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Guidance on Social Responsibility

Lignes directrices pour la responsabilité sociétale —

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

ISO 26000 was prepared by the ISO Technical Management Board Working Group on Social Responsibility. The Draft International Standard adopted by the Working Group will be circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

The main task of technical committees is to prepare International Standards.

NOTE to ISO: The last two paragraphs, required for inclusion in an ISO Standard, are irrelevant to ISO 26000. Do they still have to be included?

Notes to Reviewers:

Notes from the Task Group leadership or the Editing Committee that do not form part of the text are shown in italics.

Sentences or phrases that are not yet agreed within the relevant Task Group are enclosed within square brackets like the following: [bracketed text].

1 Introduction

This standard provides guidance to all types of organizations on issues relating to social responsibility. The standard is intended to ensure that organizations take responsibility for the impact of their activities on society and the environment. It provides guidance to organizations on conducting activities in a manner that is consistent with the interests of society and sustainable development and is based on ethical behaviour and compliance with applicable law and intergovernmental instruments. Geographical, cultural and social differences are respected in so far as they do not erode agreed international standards.

The standard addresses social responsibility issues related to the environment, human rights, labour practices, organizational governance, fair business practices, community involvement and social development, and consumer issues.

The standard has the following clauses and two annexes:

1 Scope – defining the coverage of the standard.

2 Normative references – providing a list of documents, if any, that must be read in conjunction with the standard

3 Terms and definitions – defining key terms – including social responsibility itself – that are used in this standard

4 Social responsibility context – describing the context in which the social responsibility of organizations has developed and the concept of social responsibility

5 Social responsibility principles – describing the principles that apply to social responsibility and identifying the criteria for their selection

6 Core subjects and issues – identifying and examining the implications for social responsibility of: the environment, human rights, labour practices, organizational governance, fair business practices, community involvement and social development and consumer issues

7 Guidance for implementing social responsibility – providing practical guidance on implementing and integrating social responsibility in an organization

Annex A – Information on social responsibility agreements and institutions

Annex B – Useful references for implementation of social responsibility

Bibliography

This standard addresses the social responsibility of all types of organizations, and does not focus exclusively on corporate social responsibility (CSR). This approach has been adopted recognizing the need for organizations of all types to adopt social responsibility practices that reflect the social interests of society and ensure sustainable development.

Organizations are encouraged to use this standard, engage with stakeholders and comply with applicable national laws and internationally recognized conventions stipulated by the United Nations (UN), the International Labour Organization (ILO) and other authoritative institutions.

This standard is not intended to create non-tariff barriers to trade, nor does it reinterpret an organization's legal obligations. Likewise, the standard provides core guidance and is not intended to be an exhaustive description of all activities related to social responsibility. Users of this standard are encouraged to promote its appropriate use.

- 1 Recognizing the importance of ensuring balanced participation, this standard has been developed on
2 the basis of input from six different stakeholder groups: Consumers; Government; Industry; Labour;
3 Non-governmental Organizations (NGOs); and Service, Support, Research and Others. In addition,
4 specific provision was made for ensuring the appropriate participation of developing countries. This
5 included the requirement of “twinning” between a developed and developing country in the leadership of
6 the ISO working group and its various task groups.
- 7 Reference to any standard, code or other initiative in this ISO Standard does not imply endorsement or
8 special status by ISO of that standard, code or initiative.
- 9

Social Responsibility

1 Scope

This International Standard provides guidance to organizations on:

- principles, practices and issues relating to social responsibility;
- integrating and implementing social responsibility throughout an organization and its sphere of influence, including its supply chain;
- identifying and engaging with stakeholders;
- communicating commitments and performance relating to social responsibility; and
- the contribution of an organization to sustainable development.

It promotes common understanding in the field of social responsibility by defining terms relating to social responsibility. It clarifies the relationship between social responsibility principles and organizational governance frameworks.

It provides guidance that is applicable to all types of organizations. Its application may be tailored to suit, for instance, the size and location of an organization, the sector in which it operates and the scope and nature of its operations, but all main issues should be addressed.

This standard takes account of societal, environmental and legal diversity, as well as differences in economic development conditions, except where these are in conflict with broadly accepted international norms of socially responsible behaviour.

This standard is not a management system standard and is not suitable for conformity assessment or certification purposes. Adoption of this standard does not imply governmental endorsement or ratification of any of the conventions, agreements, standards or tools mentioned.

2 Normative references

This section is for a list of documents, if any, which must be read in conjunction with the guidance standard.

(Not currently assigned to a Task Group; to be developed later.)

3 Terms and definitions

The following terms and definitions apply to this standard.

3.1 accountability

principle that individuals, organizations and the community are responsible for their actions and may be required to explain them to others

[ISO 15489-1-Information and documentation – Records management – Part 1: General (ISO 15489-1:2001)]

3.2**consumer**

someone who uses or buys goods or services

3.3**governance**

the rules and practices used in decision-making and the process by which decisions are implemented

3.4**integrity**

adherence to moral principles; honesty

[Collins English Dictionary, Third Edition, 1995]

3.5**organization**

group of people and facilities with an arrangement of responsibilities, authorities and relationships

EXAMPLE Company, corporation, firm, enterprise, governmental or non-governmental organization, charity, sole trader, association, or parts or combinations thereof

NOTE 1 The arrangement is generally orderly.

NOTE 2 An organization can be public or private, for gain or not for gain.

NOTE 3 Draws from ISO 14001:2004, Environmental management systems - Specification with guidance for use; ISO/DIS 22005:2005, Traceability in the feed and food chain -- General principles and basic requirements for system design and implementation; and ISO 9000:2005, Quality management systems -- Fundamentals and vocabulary.

3.6**philanthropy**

practice of performing charitable or benevolent actions

[Collins English Dictionary, Third Edition updated and reprinted 1995]

3.7**product**

result of a process

[NOTE Excerpted from ISO 9000:2005]

3.8**rationale**

an explanation of the fundamental reasons

3.9**social responsibility**

actions of an organization to take responsibility for the impacts of its activities on society and the environment, where these actions:

- are consistent with the interests of society and sustainable development;
- are based on ethical behaviour, compliance with applicable law and intergovernmental instruments; and
- are integrated into the ongoing activities of an organization.

3.10**social responsibility framework**

means by which an organization can structure the integration and implementation of social responsibility throughout an organization and its sphere of influence

3.11**social responsibility issues**

specific items that can be acted upon to seek favourable outcomes for the organization and/or its stakeholders

[ref: TG5 Lisbon]

3.12**social responsibility principle**

general law or rule adopted or professed as a basis for conduct or practice that should animate or inform an organization's decision-making and conduct

3.13**sphere of influence**

extent to which an organization has an effect both inside and outside the organization

NOTE This extent is determined by an organization in consultation with key stakeholders.

3.14**stakeholder**

individual or group of individuals affected by, or who can affect, the organization

[NOTE Based on ISO 9000:2005]

3.15**stakeholder engagement**

mutual and willing cooperative relationship between an organization and its stakeholders to accomplish mutually acceptable outcomes

3.16**sustainability**

the capacity of economic, social, institutional and environmental aspects of human activity, and the non-human environment, to continue into the long-term

3.17**sustainable development**

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

[Brundtland Commission, Our Common Future, 1987]

3.18**transparency**

the quality or condition of being open and frank about one's actions, and communicating this in a clear and unambiguous manner

NOTE: Some additional terms are proposed for inclusion in the Terms and Definitions. These will be added in the future after discussion within Task Groups. These terms are:

- aspects;
- continual improvement;
- corrective/preventive action;
- impacts;
- objectives;
- performance;
- process;
- supply chain; and

- targets.

Other terms may be added if Task Groups identify a need for their inclusion.

4 The social responsibility context in which organizations operate

4.1 Social responsibility context

This subclause describes the context in which the social responsibility of organizations has developed, and is still developing. The first two subclauses set out two over-arching structural factors that have affected its development. The remaining subclauses deal with some particularly influential issues, but cannot claim to deal exhaustively with the multitude of considerations that have shaped, and continue to shape, the concept of social responsibility .

4.1.1 Global governance

Since at least the middle of the twentieth century, the dominant model of global governance has been that of autonomous nation states freely cooperating through the institutions of the United Nations and governing the private and voluntary sectors within their national jurisdiction. The history of social responsibility may be understood in part as resulting from the expectations that naturally arise from that model; its future may be determined by how the public, private and voluntary sectors respond to the forces challenging this state of affairs.

Under this model, the legitimacy and responsibilities of organizations within each sector of society are typically seen as follows:

- The legitimacy of the public sector derives from popular consent and democratic accountability; its responsibilities include policy development, regulation and the delivery of services.
- The legitimacy of the private sector derives from the delivery of goods and services, including the creation of wealth; its responsibilities are primarily to obey the law and pay taxes determined by the public sector. In addition, philanthropic activity by companies, a long tradition in both developed and developing countries, is often respected.
- The legitimacy of the voluntary sector derives from the declared social missions of organizations such as charities; their responsibilities centre on the faithful administration of donated funds in accordance with their missions.

4.1.2 Globalization

Globalization, considered as the extending geographical reach of economic activities and forces, is one of the trends that challenge the dominant model of global governance. In this sense, globalization includes the extension of the markets for goods or services from a home country to the entire world, the expansion of supply chains to encompass in principle any location, greatly increased movement of labour and the growth of foreign direct investment. It is now quite common, for example, for goods sold in developed economies to have been produced in the developing world.

Overall, globalization has resulted in an increase in the power and influence of the private sector and a relative weakening of the role of the public sector. One example of this is that the scale of impact of companies has become much greater, and with this the concern and expectation as to their appropriate level of responsibility has grown. The 1990s, especially the latter half, witnessed unprecedented levels of foreign direct investment by the private sector, as well as an increase in the number of very large trans-national mergers and acquisitions.

The pressure to internationalize operations is resulting in greater pressure on organizations to adopt the same social and environmental standards for all their operations, including at least some minimum guarantees for their workers, as a means of ensuring access to developed country markets. Globalization has also brought cultural differences to the fore: the ideas and values of global consumer brands, for example, are extending into societies that may have quite different cultures. The concept of

social responsibility has emerged to respond constructively and more systematically to these challenges.

4.1.3 The stakeholder perspective

For much of the twentieth century, the appropriate responsibility for the wider impacts of business has been of social concern. Recently, the concept of a stakeholder having a central role has been recognized. In this perspective, each organization will have a different set of stakeholders: for companies, stakeholders will typically include consumers, suppliers, shareholders and staff, among a wide range of others; for governments, they may include employer organizations, trade unions and NGOs. A stakeholder perspective is perhaps most useful in understanding the impacts of organizations on stakeholders, such as those living near a manufacturing plant. It is also used to address stakeholders who affect an organization.

Many groups and institutions outside of government have been active in identifying and campaigning on social issues, including the scientific community, trade unions and research bodies. Two groups have perhaps been particularly influential on the development of the stakeholder orientation of the social responsibility of organizations in recent years: NGOs and shareholders.

The term NGO has been used in a variety of ways, but it is now usually used to mean voluntary sector civil society organizations. Through working on issues of societal concern, such as poverty, social deprivation and environmental issues, NGOs have become significant advocacy forces. As such, they have worked to influence not only the public sector, but increasingly also those companies relevant to their mission. In this respect, NGOs have become increasingly effective both by increasing their scale of operations and advocacy internationally and by making use of new communications technology to coordinate their activities and campaigns with other NGOs worldwide. NGOs, as organizations, also have stakeholders and organizational impacts in their own right.

A stakeholder analysis will recognize that shareholders are always among the most important stakeholders for corporations. In recent years, however, their role has been changing in two respects: firstly, for the majority of shareholders the importance of organizational governance (see below) has become a growing issue; secondly, the volume of socially responsible investment (SRI), which may be defined as investing for social as well as financial objectives, has grown rapidly in recent years.

Example – The rise of socially responsible investment (SRI)

The volume of socially responsible investment (SRI), which may be defined as investing for social as well as financial objectives, has grown rapidly. In Australia alone, for example, from 2001-2006, SRI-managed portfolios grew over 3600% to AUD12 billion. In the USA, over the ten years from 1995 to 2005, the volume of SRI funds grew nearly 360% to over USD2290 billion. This has brought additional pressure on some organizations to review their responsibilities.

4.1.4 Labour issues, outsourcing and the supply chain

One of the most significant social impacts of organizations, particularly business organizations, involves employment and the world of work. An established role of government on this issue is to ensure positive impacts of organizational activities by providing labour protection and social protection. Labour protection includes laws and regulations that govern work including wages, working time, and health and safety. Social regulation can mean, among other things, medical care, income replacement in the event of injury or retirement provision. Both labour protection and social protection often involve the recognition of an employer/employee relationship.

It is also the role of governments to provide a framework within which industrial relations – namely, the relations between management and employees represented collectively – can occur. Industrial relations and collective bargaining are the most effective private means to help ensure the positive social impact of employment. Because secure employment with adequate income is a major societal interest, governments are expected to provide labour and social protection and to protect the right of workers to form or join trade unions.

