The ISO Working Group on Social Responsibility: Developing the future ISO SR 26000 Standard

Briefing paper

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Synopsis

This briefing aims to inform NGOs and other civil society organisations about the ISO Working Group on Social Responsibility. This Working Group is currently developing an international standard that will give guidance to organisations on social responsibility: the ISO 26000 standard. The Working Group initiated its work in 2004 and is expected to deliver the guidance standard in the second half of 2009. The authors of this briefing argue that it is still worthwhile for NGOs and other civil society organisations to start participating in the development of the standard. At this stage of the process, there are many possibilities to influence the drafting of the standard significantly.

Introduction to the process

ISO 26000 is the designation of the future International Standard giving guidance on Social Responsibility (SR). It is intended for use by organisations of all types, in both public and private sectors, in developed and developing countries. The standard is also intended to apply to non-governmental organisations (NGOs) and trade unions. It will assist organisations in their efforts to operate in the socially responsible manner that society increasingly demands and will stress better performance on SR. ISO 26000 contains guidelines, not requirements, and therefore will not be for use as a certification standard like ISO 9001:2000 and ISO 14001:2004. It will not describe a (formal) management system, although it will provide issue-specific guidance as well as guidance on how to address these issues in an organisational context.

The guidance in ISO 26000 will draw on best practice developed by existing public and private sector SR initiatives, though the main body of the text will be about generic and normative guidance. It will be consistent with and complement relevant declarations and conventions by the United Nations and its constituents, notably the International Labour Organisation (ILO), with whom ISO has established a memorandum of understanding to ensure consistency with ILO labour standards. ISO has also signed a memorandum of understanding with the UN Global Compact, which requires ISO 26000 to "be consistent with and complement the […] ten principles of the UN Global Compact".

The need for ISO to work on an SR standard was first identified in 2001 by ISO's Committee on Consumer Policy (ISO/COPOLCO). In 2003, the multi-stakeholder ISO Ad Hoc Group on Social Responsibility (SR), which had been set up by ISO's Technical Management Board (TMB), completed an extensive overview of SR initiatives and issues worldwide. In 2004, ISO held an international, multi-stakeholder conference on whether or not it should launch SR work. The positive recommendation of this conference led to the establishment in late 2004 of the ISO Working Group on Social Responsibility (WG SR) to develop the future ISO 26000 standard.

Structure of the multistakeholder Working Group

The Working Group on SR is composed of experts and observers nominated by members of ISO, i.e. National Standards Bodies (NSBs).[1] These experts and observers are from six different stakeholder categories: (1) industry, (2) government, (3) labour, (4) consumers, (5) nongovernmental organisations and (6) service, support, research and others (SSRO). Each NSB can nominate a maximum of six experts, and not more than two experts belonging to the same stakeholder category. Besides these experts, observers can be present in national delegations at meetings. The main

Graph 1   Stakeholder (im)balance in the ISO Working Group on SR

Government 19%

Consumer organisations 11%

Industry 25%

Labour 7%

SSRO 21%

NGOs 17%
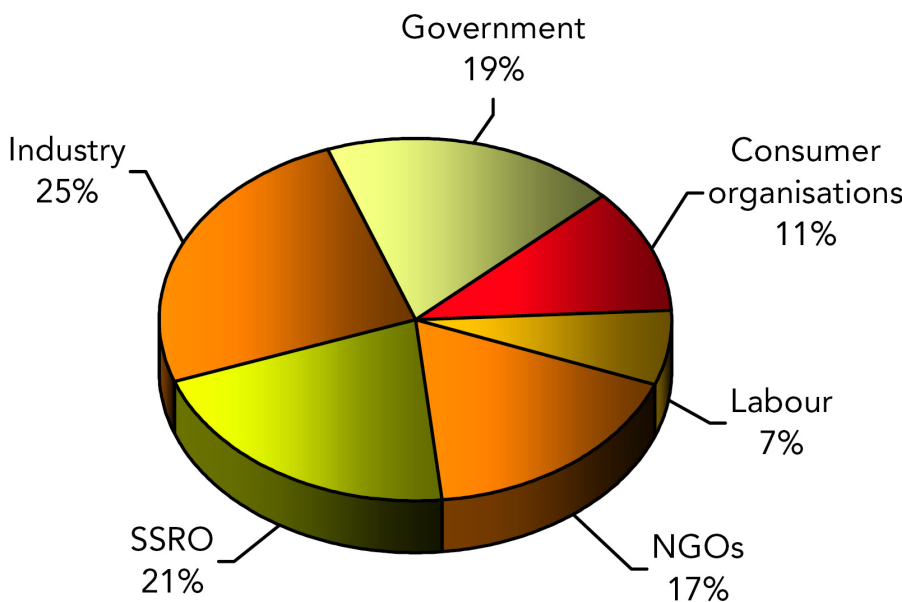
difference between experts and observers in the process is that experts are allowed to speak in task groups and plenary Working Group meetings, while observers are only allowed to observe.

