (Sweden).

#### **BUSINESS VIEWS ON SOCIAL RESPONSIBILITY**

First, SR is not an alternative to national laws. Compliance with the law is the minimum acceptable level of performance; SR, in our view, refers to initiatives that go above and beyond legal compliance. Most countries have national laws covering human rights, environmental protection, labor rights, civil freedoms, etc. The problem has been that many of these laws are not adequately implemented and enforced. Business firmly believes that improving the capacity of national governments to implement and enforce their existing laws remains one of most pressing social needs globally.

Second, elements of what we now call SR have been part of business practices for some time. What is new is that companies and other organizations have begun exploring different ways to coordinate these activities internally to improve their efficiency and effectiveness.

Third, SR is complex. The range of issues covered is very broad, including ethics, labor rights, environment, human rights, community development, charity, and many more. The ability of any single tool to adequately address even one of these areas could be debated, never mind all of these together.

Fourth, SR is still evolving. The policies, strategies, management approaches, tools, metrics, and mix of employee skills being used to address SR are in a state of constant change. In almost every critical aspect of SR, nothing is static or settled.

Fifth, at the organizational level, SR challenges and opportunities are unique to each company. Each business looks at SR issues in different ways and engages for different reasons. Each organization must address SR in the context of its own employees, products or services, customers, suppliers, locations and capacities, to name a few. There is no “one-size-fits-all” approach, and this diversity and multiplicity of approaches lies at the heart of the success of SR. Businesses should have the ability and flexibility to voluntarily go above and beyond legal requirements to advance social responsibility in the way it deems most appropriate.

## **SR STANDARDIZATION**

Since SR is complex, still evolving, and highly dependent on the unique circumstances of individual organizations, standardization at this point would not add value and could be counter-productive by stifling the evolution of SR programs, tools and initiatives. Indeed, rather than standardization, efforts to promote and advance SR would be helped much more by maintaining and encouraging the dynamic change and evolution currently under way in this field.

Even if SR was less complex and more stable, the costs and benefits of any standardization would need to be carefully considered before proceeding. The question for business is not what *could* be standardized, since the answer is that anything *could* be standardized? The question is what *should* be standardized, and for that one must identify the problem the standard would solve.

In the case of SR, the "problem" a standard would address remains undefined. Some have pointed to the many different codes and initiatives that have been developed, but recent ILO and World Bank studies have indicated that this does not pose any real problem for their use. The business view on this is that if, there is a problem, it is that there aren't enough SR efforts under way, and that more should be welcomed. Others have pointed to the need for minimum performance requirements regarding SR issues, but these already exist in the laws of most countries. As I stated earlier, the issue here is implementation and enforcement.

### **The AG's recommendations**

The AG's recommendation to the ISO TMB is that ISO should only proceed with the development of ISO deliverables in the field of corporate social responsibility if seven important conditions are met. On the type of deliverable, the AG recommended that an ISO deliverable on this subject should be a guidance document and not a specification document against which conformity can be assessed, and that this guidance document should also meet specific criteria. In addition, the AG made some recommendations on the process through which such a deliverable should be developed.

### **Necessary conditions for ISO to proceed**

The AG recommended that ISO should only proceed if it recognized that any ISO work on social responsibility would be qualitatively different from the subjects and issues that had already been dealt with by ISO. The Advisory Group agreed that ISO should also recognize that it had neither the authority nor the legitimacy to set social obligations or expectations that are properly defined by governments and intergovernmental organizations. ISO should therefore avoid addressing issues that could only be resolved through political processes.

ISO should recognize the difference between on the one hand universal principles such as those adopted by authoritative global intergovernmental organizations (such as the United Nations Universal Declaration on Human Rights, international labour conventions and other instruments adopted by the ILO and relevant UN Conventions), and on the other hand private voluntary initiatives that may or may not reflect the universal principles contained in the above instruments. A formal communication from ISO should recognize the International Labour Organization's unique mandate to define international norms on a broad range of social issues, on a tripartite basis (i.e. between governments, employers and workers). ISO processes should be reviewed and adjusted to ensure a meaningful participation by a fuller range of interested parties.