As it was recognized that the role of governments with respect to labour and social protection is essential to social justice and world peace, the International Labour Organization (ILO) was formed to set international labour standards that all governments would be asked to accept as binding. For a variety of reasons, governments do not fulfil their responsibilities in applying these standards. Globalization and various forms of business organization have made it easier for employers to avoid what would otherwise be their obligations to those people who perform work on their behalf.

In recent years, negative publicity concerning the exploitation of workers has resulted in many companies assuming some responsibility for the labour practices of their suppliers and sub-contractors, through their supply chains, where the government fails to do the job adequately. In this regard, some companies have adopted codes of labour practices that they apply throughout their supply chains. Often the purpose of these codes is to show that it is possible to do business ethically in countries where the government does not adequately protect human rights.

Example – The growth of voluntary supply chain codes

Many voluntary codes of practice have been developed, often involving different stakeholder groups, with the aim of improving labour practices in developed and developing countries. These include, but are not limited to, codes of practice such as the ICFTU/ITS Basic Code of Labour Practice, the SA8000 standard, and the Base Code of the Ethical Trading Initiative.

4.1.5 Health

Poverty is a major risk factor for ill health. The production processes used in manufacturing may also contribute to poor health. Although companies in developed countries may move to safer production processes, those in the developing world may not always be able to do so. For example, according to the ILO, asbestos-related disease, the leading cause of work-related death worldwide, is rising in the developing world, while declining elsewhere.

As new technological and industrial methods of production and modern lifestyles have developed, new health conditions have emerged. One example of this is obesity. While in one sense, obesity may be the result of individual choices, it must also be acknowledged that it results from the lack of exercise inherent in modern life, together with the abundant availability of high-sugar, high-fat foods. The responsibilities of individuals, companies and the public sector are currently a matter of active debate.

Other diseases, while they may not result from industrial practices, are so severe in their impact, that all sectors of society are called upon to address them. Diseases such as tuberculosis, HIV/AIDS and malaria have a disproportionate impact on the developing world. One reason for this is that the available treatments may be too expensive; this is a matter principally for pharmaceutical companies and the public sector to address. In addition, it is now increasingly seen as the responsibility of all organizations to ensure that they have effective HIV policies in place for the support of their employees. The obvious advantages of such an approach include a healthier and more able workforce.

The health dimensions of consumer products have also come under increasing public scrutiny. Tobacco is an example of a product that, even when used as intended, is proven to harm the health of its consumers and those around them.

4.1.6 Sustainable development

The concept of sustainable development is usually taken to encompass the need for finding an acceptable balance between the priorities of economic development, social progress and environmental protection. There is a significant history of international agreement on the need for sustainable development. The 1972 UN Conference on the Human Environment produced a declaration publicly acknowledging the adverse impact of humans on the natural world. The 1987 publication, "Our Common Future," the World Commission on Environment and Development Report (the Brundtland Report) built on this and defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Sustainability can be defined as the ability of human activity to continue to rely on global environmental systems indefinitely.

For many people, particularly in developing countries, basic needs – such as food, clothing, shelter and jobs – are not being met. Beyond their basic needs, these people have legitimate aspirations for an improved quality of life. In some areas environmental issues are seriously undermining the ability to achieve social and economic goals, and in certain instances are threatening human survival itself. Concern for the state of the environment – as an issue that affects current and future human prosperity – has thus been at the heart of the sustainable development debate. The origins of many major environmental problems lie in the industrial activities of the developed world, and the process of development can itself produce environmental problems; these can constrain the achievement of longer-term development objectives in the developing world.

International agreement on the importance of sustainable development has been reaffirmed through the 1992 UN Conference on Environment and Development, which in the Rio Declaration set out an agenda for the public sector in the 21st century (Agenda 21) to pursue sustainable development. In 2000, the UN General Assembly adopted the Millennium Development Goals, covering economic, social and environmental performance. This was followed in 2002 by the World Summit for Sustainable Development (WSSD), which, among other things, proposed that the public and private sectors should work in partnership in the pursuit of sustainability. The sustainable development approach has come to acknowledge that all organizations from the public, private and voluntary sectors should address the problems of sustainability.

There has also been concern for the environment in its own right, independent of its implications for human development. For some, the centre of concern is the adverse impact on the enjoyment of the natural environment; for others, the natural world has a value in itself. From either perspective, it is important to address the source of these impacts, which stem in part from the public sector, but in particular from private-sector manufacturing and other operations.

4.1.7 Climate change

Climate change is one, very major, environmental issue. According to the Intergovernmental Panel on Climate Change (IPCC), which operates under the auspices of the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP), the predicted rise in global average temperatures is likely to have severe consequences for all human societies as well as for the natural environment. The scale of these impacts – from rising sea-levels, coastal destruction, displaced populations and crop failures, to encroaching desertification – makes climate change probably the single most important issue likely to face humanity over the next century.

Greenhouse gases, and particularly carbon dioxide resulting from burning fossil fuels, are centrally implicated in the complex processes leading to the rise in temperatures. Energy-intensive industrial activity and high-intensity consumption are important issues for all organizations to address.

While the energy producing sector clearly has a particular responsibility to work actively towards the practical availability of alternative sources of energy, all organizations have a responsibility to minimize their carbon dependence. Using less energy will of course also reduce associated costs. However, climate change can only be addressed if governments, consumers and the private sector actively work together to address the issue.

4.1.8 Organizational governance

The importance of organizational governance – including, in particular, corporate governance – is most visible when it fails. The high-profile cases of corporate failure in the developed economies in recent years, together with some instances within the voluntary sector, show that the way an organization is directed and controlled is of concern to a wide spectrum of other organizations and individuals – from shareholders or donors to staff and those who may depend on the activities of an organization in other ways.

The growth in social responsibility, particularly in companies, has occurred partly as a response to failures of organizational governance. Having received an initially sceptical response from some quarters, social responsibility is now increasingly being built into the risk management systems of major companies. Governments are increasingly exploring suitable regulatory, fiscal and market mechanisms to encourage responsible governance. NGOs and other stakeholder organizations have also begun to

commit themselves to improved social responsibility practices. All sectors have been working in both informal and formal partnerships to improve governance.

The systematic social responsibility of organizations therefore seeks to build the interest and concerns of the organization's stakeholders into the processes by which the organization is directed and controlled. While the challenges of global governance can only finally be resolved through appropriate institutional mechanisms at a global level, this process will be assisted by the support and co-operation of organizations of all sectors. The social responsibility of organizations is an essential component of that process, building on an existing ethical stream of motivation that is to be found worldwide.

Example – Growth of initiatives to promote improved governance practice

Various initiatives have been developed based on existing human rights, labour and environmental conventions and can be seen as resulting from a desire for better stakeholder involvement in organization decision-making. Examples of such initiatives are the UN Global Compact, the Global Reporting Initiative and the International NGO Charter. A motivation for such initiatives is the enhanced regard and reputation of those that adopt the initiative.

4.2 Understanding the concept of social responsibility

4.2.1 General

Social responsibility is a term that is used in various ways having different understandings. In the context of organizations, social responsibility refers to certain kinds of actions that can be taken by organizations. This understanding of social responsibility is tangible as it is about identifiable behaviour. It is not about attitudes, feelings or beliefs that may, or may not, be reflected in behaviour. These actions, however, must be consistent with certain ideas. These ideas constitute the concept of social responsibility of organizations and are abstract.

This section considers the concept of social responsibility of organizations. It identifies the essential elements of the concept and addresses certain questions that arise and issues that must be taken into account if the concept is to be usefully linked to the specific actions taken by organizations. Among these are the nature of the concept, such as whether actions must be entirely voluntary and hence only include actions that are not required by law. Another is whether the concept refers only to specific actions taken as a consequence of implementing a policy or plan that the organisation has adopted. This section considers the fundamental question of how the decision is made about what it means to be socially responsible. It considers whether the concept can truly apply to all organizations. The section also addresses another concept, "stakeholder", which has an influence on how social responsibility is understood by many.

4.2.2 The essential ideas

Social responsibility concerns the behaviour of an organisation with respect to its impact on others and on the natural environment. As with the broader concept of responsibility, the social responsibility of organizations involves being held accountable for actions and decisions. Because it involves willingness by an organisation to be held accountable for actions over which it has control, it is an intrinsically moral or ethical concept requiring an acceptance that there is right and wrong. The actions that constitute social responsibility include the decision to refrain from a specific activity where that is considered the right thing to do.

Actions constituting social responsibility can include actions taken to understand the impacts of the organisation on others, including the identification of those impacted by the organisation's activities. Actions could also include the measuring and reporting of impacts and the related aspects of the organisation's performance. These actions could also include engagement of those impacted by its activities, as well as the changes in behaviour that are made to increase the beneficial effects of the organisation's activities for society.

The social responsibility of organizations can involve the consideration of a wide range of subjects. Some broad subjects, such as the environment or human rights, are easily recognised as requiring

consideration by socially responsible organizations. However, it is not the subject *per se*, but only those aspects of the subject that can be expressed in terms of responsible behaviour that are relevant to the concept of social responsibility.

In most cases, the most significant impacts of an organisation will be related to the purpose of the organisation. Actions constituting social responsibility are therefore those that are integrated into the regular and ongoing activities of the organisation. While philanthropy not closely related to the purpose of the organisation can have a positive impact on society, it cannot be considered as a substitute for addressing the impact of an organisation's essential activities on society or on the environment.

The actions that constitute social responsibility must be linked with an understanding of what is good for society or the environment. This does not mean that all of the impacts of an organisation on society or the environment must be good. It does mean that an organisation must seek to understand the broader interests of society and that it must be able to distinguish its interests from the interests of others, including the interests of society taken as a whole.

It is not essential to the concept of social responsibility that actions taken by an organisation with respect to social responsibility also benefit the organisation concerned.

4.2.3 How social responsibilities are determined

It is essential to distinguish the various actions that constitute the social responsibility of organizations, on one hand, from the interests of society on the other hand. The socially responsible organisation does not unilaterally determine its obligations to society nor unilaterally decide what the interests of society are.

There must be a relationship between the organisation's actions with respect to social responsibility and already established expectations of behaviour including law.

Actions involving or related to legal compliance are therefore included in the concept of social responsibility.

The widely shared expectations with respect to the behaviour of organizations in various societies are not completely reflected in legally binding rules. Although actions that are not legally mandated can be considered voluntary, this does not mean that they are always optional for an organisation that wants to be considered socially responsible. Nor does it mean that norms must be legally binding to be applicable to the behaviour of an organisation by others.

Where actions with respect to social responsibility go beyond legally-mandated requirements, they must be based on applicable standards of right or wrong that are both widely recognised and accepted as being appropriate in the given context. It should be recognised that, more often than not, standards in the social area involve questions that can only be legitimately answered through democratic or representative political processes. Standards developed that have the effect of undermining existing and more legitimately set standards cannot be the basis for determining social responsibility.

A socially responsible organisation recognises the important societal interest in universally applicable and authoritative intergovernmental norms, such as the Universal Declaration on Human Rights and other applicable instruments of the United Nations and of the International Labour Organisation in every context. The organisation takes into account the impact of its activities with respect to the purpose and objectives of these instruments.

The impact of an organisation with respect to sustainable development is an integral aspect of social responsibility of organizations. However, the "sustainability" of an organisation, for instance the long-term financial viability of a business enterprise, is not the same kind of "sustainability" included in the concept of sustainable development. Actions taken to ensure the continued existence of an organisation will not always be consistent with the concept of social responsibility, as some activities in this regard will be harmful to society

4.2.4 Does social responsibility apply to all organizations?

Although this document provides guidance that is intended to be applicable to all organizations, the purpose of some organizations, for instance organizations created to carry out criminal activities, can be too inconsistent with the interests of society to make the concept of social responsibility meaningful.

There are also difficulties that should be noted with respect to applying the issue of social responsibility to government. First, the relationship of democratic governments to citizens is not the same as the relationship between private organizations and those who are affected by the impact of these organizations. The proper framework for understanding the responsibility of both governments and citizens is provided by other concepts such as democracy, and not by the concept of social responsibility elaborated here.

Second, there is a difference between the actions taken with respect to social responsibility and the legal and institutional frameworks established by government that are intended to hold private organizations accountable. In addition to laws and regulations, legal frameworks are established by governments to make essentially private activities more responsible. These would include the frameworks for corporate governance and for industrial relations.

Third, the state has a qualitatively different role with respect to identifying the interest of society taken as a whole and to taking actions to protect this interest. The state has roles that cannot be assumed by other kinds of organizations. Government has the indispensable role of ensuring that human rights are respected and in most situations it is only the state that has the legitimate authority to decide among competing claims over the exercise of rights.

Finally, it should be noted that the concept of social responsibility has no implication with respect to the proper role of government. Only political decisions can determine what activities should be undertaken by governments or subject to legally binding regulation.

These responsibilities do not prevent a government and its agencies from conducting activities in a socially responsible manner, and they should do so.