The Working Group strives to achieve a balance with regard to the participation of experts from developed and developing countries. The membership in the Working Group is made up of experts and observers from so-called mirror committees. These mirror committees have to be set up by the National Standardisation Bodies. Experts from each and every stakeholder group are expected to be included in the national mirror committees. In addition, so-called liaison organisations are involved in the process. Liaison organisations can nominate up to two experts.[2] The national mirror committees, however, can be much larger. The national mirror committee in Chile, for example, is composed of no less than 50 organisations.

In January 2007, there were 355 nominated experts and 77 nominated observers in the Working Group. More than 72 countries are represented in the process through National Standardisation Bodies. The distribution of experts by stakeholder group is shown in graph 1.

Graph 1 shows that the stakeholder groups of labour, consumers and NGOs are somewhat underrepresented in the process. Since the beginning of the process, it has proven to be difficult to engage labour organisations. In the plenary meetings, however, labour has raised its voice more than many other stakeholder groups, mainly through the representative of the International Trade Union

Confederation (ITUC, formerly known as ICFTU). Trade unions organisations can also rely on the memorandum of understanding with the ILO.

Many organisations and governments have taken an interest in the development of the ISO guidance on Social Responsibility. Graph 2 demonstrates how stakeholder participation in the Working Group has increased in the last two years.

ISO's approach to encourage meaningful participation of representatives from developing countries is noteworthy. To ensure a power balance between developed and developing countries, ISO applies the concept of twinning, which means that all leadership positions are shared between a representative from a developed country and a representative from a developing country. This policy, among others, has contributed to a significant increase in the number of experts from developing countries. Before every global meeting, the ISO Working Group organises a separate two-day or one-day session for stakeholders from developing countries. Furthermore, the Working Group has held several regional workshops in developing areas to enhance understanding of the ISO SR process, encourage the involvement of stakeholders from developing countries and to identify their specific needs.

At present, experts from developing countries have an important role in the process and outnumber the experts from developed countries.[3] More than often, however, the voices of developing countries representatives are not heard sufficiently in plenary meetings due to difficulties

Graph 2   Stakeholder participation in the Working Group
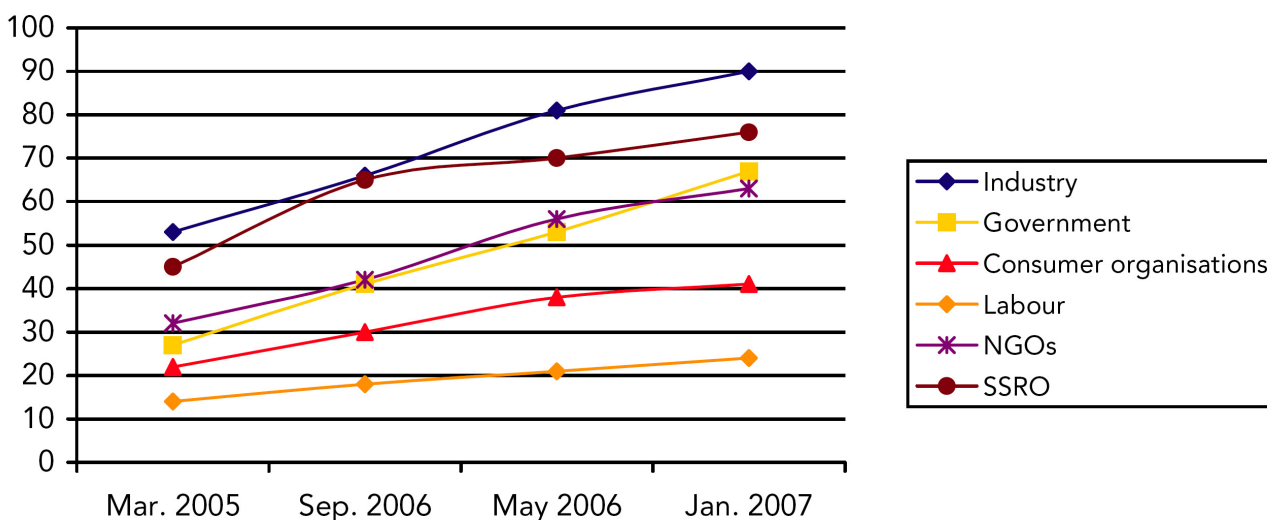
with the English language. This is probably one of the main flaws in the process: no translation to other languages is provided. Therefore, experts from the Anglosphere, former British colonies and Scandinavia are far better equipped to express their ideas in English than experts from other parts of the world. Many participants, whose first language is not English, find considerable difficulty in the speed with which proceedings are conducted. In addition, some experts in leadership roles have difficulty in making themselves understood.[4]

Content of the standard

The "design specification" of the ISO 26000 standard includes the following chapters:

0. Introduction
1. Scope
2. Normative references
3. Terms and definitions
4. The SR context in which all organisations operate
5. SR principles relevant to all organisations
6. Guidance on core SR issues
7. Guidance for organisations on implementing SR
8. Guidance annexes

The Working Group has had long discussions on whether there should be a separate chapter on stakeholder engagement. It has been decided that stakeholder engagement will be a cross-cutting issue in every chapter. Several stakeholder groups, including NGOs, have put a strong emphasis on this.

Until now, two working drafts have been developed. The second working draft was discussed during the fourth plenary meeting of the ISO Working Group held in Sydney, Australia, from January 29 until February 2, 2007. Most experts agreed that the chapter on issues (chapter 6) needed significant improvements, though also the other chapters are far from ready. Therefore, the Working Group decided to create four drafting teams to develop content for the following "SR core issues":

→ Organisational governance
→ Environment
→ Human rights (with (1) civil & political rights, (2) economic, cultural and social rights and (3) fundamental rights at work as the three subheadings)
→ Labour practices
→ Fair operating practices (the equivalent of fair economic or business practices)
→ Consumer issues
→ Community involvement / society development

The chapter on scope has been developed sufficiently to clarify what elements of CSR and corporate accountability will be included in the standard:

"This International Standard provides guidance to all types of organisations, 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 organisations 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 organisational governance frameworks. 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."

It is expected that there will be still a lot of discussion about the exact wording of the chapter on scope. Many experts feel that the standard should contain useful guidance on how to implement social responsibility, which would imply applying terminology used in management systems.

The provisional definition of social responsibility is also very interesting and will be the subject of many discussions:

"Social responsibility is the responsibility of an organisation 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 organisation.
Note: activities include products and services."

The wording "impacts of its […] activities on society and environment" implies the inclusion of the concepts of sphere of influence and supply chain responsibility. Many experts, however, believe that more attention should be given to the task group that is developing the definition of principles, for example to ensure that the notions of sphere of influence and supply chain responsibility are included more explicitly in the definition of SR. They can already be found in other parts of the working draft.

In the Sydney meeting, most NGO experts seemed to make an effort to participate in the task group responsible for the development of the chapter on SR issues, to the detriment of the work in the task group on SR principles. In this context the difference between issues and principles, not always clear to non-native English speakers, is that the former concept refers to significant problems or obstacles an organisation needs to address or overcome in the field of social responsibility, while the latter refers to the overarching ideas that will define what social responsibility is. In the ISO Working Group it has often proven to be difficult to make a clear distinction between these two concepts. The following SR principles are to be included in the standard, but still need to be described:

→ Respect for internationally recognised instruments
→ Compliance with the law
→ Recognition of stakeholders' rights
→ Accountability
→ Transparency
→ Sustainable development
→ Ethical conduct/behaviour
→ Precautionary approach
→ Primacy of respect for fundamental human rights
→ Respect for diversity

Experts from civil society organisations and from other stakeholder categories have voiced concerns about the contents of the chapter on implementing social responsibility (chapter 7). In the early stages of the process, ISO made several statements indicating that ISO 26000 could not be a management system. However, for the standard to be a useful instrument, providing step-by-step guidance to organisations on how to implement social responsibility is indispensable. In order to give systematic guidance to organisations on the integration of social responsibility in their operations, language typical to management system standards may need to be used in the chapter on implementation. Some industry experts have strongly opposed this and have endeavoured to assure that no management system concepts be used in any way in the SR standard. The debate on whether to include management system language or not is far from settled.

Memoranda of understanding with international organisations

In order to avoid inconsistencies with and duplication of other voluntary standards and international regulation in the field of social responsibility, the ISO Working Group has signed memoranda of understanding with two organisations.

☐ **International Labour Organisation (ILO)**
The memorandum of understanding between the ISO and the ILO defines cooperation between the organisations to help ensure that ISO 26000 is consistent with and complements ILO international labour standards.