4.2.5 The relationship of the stakeholder concept to the social responsibility concept

It is not necessary when dealing with the concept of social responsibility to use the term "stakeholder". However, because the stakeholder concept has had an impact on the social responsibility concept, it is important to understand how its use can influence the way in which social responsibility is understood.

The origins of the stakeholder concept lay in management theory that analyses corporate behaviour in terms of interests that affect, or that are affected by, the activities of the corporation. This theory related to the concept of the corporation as a specific kind of organisation and especially to the system of corporate governance. The term *stakeholder* was intended to be contrasted with the term *shareholder*.

Stakeholder theory did distinguish among different stakeholders and recognised that some parties have identifiable interests in the success of specific corporations and thus, in one way or another, had a firm specific risk similar to shareholders. It also recognised that other stakeholders could impede a corporation in achieving its objectives. In both instances the focus was on the corporation more than on the needs of society.

The use of the term "stakeholder" evolved with corporate social responsibility practices. Identifying and engaging every individual affected by a corporation is impossible, so the practice developed for business organizations to consult non-governmental organizations (NGOs) who often served as proxies for the real stakeholders. To a certain extent this is justifiable, as many individuals impacted by a corporation will not be organised. One consequence of the practice was a blurring of the distinction between NGOs on one hand, and civil society on the other. The greatest emphasis was placed on engaging organizations that had the ability to affect the corporation, usually in the form of negative publicity. Thus the term "stakeholder" did not mean that the particular organisation identified had any significant relationship with the specific corporation. The term "stakeholder" no longer applied to parties that could demonstrate any identifiable stake in the specific company concerned.

The practice of engaging stakeholders also became the process by which the interests of society were identified by the business organisation. It became a means whereby corporations could redefine or reinterpret their social responsibilities on the basis of how they identified their “stakeholders”. Some corporations created or provided support to organizations to serve as their stakeholders. Sometimes corporations engaged organizations that were not genuine in one way or another – for instance organizations having no identifiable interest or organizations claiming to be representative that were not. Sometimes genuine stakeholders were avoided. Moreover, the importance attached to various stakeholders by corporations was not always commensurate with the importance of their interests to society as a whole.

The term “stakeholder” will be more useful in the context of social responsibility where it refers to a party having an identifiable and specific relationship with the organisation concerned and where this party can make a claim with respect to the organisation that can also be related to the interests of society taken as a whole. More often than not, the use of the term “stakeholder” will obscure more than it clarifies. This is especially true where the relationship is not clear and the term replaces more specific words (such as “organisation” “workers” “customers” and so on).

5 Social responsibility principles

5.1 General

This clause describes the principles that apply to social responsibility, and identifies the criteria for their selection.

The term “social responsibility principle” is defined in Clause 3. Social responsibility principles provide an organization with guidance for accepting, rejecting or modifying their strategies, policies, practices and implementation processes. The actions of an organization should be undertaken in a manner consistent with relevant principles.

5.2 Types of principles

There are three types of principles: general, substantive and operational.

General principles are overriding principles that apply in all circumstances. They apply to both substantive and operational principles. These principles should transcend any particular subject area.

Substantive principles apply to outcomes for which organizations are accountable. They:

- Come from relevant and authoritative inter-governmental instruments, and/or from widely recognized instruments endorsed by inter-governmental bodies developed through an open and transparent multi-stakeholder process;
- Are expressly applicable to non-state actors; and
- Are not limited geographically.

Operational principles apply to the nature and quality of the process. They apply to the process of implementing substantive principles. These are principles that:

- Have been arrived at through an open and transparent multi-stakeholder process;
- Are expressly applicable to non-state actors; and
- Are not limited geographically.

Description of principles

5.3.1 Description of general principles

General principles form the basis for the substantive and operational principles that follow.

1 General principles include:

- 2 — Respect for internationally recognised conventions and declarations and widely recognised
3 instruments derived from them;
- 4 — Respect for the rule of law; and
- 5 — Recognition of the right of stakeholders to be heard and the duty of an organization to respond.

6 **5.3.2 Description of substantive principles**

7 Substantive principles relate to the impacts for which organizations are accountable. They include, but
8 are not limited to:

9 **The environment** – Organizations should ensure that their activities respect, promote and advance
10 internationally recognized environmental principles and commitments. For example, organizations
11 should:

- 12 — Support a precautionary approach to environmental challenges;
- 13 — Undertake initiatives to promote greater environmental responsibility;
- 14 — Encourage the development and diffusion of environmentally beneficial technologies; and
- 15 — Accept the “polluter pays” principle.

16 **Human rights** – Organizations should ensure that their activities respect, promote and advance
17 internationally recognised human rights. For example, they should:

- 18 — Ensure that they are not complicit in human rights abuses; and
- 19 — Ensure that all relevant staff, including security personnel, are provided with appropriate cultural
20 and human rights training and guidance.

21 **Labour practices** – Organizations should ensure that work performed on their behalf, either directly or
22 indirectly, is performed within the appropriate legal and institutional framework, and that their activities
23 respect, promote and advance internationally recognized standards and fundamental human rights at
24 work. For example, organizations should:

- 25 — Respect the principle of freedom of association and the right to collective bargaining;
- 26 — Provide decent conditions of work for their workers, invest in skills development and encourage
27 good industrial relations;
- 28 — Ensure that individuals performing work for them do so within a recognized employment
29 relationship or, alternatively, are legitimately self-employed; and
- 30 — Ensure that work done on their behalf is performed in a healthy and safe working environment.

31 Organizations should not:

- 32 — Employ children nor practice any form of forced labour; nor
- 33 — Practice unfair discrimination in their employment practices, whether based on race, colour, sex,
34 language, religion, political or other opinion, national or social origin, property, birth or other status.

35 **Organizational governance** – Organizations should ensure that their activities respect, promote and
36 advance internationally recognised principles for organizational governance. For example, they should:

- 1 — Comply with all laws, regulations, standards and international conventions that apply to them and
2 to their relationships with their stakeholders;
- 3 — Fully, accurately and in a timely and verifiable manner, consistently disclose material information
4 about an organization to appropriate regulators, their stakeholders and the public; and
- 5 — Never indulge in any form of corruption, including extortion and bribery.
- 6 **Fair business practices** – Organizations should ensure that their activities respect, promote and
7 advance internationally recognized principles for fair business practice. For example, they should:
- 8 — Promote the application of the principles contained in this section by those organizations with
9 whom they interact commercially or in any other manner; and
- 10 — Consider willingness of others to accept these principles as an important factor in decisions to
11 enter into and remain in any relationships.
- 12 **Community involvement** – Organizations should ensure that their activities respect, promote and
13 advance internationally recognised principles for community involvement. For example, they should
14 strive to:
- 15 — Have a positive impact on the people, cultures and communities in which they operate, and be
16 respectful of local and indigenous people, their values, traditions and culture;
- 17 — Ensure that the communities in which they operate are informed, in a timely manner, of and are
18 involved in an organization's developments that affect them; and
- 19 — Contribute to the sustainable economic development of host communities through the procurement
20 of goods and services from local vendors where possible and appropriate.
- 21 **Consumer issues** – Organizations should ensure that their activities respect, promote and advance
22 internationally recognised principles for consumer rights and obligations. For example, they should be
23 responsible for the direct and indirect impacts of the goods and services they distribute.

24 5.3.3 Description of operational principles

25 Operational principles guide how organizations act. They include:

- 26 — Accountability – an organization should accept responsibility for its actions and omissions and
27 should provide an account of its conduct in response to the legitimate claims of interested parties;
- 28 — Boundaries – an organization should identify, understand and take responsibility for its direct and
29 indirect impacts;
- 30 — Integration – an organization should integrate social responsibility issues within its core
31 management systems and decision-making processes;
- 32 — Materiality – an organization should identify and understand its material issues, and respond to
33 these issues;
- 34 — Multi-stakeholder approach – an organization should make due provision for the interests and
35 needs of all its stakeholders;
- 36 — Transparency – an organization should be open and frank about its actions and should regularly
37 communicate progress on its social responsibility performance in a clear and unambiguous
38 manner; and
- 39 — Life cycle approach – an organization should consider the environmental and social impacts of its
40 services and products throughout their life cycles.

6 Guidance on core social responsibility issues

6.1 General

The purpose of this clause is to provide guidance for all types of organizations on core social responsibility issues through key considerations and examples.

Note from TG 5 leadership:

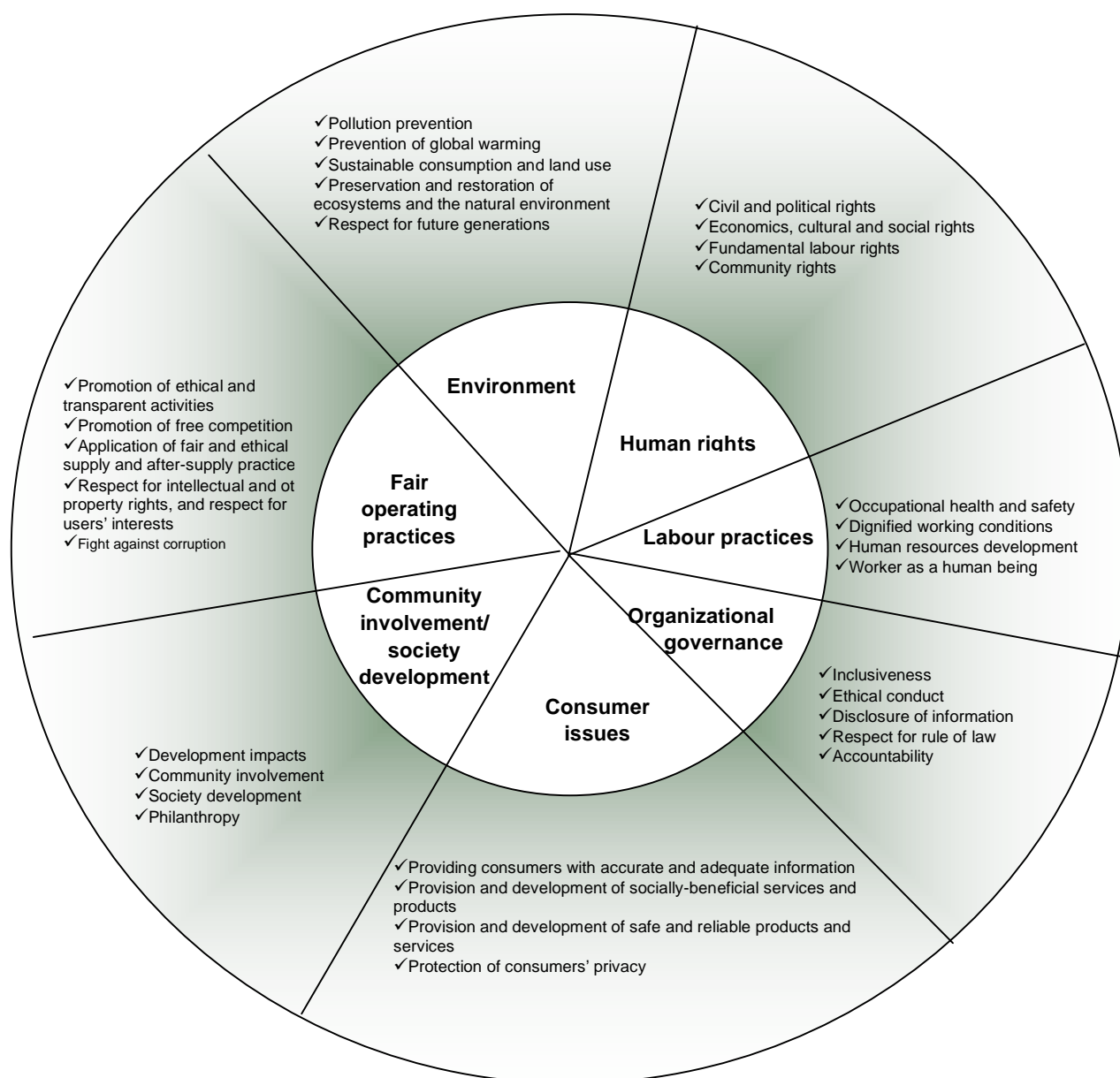
Rationale for an heading approach. A wide variety of ideas was proposed as social responsibility core issues. TG 5 selected from the various proposals a list of seven headings. The objective of the selection and wording of headings is to cover all the social responsibility issues. The intent of this approach is to avoid a long list without any logic.

How guidance will be provided. For each heading, the rationale is presented, including an explanation of why this heading is a social responsibility issue, a brief explanation of the background and an explanation of stakeholders' relationship to this heading. For each heading, a range of social responsibility core issues is presented.

For each social responsibility core issue, specific rationale is provided, if needed; the social responsibility issues are identified with their key references, their key considerations, their relationship to other social responsibility issues and some examples.

The key considerations are guidance on key areas on which the organization needs to take action.

Presentation of the seven headings and the corresponding social responsibility core issues



6.2 Organizational governance

Note from TG 5 leadership: Some experts proposed that organizational governance should be addressed throughout the whole ISO 26000 as it is more related to principles than to issues. Numerous experts have supported this proposal.

6.2.1 Rationale

Good governance is central to the vitality and stability of the economy and boosts confidence and trust in a society's institutions. Good governance is participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. It gives assurance that corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable are heard in decision-making. It is also responsive to the present and future needs of society.

The core issues of organisational governance, inclusiveness, ethical conduct, disclosure of information, respect for the rule of law and accountability are linked to environment, community involvement/society development, human rights, labour practices, fair operating practices and consumer issues.

6.2.2 Core issue – Inclusiveness

Stakeholders have a right to participate meaningfully in information gathering, planning, direction setting and decision-making regarding outcomes that affect or that may affect their lives.

Inclusiveness covers the issues of participation and equity.

When addressing the issue of participation, an organization should consider:

- Empowerment;
- Participation in decision-making;
- Consensus-oriented processes;
- Worker participation and consultation;
- Stakeholder engagement;
- Shareholder or investor involvement; and
- Subsidiarity – devolving responsibility to the lowest competent authority

When addressing the issue of equity, an organization should:

- Ensure that the board or other supervisory body assumes its responsibilities for the strategic guidance of the organization and for the effective monitoring of management;
- Protect the rights of the people funding the organization (for example, shareholders) and of stakeholders (for example, employees, local communities, business partners, creditors and the general public);
- Ensure effective two-way communication with stakeholders; and
- Ensure timely and accurate disclosure of information.

A key reference that an organization should consider on equity is the UN Global Compact Principle 6.

1 **6.2.3 Core issue – Ethical conduct**

2 When addressing the issue of ethical conduct, an organization should consider:

- 3 — Communication of its values inside and outside the organization;
- 4 — The use of a code of ethics or code of conduct;
- 5 — Internal controls; and
- 6 — An ethics programme.

7 Key references that an organization should consider on this issue are the:

- 8 — OECD Principles of Corporate Governance; and
- 9 — OECD Guidelines for Multinational Enterprises.

10 *Note from TG 5 leadership: The specific issue of corruption will be addressed in “Fair operating practices”.*

11

12 **6.2.4 Core issue – Disclosure of information**

13 Information disclosure is necessary to permit external monitoring of organizations.

14 Inadequate disclosure creates conditions favourable to unethical conduct (for example, conflict of
15 interest, rights violations, corruption and collusion).

16 Decision-making should be fair and transparent. Information should be freely available and directly
17 accessible to those stakeholders who may be affected.

18 When addressing the issue of disclosure of information, an organization should consider:

- 19 — Full, accurate and complete disclosure;
- 20 — Fair internal and external communication; and
- 21 — Information security.

22 Channels should be provided for stakeholders to have equitable, timely and cost-efficient access to
23 information.

24 Key references that an organization should consider on disclosure of information are the:

- 25 — UN Global Compact Principle 10;
- 26 — OECD Principles of Corporate Governance;
- 27 — OECD Guidelines for Multinational Enterprises; and
- 28 — [Global Reporting Initiative].

29 **6.2.5 Core issue – Respect for the rule of law**

30 An organization should ensure that its decisions and their enforcement follow rules and regulations.

31 The respect for the rule of law should cover both compliance and enforcement.

32 When addressing compliance, an organization should ensure:

- 1 — Compliance with all applicable national and local laws and regulations and
- 2 — Compliance with applicable international laws and conventions.
- 3 In addition, an organization should consider:
- 4 — Conflict between or absence of laws;
- 5 — Voluntary compliance with internal and external guidelines complementary to regulatory processes;
- 6 and
- 7 — Best management practices and codes of conduct.
- 8 When addressing enforcement, an organization should ensure impartial enforcement and should
- 9 consider fair legal frameworks and appeal processes, where applicable.

10 **6.2.6 Core issue – Accountability**

11 Accountability covers the issues of decision-making and effectiveness and efficiency.

12 **6.2.6.1 Decision-making**

13 Decision-makers should be accountable for their decisions. An organization is accountable to

14 stakeholders affected by its decisions or actions.

15 When addressing the issue of decision-making, an organization should consider:

- 16 — Disclosure of interest;
- 17 — Board or supervisory body independence, when applicable;
- 18 — Management and governance frameworks;
- 19 — Executive remuneration;
- 20 — Risk management; and
- 21 — Internal audit.

22 **6.2.6.2 Effectiveness and efficiency:**

23 An organization should deliver products or services that make the best use of resources at its disposal.

24 The concept of efficiency includes sustainable use of natural resources and the protection of the

25 environment.

26 When addressing the issue of effectiveness and efficiency, an organization should consider economic

27 aspects and capacity management.

28 Key references that an organization should consider on the issues of effectiveness and efficiency are

29 the UN Global Compact Principles 7 - 10.

30 **6.3 Environment**

31 **6.3.1 Rationale**

32 World population is projected to increase to some 9 billion by the year 2050. Meanwhile, the

33 consumption of energy and other resources has been rising faster than the rate of population growth

34 and faster than the capacity of the natural environment to absorb the impacts of this consumption.

The climate has been showing signs of change on a global scale. If the surface temperature of the earth continues to rise at the current pace, the melting of glaciers and higher surface temperatures of oceans are expected. These changes could in turn cause a further change in the global climate, including an abrupt shift of ocean currents. If this happens, it could affect the global ecosystem, creating a significant impact on agricultural production, resulting in food shortages and other social problems.

Other global environmental problems include diminution of tropical rainforests, desertification, acid rain and the loss of biodiversity.

Furthermore, population growth and economic progress, as we know it today, will inevitably increase the consumption of resources, deplete non-renewable natural resources and create harmful wastes. There is a great imbalance of consumption between and within rich and poor countries. The pursuit of improved quality of life therefore requires a reduction in total resource consumption on the part of the rich – particularly in industrialized countries.

An organization should take action to improve the quality of life by dealing with environmental problems, as environmental conservation is a common responsibility of humankind.

The overall objective of addressing environmental issues is the pursuit of sustainability.

6.3.2 Core issue – Pollution prevention

An organization can reduce environmental impacts by reducing or eliminating emissions and pollutants, including: toxic substances, greenhouse gases, stratospheric ozone-depleting substances, smog precursors, chemicals contributing to acid rain, solid wastes, hazardous wastes, organic and non-organic [water pollutants], radiation, noise, vibration, heat, odour and litter.

The issue of pollution prevention is linked to community involvement/society development, human rights, labour practices, fair operating practices and consumer issues.

An organization may be able to reduce or eliminate its emissions by taking action on the following:

- Emission control technologies;
- Use of cleaner production practices;
- Sewage treatment;
- [Control and responsible management of solid waste based on the hierarchy of the 3R principles of reduce, reuse, recycle];
- Source water protection and sanitation measures;
- [Programmes to prevent unintentional releases or spills];
- Control and reduction in the impact of effluents released to freshwater or marine environments;
- [Programmes to address the public health implications of emissions];
- Policies on extended producer responsibility];
- Reduction of emissions through product stewardship, design for environment, eco-labelling and supply chain management, including management of transport and logistics; and
- [Strategies to provide information to users of products about environmental hazards and management of the end-of-life of products]

An organization should favour solutions that improve health and safety while reducing emissions. It should avoid the creation of new problems, for example, for workers in a plant or for people that come in contact with the organization's products and/or waste.

1 Key references that an organization should consider when addressing reduction/elimination of emission
2 are the:

- 3 — Rio Declaration on Environment and Development;
- 4 — Stockholm Convention on Persistent Organic Pollutants (POPs);
- 5 — OECD Guidelines for Multinational Enterprises;
- 6 — UN Global Compact Principles 7-9; and
- 7 — ISO 14000 series of environmental management standards.

8 **6.3.3 Core issue – Prevention of global warming**

9 Global warming is a grave issue affecting the very basis of sustainability of the earth and humanity, an
10 issue where the entire human race is both the victim and the perpetrator. Therefore, all organizations as
11 well as individuals should address the issue of global warming under a shared understanding, since it
12 will require changes in lifestyle.

13 Although air pollution and global warming both involve the emission of pollutants into the atmosphere,
14 they are fundamentally different. Air pollution results from a more limited set of sources and can be
15 addressed by a relatively narrow range of solutions. Global warming is the result of widespread causes
16 and activities. It can only be addressed through actions involving all sectors of society. Prevention of
17 global warming should be treated as a separate issue from pollution control.

18 The issue of prevention of global warming is linked to community involvement/society development,
19 human rights, labour practices, fair operating practices and consumer issues.

20 When addressing the issue of prevention of global warming, an organization should consider:

- 21 — Reduction of the emission of carbon dioxide and other greenhouse gases;
- 22 — Efficient use of energy resources, including energy-saving products;
- 23 — Renewable energy;
- 24 — Products that would help prevent global warming on a life-cycle basis;
- 25 — New energy technologies;
- 26 — Awareness raising; and
- 27 — Partnership and collaboration.

28 Key references that an organization should consider on the prevention of global warming are the :

- 29 — United Nations Framework Convention on Climate Change;
- 30 — Kyoto Protocol to the UN Framework Convention on Climate Change;
- 31 — Reports of the Intergovernmental Panel on Climate Change(IPCC);
- 32 — UN Global Compact Principles 7-9;
- 33 — OECD Guidelines for Multinational Enterprises;
- 34 — Greenhouse Gas Protocol Initiative of the World Business Council for Sustainable Development
35 (WBCSD) and the World Resources Institute (WRI);

- 1 — ISO14000 series of standards; and
- 2 — Asia-Pacific Partnership for Clean Development and Climate.

3 **6.3.4 Core issue – Sustainable consumption and land use**

4 Consumption includes all inputs of renewable and non-renewable materials, fuels and energy.
5 Sustainable consumption implies the optimization of these inputs.

6 An organization can reduce the environmental impacts of consumption in these categories:

- 7 — Raw materials;
- 8 — Consumption of electricity (from renewable or non-renewable sources);
- 9 — Consumption of fuels (fossil fuels, wood and others);
- 10 — Use of fresh water (particularly in times and places of water scarcity); and

11 The issue of sustainable consumption is linked to community involvement/society development, fair
12 operating practices and consumer issues.

13 An organization can move towards sustainable consumption practices by taking action towards:

- 14 — Promotion of 3R principles (reduce, reuse, recycle);
- 15 — Implementation of eco-design and life cycle approaches;
- 16 — Management of surface and groundwater resources;
- 17 — Detailed consumption monitoring;
- 18 — Implementation of environmental management systems;
- 19 — Industrial ecology;
- 20 — Adoption of energy efficient practices; and
- 21 — Generation or use of renewable energy.

22 Key references that an organization should consider to move toward sustainable consumption are the:

- 23 — OECD Guidelines for Multinational Enterprises;
- 24 — UN Global Compact Principles 7-9; and
- 25 — ISO 14000 series of environmental management standards.

26 An organization may impact the environment through the use of land including:

- 27 — Urbanisation and encroachment on to rural land;
- 28 — Deforestation and forest degradation;
- 29 — Desertification;
- 30 — Improper disposal of solid waste; and
- 31 — Agricultural practices

1 The issue of sustainable land use is linked to community involvement/society development.

2 Actions to sustainably manage land include:

- 3 — Sustainable urban development;
- 4 — Reforestation;
- 5 — Sustainable forest management;
- 6 — Soil conservation;
- 7 — Sustainable agricultural practices; and
- 8 — Reclamation of contaminated lands and brownfield sites.

9 **6.3.5 Core issue – Preservation and restoration of ecosystems and the natural environment**

10 An organization may have deleterious impacts on natural ecosystems such as:

- 11 — Loss of natural ecosystems;
- 12 — Decline and loss of species and natural habitat;
- 13 — Physical alteration of marine environment;
- 14 — Invasive species;
- 15 — Loss of biodiversity; and
- 16 — Unsustainable harvesting of wildlife (including over-fishing, over-hunting or harvesting of
- 17 endangered species).

18 The organization could also consider the use of genetically modified organisms.

19 The issue of preservation and restoration of ecosystems and the natural environment is linked to
20 community involvement/society development, fair operating practices and consumer issues.

21 Natural ecosystems can be preserved and restored through:

- 22 — Habitat creation / protection;
- 23 — Establishment of migration corridors;
- 24 — Sustainable management of biodiversity and genetically modified organisms;
- 25 — Protection of wetlands, coral reefs and other significant or threatened ecosystems;
- 26 — Application of mechanisms for valuing ecological services and achieving net ecological gains; and
- 27 — Sustainable land and ocean use.

28 Actions to sustainably manage land and oceans include:

- 29 — Sustainable urban development;
- 30 — Reforestation;
- 31 — Sustainable forest management;

- 1 — Soil conservation;
- 2 — Sustainable agricultural practices and
- 3 — Reclamation of contaminated lands and brownfield sites.