☐ **UN Global Compact**
The ISO and the UN Global Compact will work together to maintain consistency between ISO 26000 and UN Global Compact's 10 principles in the areas of human rights, labour, the environment and anti-corruption. The memorandum of understanding does not give the UN Global Compact any rights additional to those enjoyed by the other liaison organisations taking part in the development of ISO 26000.

For NGOs and labour union organisations, the former memorandum of understanding is probably of much more significance than the latter. Whereas in the past few years many civil society organisations have questioned the value added of the Global Compact, most of these organisations do see the relevance of the ILO conventions with regard to social responsibility. The ILO seems to take the ISO SR process very seriously and participates in all drafting teams. It is very likely that ILO's decent work agenda will be included under the issues of human rights and labour practises in chapter 6.

Other organisations in the field of CSR, such as the Global Reporting Initiative (GRI) and Social Accountability International, have not signed memoranda of understanding with ISO, but have participated actively as liaison organisations in the process.[5] Amnesty UK is the only human rights NGO that is (well) represented in the process. Amnesty UK is participating actively in the drafting of the standard. Many other NGOs are representing environmental interests or a broader scope of interests.

Evaluation of the process and the way forward

The ISO Working Group on Social Responsibility is arguably the only international initiative focused on the implementation of existing norms, rather than creation of additional ones. Moreover, ISO standards are the most widely respec-ted and used non-governmental standards. There are more than 750,000 sites certified to ISO 9000 worldwide, and a further 110,000 certified to ISO 14001.[6] But that is just certifications – estimates suggest that up to ten times as many sites are using these standards as guidance documents. ISO 26000 will not be for certification – but literally hundreds of thousands of organisations will hear about it and trust it.[7]

The ISO Working Group has embarked upon a consensus-based process in which nothing can be done unless all countries and stakeholders are happy with it.[8] This method is very participatory, but could also paralyse the process: the Working Group can only advance provided there is no sustained opposition from any expert. In practice, however, compromises are sought and reached in smaller or larger groups. During the fourth plenary meeting in Sydney there was a collective attempt from industry experts to delay the process by restating concerns regarding matters that had already been dealt with in previous meetings. Fortunately the leadership of the Working Group was very efficient in addressing these concerns, which allowed the experts to start drafting the content of the standard.

Many civil society organisations are sceptical of the possible value added of the future ISO standard on social responsibility. Their scepticism is mainly based on the following assumptions:

1. The concept of Corporate Social Responsibility (CSR) has been 'diluted' by making the standard about social responsibility, and by making it applicable to all organisations. It is important to address the negative impacts of corporate activities, not the activities of churches, NGOs, universities etc. Therefore, the ISO Working Group is not addressing the real problem.

2. The ISO standard will be a voluntary standard and will not even be certifiable. Civil society organisations should endeavour to achieve a binding international regulatory framework instead of a voluntary guidance document. One of the many reasons industry and governments have for engaging in this process is that they have little appetite to create a regulatory framework for CSR.

The NGOs, labour organisations and consumer organisations engaged in the ISO process probably agree with these assumptions to some extent (although even within the NGO stakeholder group there was a lukewarm response to an effort to limit the scope of the ISO Guidance to companies, while others did clearly want to extend it to all organisations). Some of the participating organisations still have doubts about the usefulness of the future ISO 26000 standard, particularly in view of the unpredictable outcome of the process.

But there are a number of valid reasons why NGOs welcome or might welcome the development of an ISO standard on Social Responsibility:

1. It is the only multi-stakeholder process on (C)SR in the world with such a strong input from developing countries, including from NGOs in these countries. Many of these NGOs do welcome the fact that the guidance standard is intended for all organisations, because there are non-profit organisations that are powerful and lack transparency.

2. The participatory process has given many NGOs from developing countries the chance to start a dialogue with industry, the government and other stakeholders in their countries. Before the start of the ISO process, this dialogue was virtually nonexistent.

3. The contents and concepts discussed in the Working Group are state-of-the-art. The debate has shifted from "charity" and "philanthropy" to "core responsibilities" in many countries. The Working Group now needs all efforts from NGOs and like-minded experts (including from consumers, unions and progressive representatives from the industry and governments) to bring about a consistent document with concepts and guidance that will make "our" definition of CSR mainstream.

4. The ISO Guidance can be a major factor in giving profile and meaning to social responsibility issues for large laggard companies and small and medium sized enterprises (SMEs). An opinion poll among participating experts showed that use and implementation of this guidance is expected from multinationals (88 percent), major national companies (77 percent), SMEs (45 percent) and – surprisingly - public organisations (45 percent). Thirty percent of the experts expect that NGOs will apply the ISO 26000.[9] The ISO guidance could therefore be a useful instrument to increase the performance of all those organisations that currently do not have any process in place for implementing and assessing issues and impacts regarding social responsibility.