4 Key references that an organization should consider are the:

- 5 — UN Global Compact;
- 6 — ISO14000 series of standards;
- 7 — OECD Guidelines for Multinational Enterprises;
- 8 — Rio Declaration on Environment and Development;
- 9 — Convention on Biological Diversity (CBD); and
- 10 — UN Millennium Development Goals.

11 **6.3.6 Core issue – Respect for future generations**

12 Starting with the UN Conference on Human Development in 1972, the environment entered the
13 development agenda and countries' decision-making processes. But it was not until 1983 when the
14 United Nations established the World Commission on Environment and Development (the Brundtland
15 Commission), that the concept of "sustainable development" emerged. The term was defined as,
16 "development that meets the needs of the present without compromising the ability of future
17 generations to meet their own needs".

18 This commitment to future generations was elaborated through the principles established in the Rio
19 Declaration on Environment and Development in 1992. For example, Principle 1 proclaims, "Human
20 beings are at the centre of concerns for sustainable development. They are entitled to a healthy and
21 productive life in harmony with nature." And Principle 3 goes on to say that, "the right to development
22 must be fulfilled so as to equitably meet developmental and environmental needs of present and future
23 generations."

24 The issue of respect for future generations is linked to human rights and consumer issues.

25 Respect for future generations covers the right to use of natural resources and access to clean water,
26 as well as the preservation of natural resources and water.

27 Key references that an organization should consider on respect for future generations are the:

- 28 — ILO Conventions 148, 155, 161 and 183;
- 29 — Rio Declaration on Environment and Development; and
- 30 — Johannesburg Declaration on Sustainable Development; and

31 **6.4 Human rights**

32 **6.4.1 Rationale**

33 Protection and promotion of human rights was regarded as a matter under the sovereignty of each state
34 before World War II. As a result of reflections on grave human rights violations during the war, the
35 United Nations, in 1948, adopted the Universal Declaration of Human Rights (UDHR) providing that all
36 human beings must be respected, are entitled to all the rights and freedoms, and enjoy equality and
37 non-discrimination.

Two international human rights instruments, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR), came into force in 1976 to give firm legal standing to the rights provided for in the UDHR.

Since then, the international human rights system has been developing, based on each state having the primary responsibility for the duty to protect, promote and implement all human rights and fundamental freedoms.

However, in the 21st century, threats to and violations of human rights have been increasing, such as extreme poverty arising from the acceleration of globalization, internationalization of armed conflicts and civil wars, terrorism, HIV/AIDS and other infectious diseases, environmental issues and natural disasters. There are cases in which individual states can only partially guarantee the respect and protection of all human rights.

Increases in human rights violations by individuals, families, corporations, and civil society organizations have also become problems of growing and global concern. These take such forms as abuse of personal information (using developing information technology), violation of privacy, violence against men, women and children and human trafficking.

With this background, each organization and individual should seek the realization of a society where each individual is assured of an existence worthy of a human being, where each individual is respected as a human being who creates and enjoys a variety of values, a society which accepts diversities and treats such diversities as the strength of an organization and society.

While the responsibility for human rights protection primarily rests with individual states, an organization, as a member of society, should contribute to the full realization of human rights. It should strive to protect and promote human rights and utilize its resources and influence to promote and respect human dignity and diversity.

When addressing human rights, an organization should pay attention to the precept, “do no harm”, as well as the idea of contributing affirmatively to respect for human rights. The concept of complicity should also be taken into account: not only may an organization’s conduct or operations be at issue but also attention should be paid to how the organization might be implicated (legally or morally) in the action or inaction of others, directly or indirectly and through beneficial or silent complicity.

The overall objectives of addressing the issue of human rights are to promote, respect and protect human dignity and diversity.

6.4.2 Core issue – Civil and political rights

While states have the primary responsibility to promote and protect civil and political rights, all other organizations should support and respect the protection of internationally proclaimed civil and political rights within their sphere of influence and make sure that they are not complicit in abuses of these rights.

The issue of civil and political rights is linked to labour practices.

When addressing the issue of civil and political rights, an organization should consider:

- Banning all discrimination to ensure freedom from discrimination and the rights of people with disabilities, minorities and indigenous people;
- Complying with all national laws and regulations;
- Complying with international conventions;
- [Dealing with conflicts between national laws and civil and political rights;]
- Ensuring the right of people to education;

- 1 — Promoting fairness and mutual trust [between employers and employees] through respect for
2 freedom of assembly, freedom of association, freedom of speech and other rights found in the
3 International Covenant on Civil and Political Rights (ICCP);
 - 4 — Establishing effective communication to ensure access to information;
 - 5 — Right to life and liberty;
 - 6 — Women's rights;
 - 7 — Rights and limits of the use of security;
 - 8 — [No torture];
 - 9 — [Legal rights];
 - 10 — Right to property;
 - 11 — Fulfilment of basic needs for food, water, clothing and shelter.
- 12 Key references that an organization should consider on civil and political rights are the:
- 13 Universal Declaration of Human Rights;
- 14 International Covenant on Civil and Political Rights, 1966; and
- 15 Convention on the Elimination of all Forms of Discrimination Against Women.

Examples:

More obvious example: large organizations using security forces.

Less obvious example: small organizations respect diversity of political opinion from customers, clients, members and employees.

16 6.4.3 Core issue – Economic, cultural and social rights

- 17 With the majority of the world's population living on \$1 to \$2 per day, there is the opportunity for an
18 organization to support governmental efforts to improve the well being of their citizens.
- 19 The issue of economic, cultural and social rights is linked to labour practices and fair operating
20 practices; it includes children's rights.
- 21 When addressing economic, cultural and social rights issues, an organization should consider:
- 22 — International conventions and compliance with national laws giving them effect;
 - 23 — Training /right to education and vocational training;
 - 24 — Employment opportunities /equal employment opportunities;
 - 25 — Basic living wage;
 - 26 — Freedom of enterprise;
 - 27 — Right to adequate housing;
 - 28 — Protection of property;

- 1 — Rights of minority groups;
- 2 — The highest attainable standard of physical and mental health and rights; and
- 3 — Cultural and religious diversity.
- 4 Key references that an organization should consider on economic, cultural and social rights issue are
- 5 the:
- 6 — International Covenant on Economic, Social and Cultural rights, 1966;
- 7 — UN Global Compact Principles 1 and 2; and
- 8 — Millennium Development Goals.
- 9 Children have economic, cultural and social rights, and the protection of their rights should be
- 10 specifically taken into account.
- 11 When addressing children's rights, an organization should consider:
- 12 — Remediation of child labour;
- 13 — Education for children;
- 14 — Protection of children from all types of exploitation (including sexual exploitation); and
- 15 — Presence of the child's family – the right of a child not to be taken/moved from its family and or
- 16 home/community to work.
- 17 Key references that an organization should consider on children's rights are the:
- 18 — Universal Declaration of Human Rights;
- 19 — Convention on the Rights of the Child;
- 20 — ILO Conventions relevant to children;
- 21 — Minimum Age Convention, 1973;
- 22 — ILO Convention 182 on Worst Forms of Child Labour; and
- 23 — UN Global Compact Principles 1,2,4,5 and 6.

Examples:

More obvious example: mining companies respect the attachment of indigenous people to their land.

Less obvious example: banks provide financial literacy training for disadvantaged groups.

More obvious example: large organizations include the prohibition of child labour in contracts with suppliers.

Less obvious example: small organization discusses overuse of shopkeeper's children in local shop.

6.4.4 Core issue – Fundamental labour rights

Respect for workers' rights is necessary in itself, and an organization should contribute positively to an environment in which workers' rights are respected.

The issue of fundamental rights at work is closely linked to labour practices.

When addressing the issue of fundamental rights at work, an organization should consider:

- Compliance with national laws and regulations and consideration of international conventions on workers' rights;
- Observance of collective agreements;
- Non-employment of children under a certain minimum age;
- Non-employment of people less than 18 years old in hazardous work;
- Child care facilities for working mothers;
- Freedom of workers to leave their employment on reasonable notice;
- Internal policies and rules on non-discrimination on grounds of race, sex, religion, colour, political opinion, ethnicity and social origin;
- No complicity in human rights abuses by organizations in the supply chain;
- Freedom of association and the right to form and to join trade unions for the protection of workers' interests and the right to collective bargaining;
- No forced or bonded labour; and
- Organizational respect and commitment to protect human rights.

Key references that an organization should consider on fundamental rights at work are the:

- Universal Declaration of Human Rights, Principle [number];
- ILO Declaration on Fundamental Principles and Rights at Work;
- ILO Conventions 29, 87, 98, 100, 105, 111, 138, 182;
- UN Global Compact;
- OECD Guidelines for Multinational Enterprises; and
- International Bill of Human Rights.

Examples:

More obvious example: large organizations make fundamental labour rights a provision of contracts with their suppliers.

Less obvious example: small organization tells new employees they are free to join a union.

6.4.5 Core issue – Community rights

An organization should ensure that its operations do not have negative impacts on, or interfere with, the rights of their host community and relevant stakeholders.

The issue of community rights is linked to labour practices and community involvement/society development.

When addressing the issue of community rights, an organization should consider:

- Indigenous people's rights;
- Minority rights;
- Gender equality;
- People with disabilities;
- Migrant workers;
- Youth employment;
- Education; and
- Prevention of trafficking in human beings.

An organization should take action to promote human rights protection, should adopt programmes to encourage and support employment in the community and should contribute to the empowerment of minority groups.

Key references that an organization should consider on community rights are the:

- ILO Conventions 97, 138, 143, 156, 159 and [169];
- Declaration on the Rights of Indigenous Peoples adopted by the Human Rights Council; and
- Universal Declaration of Human Rights.

6.5 Labour practices

6.5.1 Rationale

Human resources are a source of strength to all organizations. Revitalization of human resources is essential for organizations to create added value and increase productivity. For that reason, it has become more important than ever for an organization to improve the work environment and conditions in which individual workers can demonstrate their diverse individuality and ability, and work with a sense of satisfaction.

Intensifying international competition arising from globalization has also caused competition to hire the best talent, regardless of nationality. It has become more important than ever before to create a workplace attractive to workers and offer opportunities for every worker to improve his/her ability.

With the rapid progress of globalization, various organizations now conduct their activities across national borders. As a result, attention is being paid to the working conditions provided by such international organizations in employing local people.

6.5.2 Core issue – Occupational health and safety

An organization should ensure that its policies and practices are conducive to safe and healthy working conditions and environments.

The issue of occupational health and safety is linked to human rights and fair operating practices.

When addressing the issue of occupational health and safety, an organization should consider:

- 1 — Remediation of risk and unsafe/unhealthy conditions;
 - 2 — Policies and practices that provide for safe and healthy working practices;
 - 3 — Compliance with international law and national laws and regulations;
 - 4 — ILO Conventions;
 - 5 — Promotion of health and safety in supply chain activities, including outsourcing practices;
 - 6 — Relationship with suppliers, consumers, NGOs and government;
 - 7 — Regular training and awareness building on health and safety;
 - 8 — Preventative health and safety programmes;
 - 9 — Respect for security practices;
 - 10 — Compensation for work-related disease and injury;
 - 11 — Cooperation with public inspection and labour administration authorities; and
 - 12 — Internal correction procedures.
- 13 Key references that an organization should consider on occupational health and safety issues are the:
- 14 — ILO Conventions 81, 129, 150, 155 and 186. Numerous ILO Conventions and Codes relevant to
 - 15 particular industries;
 - 16 — OHSAS 18000 series of international occupational health and safety management system
 - 17 specifications; and
 - 18 — Social-Labor Declaration of Mercosur, 1998

19 **Examples:**

20 More obvious example: large business in secondary industry designs its factories to minimize potential
21 for workers to be injured.

22 Less obvious example: community organization ensures employees have good seating and lighting.
23

24 **6.5.3 Core issue – Dignified working conditions**

25 In accordance with the Universal Declaration of Human Rights Article 23.3, workers are entitled to just
26 and favourable remuneration. An organization should provide fair conditions for its workers.

27 The issue of dignified working conditions is linked to human rights, community involvement/society
28 development.

29 When addressing the issue of dignified working conditions, an organization should consider:

- 30 — Compliance with national laws;
- 31 — ILO Conventions;
- 32 — Promoting acceptable working conditions in its supply chain through its out-sourcing practices
- 33 — Equal opportunities and promotion of diversity;
- 34 — Policies against discrimination and harassment;

- 1 — Recruitment conditions;
 - 2 — Labour-management relations and promotion of social dialogue;
 - 3 — Wages and benefits;
 - 4 — Duration of work, weekly rest and annual leave;
 - 5 — Fair treatment/ dispute resolution/fair and reasonable disciplinary practices;
 - 6 — Migrant labour;
 - 7 — Anticipation of social impacts linked to restructuring; and
 - 8 — Non conventional home working; home work and informal work.
- 9 Key references that an organization should consider on dignified working conditions are the:
- 10 — OECD Guidelines for Multinational Enterprises;
 - 11 — ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
 - 12 — ILO 8 core Conventions;
 - 13 — European Union Working Time Directive; and
 - 14 — ILO Conventions on wages (94, 95, 100 and 131) and working time (Conventions 1, 30, 14, 106
 - 15 and 152; R116)

Examples:

- 17 More obvious example: large organization formally consults its workforce on restructuring of workplace.
- 18 Less obvious example: small business seeks to pay a fair wage rather than the legal or market
- 19 minimum.

6.5.4 Core issue – Human resources development

21 An organization should recognize the skills and potential of its employees, and when appropriate,

22 provide opportunities for advancement and learning. This may improve employee morale and provide

23 the organization with greater competitiveness.

24 When addressing the issue of human resources development, an organization should consider:

- 25 — Improvement of workers' employability;
- 26 — Lifelong learning (LLL);
- 27 — Training programmes and promotion /training and awareness programmes for employees;
- 28 — Access to education and development; and
- 29 — Career management.

6.5.5 Core issue – The worker as a human being

31 The issue of the worker as a human being is linked to human rights and community involvement/society

32 development.

- 1 When addressing the issue of the worker as a human being, an organization should consider:
- 2 — Social protection;
 - 3 — The organization's vacation benefits;
 - 4 — Compliance with national and international laws;
 - 5 — Balance between work and family and community activities;
 - 6 — Balance between personal life and work;
 - 7 — Community relations;
 - 8 — Fair dismissal policies and practices;
 - 9 — Pensions (retirement) funds;
 - 10 — Recreation rights /reasonable working and overtime hours;
 - 11 — Maternity protection /access to affordable childcare;
 - 12 — Compensation /benefits;
 - 13 — Access to information;
 - 14 — Rehabilitation programmes;
 - 15 — Contingent workers;
 - 16 — Right to work with free choice of employment; and
 - 17 — Medical care /health benefits programmes / health programmes for employees and their families/
18 respect in the workplace for people with HIV/AIDS;
- 19 Key references that an organization should consider on the issue of the worker as a human being are
20 the:
- 21 — OECD Guidelines for Multinational Enterprises;
 - 22 — ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
 - 23 — ILO 102 Conventions; and
 - 24 — European Union Working Time Directive.

25 **Examples:**

26 More obvious example: large organization provides work-based childcare to attract and retain parents,
27 especially women.

28 Less obvious example: small organization attempts to provide some flexibility in working hours to
29 enable workers to meet family commitments.

6.6 Fair operating practices

6.6.1 Rationale

An organization should enhance fairness and transparency in its relationship with other organizations. It should avoid any behaviour that appears to be favouritism or collusion.

Protecting and respecting intellectual property (patents, copyrights and other intellectual property rights) is vital for organizations, to safeguard the incentives of developers and promote the healthy development of society.

6.6.2 Core issue – Promotion of ethical and transparent activities

There are a number of organizational practices that have been deemed to be unfair. These include:

- Conflicts of interest;
- Aggressive pricing;
- Improper use of insider information;
- Money laundering;
- Unfair contract terms;
- Improper lobbying;
- Illegal political contributions;
- Nepotism;
- [Unconscionable conduct]; and
- [Manufacture/offer/sale of inherently-harmful and/or addictive products].

The issue of promotion of ethical and transparent activities is linked to environment, human rights, governance, community involvement/society development and consumer issues.

When addressing the issue of promotion of ethical and transparent activities, an organization should consider:

- Honest accounting and reporting;
- Accountability for the impacts of product on human health and the environment;
- [Responsible marketing and promotional practices];
- Environmental performance of products and services;
- [Transparency];
- [Integrity];
- Engagement with and respect for suppliers and customers;
- Due diligence;
- Integrated product policy (consideration of a product's full life cycle); and
- [The precautionary principle].

1 Key areas for an organization that address the issue of promotion of ethical and transparent activities
2 are:

- 3 — Fair trade;
- 4 — Ethical and sustainable activities;
- 5 — Inclusion of social and environmental criteria for suppliers and end users;
- 6 — Support of small organizations, including prompt payments; and
- 7 — Responsible and transparent lobbying.

8 Key references that an organization should consider on the issue of promotion of ethical and
9 transparent activities are:

- 10 — The WTO rules;
- 11 — Sector codes and conventions, for example, the WHO Framework Convention on Tobacco Control;
- 12 — The OECD Guidelines for Multinational Enterprises; and
- 13 — The UN Global Compact Principle 10.

14 **6.6.3 Core issue - Promotion of open competition**

15 Anti-competitive behaviour and the abuse of a monopoly or dominant position distort competition and
16 harm both other organizations and consumers.

17 The issue of promotion of free competition is linked to environment, human rights, governance,
18 community involvement/society development and consumer issues.

19 When addressing the issue of promotion of open competition, an organization should:

- 20 — Conduct all its activities in a manner consistent with the letter and spirit of competition legislation;
- 21 — Co-operate with competition authorities;
- 22 — Promote public policies that encourage competition; and
- 23 — Promote the awareness of employees of the importance of compliance with competition legislation.

24 When addressing the issue of promotion of open competition, an organization should not:

- 25 — Abuse a dominant position;
- 26 — Engage in price fixing / retail price maintenance;
- 27 — Unjustifiably restrict output or enforce quotas;
- 28 — Unjustifiably segregate markets, customers, suppliers or territories; or
- 29 — Engage in aggressive pricing.

30 Key references that an organization should consider on open competition are:

- 31 — Anti-cartel legislation;
- 32 — The OECD Guidelines for Multinational Enterprises; and

— The UN Global Compact Principle 10.

6.6.4 Core issue – Application of fair and ethical supply and after-supply practices

An organization has obligations and responsibilities towards other organizations as well as towards consumers.

In most cases, an organization depends on products and services that it obtains from other organizations. Through its procurement, an organization can stimulate demand for socially and environmentally beneficial products and services. An organization should therefore include social and environmental criteria in its procurement guidelines.

The issue of application of fair and ethical supply and after-supply practices is linked to environment, human rights, governance, community involvement/society development and consumer issues.

Unfair supply and after-supply practices include:

- Unfair warranties;
- Inadequate service support to respond to customer inquiries or complaints;
- Unfair restrictions on supplier responsibility;
- Misuse of customer privacy; and
- Lack of vigilance related to product or service recall.

To avoid these practices, an organization should take action to promote:

- Fair contracting;
- Fair and ethical supply conditions and warranties;
- Fair and transparent complaints management;
- Dispute resolution practices; and
- Prompt payment of [small] organizations.

Key references that an organization should consider on this issue are the :

- OECD Guidelines for Multinational Enterprises; and
- WHO Framework Convention on Tobacco Control.

6.6.5 Core Issue - Respect for intellectual and other property rights, and respect for users' interests

An organization should not engage in activities, such as piracy or counterfeiting, that violate intellectual property rights.

In doing so, an organization should not, however, unduly restrict users' interests.

The issue of respect for intellectual and other property rights and users' interests is linked to environment, human rights, governance, community involvement/society development and consumer issues.

Key references that an organization should consider on this issue are:

- Intellectual property legislation;

1 — The OECD Guidelines for Multinational Enterprises; and

2 — The UN Global Compact Principle 10.

3 **6.6.6 Core issue - Fight against corruption**

4 Corruption is a hindrance to sustainable development. It has its greatest impact on poor communities,
5 and it corrodes the fabric of society. Corruption distorts competition, impedes economic growth and thus
6 harms the society as a whole.

7 To address this issue, an organization should:

8 — Work against corruption;

9 — Not engage in practices such as bribery and extortion;

10 — Implement, maintain and improve activities to counter corruption;

11 — Raise employee awareness about corruption ; and

12 — Lobby responsibly and transparently and work to influence others to oppose corruption.

13 Key references that an organization should consider on the issue of corruption are:

14 — UN Convention against corruption (UNCAC);

15 — OECD Principles of Corporate Governance; and

16 — OECD Guidelines for Multinational Enterprises.

17 *Note from TG 5 leadership: The issue of consumer information is dealt with in 6.7.2.*

18 **6.7 Consumer issues**

19 **6.7.1 Rationale**

20 The needs of consumers and users are diversified, complex and sophisticated. An organization should
21 ensure that in developing and providing its products and services, it does not knowingly cause risks to
22 human life, and it should act in good faith to preserve the right of people to health. An organization
23 should act in the public interest, including improving accessibility, including for people with disabilities,
24 achieving universal design in its products and services. It should create technologies and products that
25 are simultaneously energy-efficient, resource-efficient and environmentally beneficial. An organization
26 should provide services and products that contribute to the solution of social problems, as well as
27 improve lifestyle, through technical innovation and new areas of activity.

28 Consumer demand can potentially play a pivotal role in encouraging organizations to increase their
29 social responsibility. To do so, consumers need complete, reliable, easily-accessible and comparable
30 information about the activities of organizations with respect to social responsibility.

31 As the volume of information expands with the advance in information technology, an organization is
32 increasingly required to properly manage information. The basis of an organization's ability to build the
33 trust of consumers lies in its ability to ensure proper management of personally identifiable data in all
34 aspects of its activities.

35 **6.7.2 Core issue – Providing consumers with accurate and adequate information**

36 Providing consumers with accurate and adequate information regarding the organization's products and
37 services is linked to environment, human rights, governance, community involvement/society
38 development and fair operating practices.

1 This core issue includes:

- 2 — Responsible organizational practices, including respect for the health and well-being of consumers;
- 3 — Fair marketing, including adherence to marketing regulations; and
- 4 — Transparency, so well-informed consumers recognize the positive social responsibility performance
- 5 of an organization.

6 An organization should consider:

- 7 — Provision of responsible, truthful and accurate advertising and information, This includes correct
- 8 weight and measure, plain language communications, full, frank and truthful disclosure and
- 9 labelling regarding content, health aspects, safe use, maintenance, storage and disposal. It also
- 10 includes multi-lingual information, if appropriate, full disclosure of terms and conditions,
- 11 comparability with alternative products and services and provision of factual and adequate
- 12 information on products and services;
- 13 — Provision of information about the environmental aspects of products and services;
- 14 — Equitable contracts, including guarantees, respect for consumer rights, technological neutrality and
- 15 access to redress);
- 16 — After-supply service and support, including product and service systems and support, the right to
- 17 test products and services, the right to refunds, warranties and a complaint management system
- 18 with stakeholder participation);
- 19 — Respect for freedom of consumer choice;
- 20 — Education of consumers;
- 21 — Full disclosure of information about the product or service;;
- 22 — Performance in accordance with stated policies or practices related to transactions with
- 23 consumers;
- 24 — Ensuring that advertising is clearly identifiable as such;
- 25 — The ability to substantiate any expressed or implied representation; and
- 26 — Special care in advertising and marketing that is targeted to children, the elderly, the seriously ill
- 27 and others who may not have the capacity to fully understand the information.
- 28 Key references that an organization should consider on this issue are:
- 29 — The UN Guidelines for Consumer Protection;
- 30 — The OECD Guidelines for Multinational Enterprises;
- 31 — The OECD Guidelines for Consumer Protection in the Context of Electronic Commerce;
- 32 — Labelling laws, for example, ISO 14021:1999. Environmental labels and declarations -- Self-
- 33 declared environmental claims (Type II environmental labelling);
- 34 — ISO 9001:2000. Quality management systems -- Requirements;
- 35 — The UN Global Compact Principles 1 - 10; and
- 36 — The WHO Framework Convention on Tobacco Control

6.7.3 Core issue – Provision and development of environmentally and socially-beneficial services and products

An organization that sells, promotes or markets products or services can play an important role in increasing the demand for environmentally and socially beneficial products and services.

This core issue covers:

- Fair organizational practices;
- Accessibility;
- Social inclusion;
- Reducing the vulnerability of consumers through adherence to human rights; and
- Access to essential products and services

The issue of provision and development of environmentally and socially beneficial services and products is linked to environment, human rights, governance, community involvement/society development and fair operating practices.

An organization selling, promoting or marketing products or services should:

- Ensure, to the greatest extent possible, that consumers are able to compare its goods and services with alternatives;
- Provide consumers with information about the environmental and social conditions under which the product or service was produced;
- Provide consumers with information about the resource efficiency of a product and how the product compares with alternatives;
- Improve the life cycle of products;
- Engage in activities to raise awareness of ethical consumption; and

Key references that an organization should consider on this issue are:

- Consumer protection laws;
- The OECD Guidelines for Multinational Enterprises; and
- The UN Global Compact Principles 1 - 2.

6.7.4 Core issue – Provision and development of safe and reliable products and services

An organization has a responsibility to provide consumers with safe and reliable products and services. When developing, selling and promoting products and services, an organization should not engage in practices or offer products that are likely to cause unreasonable risk of harm to consumers.

The issue of provision and development of safe and reliable products and services is linked to environment, human rights, governance, community involvement/society development and fair operating practices.