5. It can be questioned whether this process will hinder possible forms of regulation or whether it will foster the creation of a regulatory framework in the medium and long term. Considering the fact that relevant international norms and regulations will be incorporated and reinforced in the ISO guidance on social responsibility, in combination with the enormous credibility and awareness raising capacity of ISO, it could very well be that the future standard will help organisations in developed, but even more in developing countries to pressurise for government regulation on social responsibility.

Our assessment at present is that it is worthwhile for NGOs to participate in the ISO Working Group on Social Responsibility. We would in fact call upon international NGOs to engage in the ISO SR 26000 process. At this stage, there are still many possibilities to influence the drafting of the standard significantly. If the outcome of the process is not satisfactory, NGOs may refrain from supporting it by, for example, stating formally that this is not the document that defines (C)SR adequately.

The next milestone is the fifth plenary Working Group meeting in November 2007 in Vienna, Austria. If NGOs want to engage in process, the time is now. After the Vienna meeting, it will be difficult to influence the drafting of the text and to challenge certain positions in the Working Group. The process is expected to end in the last semester of 2009. After the next draft (working draft 3) National Standard Bodies will have formal voting power to approve or reject the content of the following drafts. However, ISO will seek "full and formal backing" from liaison organisations. This means that liaison organisations will continue to exert significant influence throughout the process. Network organisations can still apply for a liaison position in the ISO Working Group. Another option for civil society organisations to influence the process is to become an active member in a national mirror committee. Many National Standards Bodies are still setting up mirror committees, so it is certainly not too late to engage.

The ISO Working Group should be seen as part of a growing number of global action networks that are using multi-stakeholder processes to build new international institutions or instruments. How effectively they reflect and amplify existing norms and commitments – and extend them to more issues and stakeholders – is not written in stone: it depends on how they are shaped. NGOs have played a key role in getting development, social and environmental issues on the table. Now is the time to get them into the boardrooms and transform them into solid organisational policies.

Further information

The ISO 26000 process is very transparent, but one has to read a lot to make sense of all the documents produced by the Working Group. All information related to the process can be found on two ISO websites: *www.iso.org/sr* for general, public information, newsletters etc., and *www.iso.org/wgsr* for all working documents, resolutions, reports etc.

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    Red Puentes is a network of 52 civil society organisations from eight countries in Latin America and Europe. Its mission is to foster a culture and practices of social responsibility in business in Latin American countries from the perspective, vision, rights, and needs of those societies. Red Puentes participates in the ISO Working Group on Social Responsibility as a D-liaison organisation. For more information, please visit: *www.redpuentes.org.*

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Endnotes

1. Only one NSB for each country is accepted for membership of ISO.

2. Liaison organisations are organisations with an international dimension, for example the OECD, WHO, ILO and IOE (International Organisation of Employers), but also organisations such as Transparency International and Social Accountability International.

3. In February 2006, there were 159 experts from developing countries and 141 experts from developed countries registered as members of the Working Group (the registered experts from liaison organisations are not included).

4. P. Houghton, "New SR Standard", IRCA e-zine, issue 11 (2006).

5. ISO's memorandum of understanding with the UN Global Compact has provided GRI with a strong indirect link to ISO, considering the fact that GRI and the UN Global Compact have been working closely together in the past few years. In 2003, an agreement between the two organisations articulated the linkage between the Global Compact's human rights, labour, and environmental principles and GRI's global standard for sustainability reporting. Moreover, in 2006, GRI and the UN Global Compact jointly developed a guide that provides advice and support for linking sustainability reporting under the GRI Guidelines with the preparation of a UN Global Compact Communication on Progress (COP).

6. D. Hortensius, Dutch Normalisation Institute (NEN), e-mail 15 February 2007.

7. P. Hohnen & T. Rotherham, "The ISO and social responsibility: breakdown or breakthrough in Bangkok", Ethical Corporation (September 2005).

8. Consensus: general agreement, characterised by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments. Consensus need not imply unanimity.

9. M. Schmiedeknecht & J. Wieland, ISO 26000 as a stakeholder dialogue: an empirical study, working paper Nr. 24, 2006 (Konstanz: Konstanz Institut für WerteManagement, 2006), p. 13.

10. The authors would like to acknowledge the input of Louise Bergenhenegouwen, Giuliana Ortega Bruno, Gemma Crijns, Adrian Henriques, Paul Hohnen, Dick Hortensius, Hans Kröder and Carolyn Schmidt.

www.mvo-platform.nl