An organization should:

- provide products and services that are not harmful to consumer health;
- provide health and safety impact assessments on products and services, if appropriate;

- 1 — withdraw or recall unsafe products and services;
- 2 — publish health warning notices;
- 3 — pay special care to protect vulnerable groups such as children, the elderly, the seriously ill and
- 4 others who might not have the capacity to recognize or assess potential dangers;
- 5 — pay special care to the needs of indigenous populations; and
- 6 — avoid use of any dangerous or addictive additives, substances or other products that could create
- 7 unreasonable risk of harm.
- 8 Key references that an organization should consider on this issue are:
- 9 — The OECD Guidelines for Multinational Enterprises;
- 10 — The UN Global Compact Principles 1 - 2; and
- 11 — ISO 22000:2005. Food safety management systems -- Requirements for any organization in the
- 12 food chain.

13 **6.7.5 Core issue – Protection of consumers' privacy**

- 14 Personal data is increasingly becoming a good. At the same time privacy is imperative for democracies
- 15 to function and is a prerequisite for human beings to live a self-determined life.
- 16 The issue of human dignity/privacy is linked to human rights, governance and fair operating practices.
- 17 An organization should:
- 18 — Gather minimum data about consumers;
 - 19 — Ensure that personal data are stored safely;
 - 20 — Develop, implement and maintain effective and easy-to-use procedures that allow consumers to
 - 21 choose whether or not they wish to receive commercial calls, e-mail messages or mail. When
 - 22 consumers do not want to receive such communications, their wishes should be respected; and
 - 23 — Not sell or pass on personal data to others without the consent of the person or when the data are
 - 24 not essential for the provision of the good or service.
- 25 A key reference that an organization should consider on the protection of consumers' privacy is the
- 26 OECD Guidelines for Multinational Enterprises.

27 **6.8 Community involvement/society development**

28 **6.8.1 Rationale**

- 29 The stable healthy and sustained development of society and a community is not only an essential
- 30 condition for the activities of an organization, but also an agenda that cannot be overlooked in the
- 31 progress of international society.
- 32 Active global partnerships should be established by a variety of organizations to overcome barriers of
- 33 frontier, organizational roadblocks and professional obstacles. Official development assistance (ODA)
- 34 policies should be analyzed in terms of their function and effectiveness. ODA programmes and activities
- 35 in ODA recipient countries should be formulated to provide more effective policy structures for the
- 36 development of a global community.

1 NGOs have also made contributions to community development and have established track records
2 working with business enterprises. There is the expectation that a global partnership will be formed to
3 provide effective and efficient assistance to community development throughout the world.

4 **6.8.2 Core issue – Development impacts**

5 The overall objective of community involvement/society development is to promote sustainable
6 development.

7 The primary focus of all development should be positive outcomes.

8 Development should not infringe on the human rights of any group in society. and should underlie all
9 actions.

10 People have a right to live and work in an environment that is conducive to good health and to a good
11 quality of life and that enables the development of human and social potential.

12 The core issue of development covers the following issues:

- 13 — Resource competition;
- 14 — Community health and safety;
- 15 — Cultural and heritage resources;
- 16 — Employment;
- 17 — Wealth generation;
- 18 — Tax contributions;
- 19 — Contribution to the local economy; and
- 20 — Innovation; technology and science.

21 **6.8.2.1 Resource competition**

22 An organization should consider:

- 23 — Resource use management;
- 24 — Respect for property rights;
- 25 — Multiple use;
- 26 — Traditional use; and
- 27 — Indigenous people's rights.

28 Key references that an organization should consider on this issue are the:

- 29 — International Covenant on Economic, Social and Cultural Rights;
- 30 — ILO Convention 169 concerning Indigenous and Tribal Peoples Independent Countries. Adopted
31 on 27 June 1989 by the General Conference of the International Labour Organization at its 76th
32 session; entry into force 5 September 1991;
- 33 — UN Global Compact Principles 1 - 10;
- 34 — Universal Declaration of Human Rights;

- 1 — Earth Charter; and
- 2 — Forest Stewardship Council Principles.
- 3 The issue of resource competition is linked to the issues of environment and human rights.

4 **6.8.2.2 Community health and safety**

5 When addressing the issue of community health and safety, an organization should consider:

- 6 — Health impact of products:
 - 7 — Programmes and controls;
 - 8 — Hazard management and avoidance of health risk;
- 9 — Emergency preparedness and response;
- 10 — Promotion of community health and of local health care awareness;
- 11 — Promotion of community wellness;
- 12 — Security programmes:
 - 13 — Training of security personnel;
 - 14 — Security forces; and
- 15 — Hazard analysis.

16 The issue of community health and safety is linked to environment, human rights and labour practices.

17 Key references that an organization could consider on the issue of community health and safety are
18 the:

- 19 — GRI Sustainability Reporting Guidelines;
- 20 — ISO 14000 series of environmental management standards; and
- 21 — Millennium Development Goals.

22 **6.8.2.3 Cultural and heritage resources**

23 When addressing the issue of cultural and heritage resources, an organization should identify, preserve,
24 enhance and protect cultural heritage resources and traditional knowledge. An organization could
25 consider the UNESCO conventions on this issue.

26 The issue of cultural and heritage resources is linked to human rights.

27 **6.8.2.4 Employment**

28 When addressing the issue of employment, an organization should consider:

- 29 — Local hiring;
- 30 — Job creation including training and skills development; and
- 31 — Recruitment policies.

32 The issue of employment is linked to human rights and labour practices.

1 Key references that an organization could consider on this issue are:

- 2 — UN Global Compact Principle 6;
- 3 — GRI Sustainability Reporting Guidelines; and
- 4 — Ethos Indicators of Corporate Social Responsibility, 2001.

5 **6.8.2.5 Wealth generation**

6 When addressing the issue of wealth generation, key references an organization should consider are;

- 7 — GRI Sustainability Reporting Guidelines; and
- 8 — OECD Guidelines for Multinational Enterprises.

9 **6.8.2.6 Tax contributions**

10 When addressing the issue of tax contribution (direct and indirect), an organization should consider the
11 following key reference: the GRI Sustainability Reporting Guidelines.

12 **6.8.2.7 Contribution to the local economy**

13 When addressing the issue of contribution to the local economy, an organization should consider local
14 sourcing of goods and services.

15 A key reference that an organization should consider on the issue of contribution to the local economy
16 is the OECD Guidelines for Multinational Enterprises.

17 **6.8.2.8 Innovation, technology and science**

18 When addressing the issue of innovation, technology and science, especially with regard to the
19 potential for products and services to address society's key challenges, an organization should consider
20 investment in research and development. A key reference that an organization could consider is the UN
21 Global Compact Principle 9 on environmental technologies.

22 **6.8.3 Core issue – Community involvement**

23 The issue of community involvement covers:

- 24 — Infrastructure;
- 25 — Capacity building;
- 26 — Responsible investment;
- 27 — Inclusiveness/equal opportunity;
- 28 — Empowerment; and
- 29 — Partnership.

30 When addressing the issue of infrastructure, an organization should consider investment in schools,
31 hospitals, roads, education etc. and social services.

32 An organization should support and strengthen individuals, families and communities. identifying needs
33 and developing solutions at a local level. This may involve advocacy, empowerment, education,
34 awareness raising and distribution of resources to individuals and communities.

35 To address the capacity building issue, an organization should take action on

- 1 — Human resource development - education, skills development and training;
- 2 — Institutional development.
- 3 Key references that an organization should consider on this issue are the:
- 4 — UN Global Compact Principles 1 - 10;
- 5 — GRI Sustainability Reporting Guidelines; and
- 6 — Ethos Indicators of Corporate Social Responsibility, 2001.
- 7 When addressing the issue of responsible investment, an organization should consider environmental,
8 social and corporate governance aspects of organizations in which it might invest. The UN Global
9 Compact and the UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible
10 Investment (PRI) may be used as key references.
- 11 Opportunities and resources available to the community should be distributed in a just and equitable
12 manner according to community needs.
- 13 When addressing inclusiveness and equal opportunity, an organization should consider:
- 14 — Minority and women owned development;
- 15 — Multi stake holder consultation to promote inclusiveness; and
- 16 — Non-discrimination in provision of goods and services.
- 17 The UN Global Compact Principles may be used as a key reference on this issue.
- 18 People have a right to participate meaningfully in information gathering, planning, direction setting and
19 decision-making regarding outcomes that will affect their lives and the community's development.
- 20 When appropriate, decision-making should be decentralised, with accountable decisions being made as
21 close to an individual citizen as possible.
- 22 When addressing empowerment, an organization should consider:
- 23 — Community self-determination; and
- 24 — Citizen awareness and participation in programmes and processes.
- 25 An organization should establish and foster partnerships that aim to achieve positive outcomes for
26 members of the community.
- 27 When addressing the issue of collaboration, an organization should consider:
- 28 — Public-private partnerships;
- 29 — Partnerships with local, national and international civil society organizations;
- 30 — Partnership accountability and responsibility; and
- 31 Key references that an organization could consider on this issue are the:
- 32 UN Global Compact.
- 33 [GRI Sustainability Reporting Guidelines; and
- 34 Ethos Indicators of Corporate Social Responsibility, 2001.]

1 **6.8.4 Core issue – Society development**

2 The core issue of society development covers:

3 — Social well-being and social capital;

4 — Social infrastructure;

5 — Citizenship awareness;

6 — Partnership for development;

7 — Promotion of peace;

8 — Promotion of culture;

9 — Promotion of universal education;

10 — Promotion of democracy;

11 — Partnership; and

12 — Access to essential product and services.

13 When addressing the issue of society development, an organization should consider:

14 — Investment in basic infrastructure – schools, hospitals, roads, housing, education;

15 — Social services; and

16 — Partnership with local, national and international civil society organizations.

17 When addressing the issue of social well-being/social capital, an organization should consider
18 community cohesion, stability, character, social and spiritual well-being and demographic trends.

19 An organization should take action to facilitate community networks to create social capital and ensure
20 access to basic health services.

21 Recognize that the issue of social well-being/social capital is linked to human rights.

22 A key reference that an organization should consider on this issue is the UN Global Compact Principles
23 4 and 5.

24 To ensure that all people have access to essential goods and services:

25 — When privatizing, governments should ensure all citizens' access to essential goods and services;
26 and

27 — An organization that provides essential goods and services should ensure access even when the
28 government has not obliged the organization to do so.

29 Key references that an organization could consider on this issue are the:

30 — Universal Declaration of Human Rights;

31 — UN Millennium Development Goals;

32 — Earth Charter;

33 — UN Global Compact;

- 1 — GRI Sustainable Reporting Guidelines; and
- 2 — Ethos Indicators of Corporate Social Responsibility, 2001.

3 **6.8.5 Core issue – Philanthropy**

4 The core issue of philanthropy covers the issues of social action and volunteering.

5 When addressing the issue of social action, an organization should consider:

- 6 — Support to local social programmes;
- 7 — Non public social investment; and
- 8 — Empowerment of local communities.

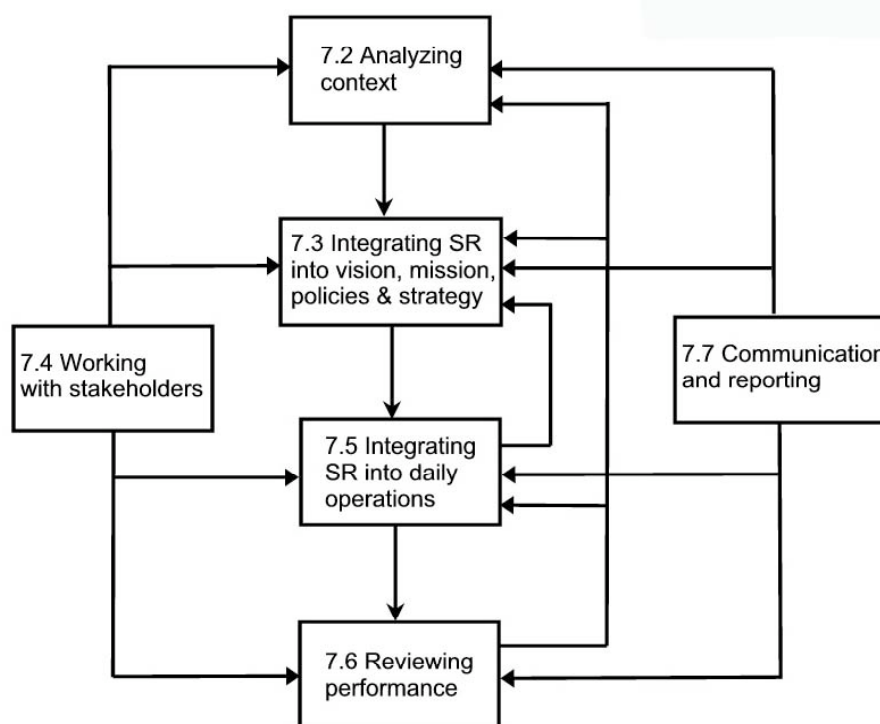
9 When addressing the issue of volunteering, an organization should consider:

- 10 — Volunteer programmes and
- 11 — Human resource development.

12 **7 Guidance for organizations on implementing social responsibility**

13 **7.1 General**

14 This clause provides practical guidance on integrating and implementing social responsibility in an
 15 organization. It identifies actions that any type and size of organization may take. They need not
 16 necessarily be applied in a step-by-step approach. Some organizations may find it more appropriate to
 17 undertake the activities in a different order, or to use only parts of the guidance. An organization may
 18 decide to repeat one or several steps.



19 **Figure 1. Structure of Clause 7**

An organization implementing social responsibility will often address both what it does (for example, its activities, products and services) and how it does it (for example, policy, strategy and operations). Social responsibility also involves considering an organization's impact on its stakeholders. An organization should prioritize the activities it undertakes to become socially responsible according to its profile, context and outcomes of stakeholder engagement. Comprehensively addressing social responsibility is an ongoing activity that will take time. Developing long- and mid-term strategies and action plans are recommended.

It is necessary to adopt a systematic approach that provides for the complexity of an organization and its environment. The analysis of the context in which an organization operates will have an impact on its vision, policy and strategy, its relationship with its stakeholders and the daily practices. To ensure progress and transparency, an organization should review its performance and communication. All these activities are interdependent.

This guidance is intended to be compatible with and complementary to an organization's existing models or practices.

Practical help box 1 (placeholder) – Illustration for 7.2 to 7.7
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7.2 Analyzing the context in which an organization operates

7.2.1 General

An organization should analyze and understand the social, environmental and economic context in which it operates. This analysis should include:

- General principles (Clause 5);
- Substantive principles (Clause 5);
- Operational principles (Clause 5); and
- Core social responsibility issues (Clause 6).

An organization's analysis of its context covers the following:

- Profile;
- Social responsibility; and
- Stakeholders.

The context analysis should identify an organization's current programmes, impacts, opportunities, risks and challenges related to social responsibility. The context analysis should include the organization's supply chain and the interests of stakeholders. An organization's strategies and plans for becoming socially responsible should take account of this analysis. An organization may choose to update the context analysis periodically.

7.2.2 Analyzing the organization's profile

An organization should first study, describe and evaluate its current organizational profile from an economic, environmental and social perspective covering, but not limited to, the following areas:

- Type of organization;
- Guiding documents for an organization, such as vision, mission, policies, principles, values and codes of conduct;

- 1 — Quantitative information: for example, number of employees or net revenues;
- 2 — Geographic scope of operations and sales and organizational boundaries;
- 3 — Position in the supply chain, both upstream and downstream. Elements of the supply chain can
- 4 include raw material suppliers, product suppliers, customers and waste handlers. See Figure 2);
- 5 — Organizational and operating structure;
- 6 — Core products and services;
- 7 — Core processes and activities; and
- 8 — Internal and external guidelines and standards of importance to social responsibility management.

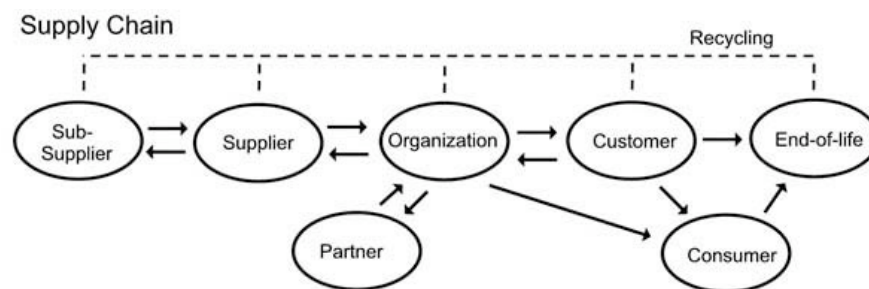


Figure 2 – Example of supply chain

7.2.3 Analyzing the social responsibility context

An organization should analyze the social responsibility context in which it operates. Based on consideration of social responsibility principles and core issues (Clauses 5 and 6) and the organizational profile (7.2.1), the social responsibility analysis consists of:

- Identifying legal requirements;
- Identifying the principles applicable to the organization;
- Identifying which social responsibility principles are already applied, or partially applied;
- Identify the core issues that are applicable to an organization;
- Identifying which core issues are already addressed, or partially addressed;
- Identifying, the current programmes, impacts, opportunities, risks and challenges related to each core issue and in relation to:
 - Main products and services;
 - Main processes and activities, including supply chain;
 - Additional considerations, such as legal compliance, operations, brand and reputation, customer satisfaction or financial aspects;
 - Likelihood, frequency and potential causes of impacts and potential causes;
 - The degree of control or influence the organization has on its supply chain and other stakeholders

- 1 — Identifying any specific practices or programs within the organization's main products and
2 services, processes and activities;
- 3 — Describing the essentials of an organization's culture that might be relevant for its activities in the
4 area of social responsibility; and
- 5 — Identifying the organization's intentions for implementing social responsibility throughout the
6 organization.

7 The basis of this analysis should be transparent and communicated to relevant stakeholders. Reasons
8 should be described in terms of possible impacts, risks, challenges or opportunities.

9 The results of the analysis should be a list of principles and issues most relevant to the organization
10 and linked to its main products, services, processes and activities. When available, a list of existing
11 practices addressing social responsibility issues should be added. It may be helpful for the organization
12 to prioritize the items on the list.

13 **7.2.4 Analyzing the stakeholder context**

14 A key component of social responsibility is stakeholder engagement. An organization should, therefore,
15 analyze its stakeholder context.

16 All organizations undertake some form of stakeholder engagement by communicating with individuals
17 or organizations such as customers, employees and suppliers. Stakeholder dialogue and engagement
18 does not necessarily require an organization to develop a new communication system, but can build on
19 existing experiences, approaches and results. An organization should determine its stakeholder context
20 by conducting the following activities:

- 21 a) Identify its key stakeholders and other relevant stakeholders by drawing a stakeholder map (as
22 shown in Figure 3) that:
 - 23 — lists the organization's stakeholders;
 - 24 — describes the relationship between the organization and its stakeholders;
 - 25 — identifies the relationships between the organization's stakeholders; and
 - 26 — identifies those stakeholders in the supply chain.
- 27 b) Gather information that characterizes key stakeholders:
 - 28 — identifying the expectations and demands that the stakeholders have of an organization;
 - 29 — describing the strategy or action programmes followed by the stakeholders;
 - 30 — identifying those social responsibility issues on which the stakeholders can offer contributions;
31 and
 - 32 — identifying those social responsibility issues on which a specific stakeholder can have an
33 impact.
- 34 c) After completing a sustainability context analysis, an organization should update its sustainability
35 context with respect to:
 - 36 — those social responsibility issues that are not being addressed;
 - 37 — additional opportunities, risks and challenges in social responsibility related to main products,
38 services, processes and activities; and
 - 39 — changes in the organization's profile.

40

Further information on how to work with stakeholders is provided in 7.4.

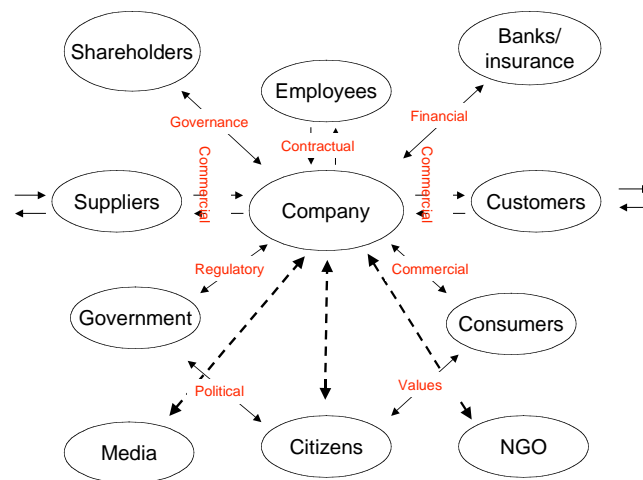


Figure 3 – Example of stakeholder map for a typical private company; different stakeholder groups might be relevant for other organizations.

7.2.5 Methods and approaches

There are many different methods available for analyzing an organization's profile, sustainability context and stakeholder context. The organization should apply the method(s) it considers most appropriate.

7.3 Integrating social responsibility throughout the organization

7.3.1 Heading to be inserted

The results of the context analysis and the guidance of this standard should be applied by an organization when beginning to implement social responsibility. Revision of the organization's policy or strategy should be based on its experience in social responsibility.

7.3.2 Adoption of principles

An organization should adopt the social responsibility principles identified by its context analyses and any other principles that have been developed as a result of its own experience.

7.3.3 Integrating social responsibility into vision, mission, policies and codes of conduct

An organization should integrate the results of the context analysis in the appropriate organizational guidance statements, such as the vision, mission and policies or other statements and documents. An organization may also choose to develop a separate guidance document on social responsibility.

These organizational documents should address the organization's intentions for social responsibility with respect to:

- Stakeholders;
- Issues identified through the context analysis;
- Main products and services; and
- Main processes and activities.

1 An organization should document its commitments, values and rules of behaviour. This documentation
2 may be in the form of a code of conduct or other appropriate form of statement.

3 The code of conduct can serve as a basic reference guide to assist an organization's employees in
4 daily decision-making. In addition to being used by the organization to guide its behaviour, a code of
5 conduct may also give stakeholders an impression of an organization's commitment to social
6 responsibility. An organization's senior managers have a key role in leading and supporting the
7 development of these documents.

Practical help box 3 – How to develop a code of conduct *(To be further developed)*

- Detailed commitment;
- Set of rules for behaviour; and
- Detailing the policy.

8 **7.3.4 Determining sphere of control and influence**

9 An organization should determine its sphere of influence with respect to social responsibility. The
10 sphere of influence should function as guidance for an organization when determining its strategies in
11 the area of social responsibility.

12 Determining the sphere of influence inside an organization consists of identifying the degree of control
13 or influence the organization has on:

- 14 — Major social responsibility issues, which may be ranked according to the extent of their
15 impacts, risks, challenges and opportunities;
- 16 — Main processes and activities; and
- 17 — Main products and services.

18 This determination should take account of:

- 19 — The organization's geographical and legal boundaries;
- 20 — Stakeholders and their expectations; and
- 21 — Vision, mission, policies and code of conduct.

22 Determining the sphere of influence outside an organization is essentially the same as above, while
23 also taking into account:

- 24 — Other organizations within the stakeholder map and supply chain (downstream and upstream); and
- 25 — That within its sphere of influence, an organization chooses to take a (degree of) responsibility.
26 Outside its sphere of influence, an organization cannot be held responsible by stakeholders.

27 Criteria that may be used in determining the sphere of influence are shown in Practical help box 4.

Practical help box 4 – Criteria for determining spheres of influence

General criteria for determining the sphere of influence

- Existence of agreements or contracts between an organization and stakeholder(s);
- Nature of any agreement or contract; and
- Nature of a relationship or partnership between a stakeholder and an organization.

Criteria for determining the sphere of influence with of supply chain organizations

- Size, complexity and type of organization;
- Number of entities in the chain; and
- Competitive situation, that is, the strength of the organization compared to similar organizations

1 7.3.5 Developing objectives and strategies

2 An organization should develop mid- and long-term objectives and related strategies to implement
3 social responsibility based on its adopted vision, mission, policies and other documents, including a
4 code of conduct or statement of principles..

5 An organization's strategies for handling social responsibility issues should include practices and
6 procedures for achieving the objectives. The strategies can be used to help set priorities for developing
7 procedures. They can also be used to determine what competencies and economic, technical or human
8 resources are needed. The social responsibility strategies should also outline an overall framework for
9 reviewing the performance and progress of activities to implement social responsibility.

10 The objectives may be based on:

11 — Results of the context analysis, the adoption and integration of principles, determination of the
12 sphere of influence and information from stakeholders;

13 — Selection of issues to be addressed; and

14 — Assignment of priorities and timing for addressing the selected issues.

15 The strategies may include information on how to:

16 — Reach the objectives set above;

17 — Determine the practices or procedures for addressing selected issues in an organization's products,
18 services, processes and activities;

19 — Handle issues in different countries, locations and/or specific local situations, taking into account
20 differences in culture, social and economic conditions;

21 — Provide groups within an organization with the authority and resources to implement actions related
22 to social responsibility;

23 — Engage with stakeholders; and

24 — Develop an overall framework for reviewing performance and progress. Further guidance in this
25 area is given in 7.6.

- 1 An organization should allocate resources and identify competencies identified as necessary for the
2 implementation of its strategies.

Practical help box 5 – Practices *(to be further developed)*

For most processes and/or activities, it should be possible to indicate issues that are relevant/
important and then to define practices that are specific to that process.

Examples *(to be added)*:

3 **7.3.6 Methods and approaches**

4 *To be determined*

5 **7.4 Working with stakeholders**

6 This subclause provides guidance on how an organization should identify, select and engage with
7 stakeholders..

8 Engagement of stakeholders is important for the following reasons.

- 9 — Stakeholders can help an organization understand stakeholder expectations and concerns. These
10 may relate to the organization's economic, environmental, and social impacts and the risks of its
11 activities, products and services;
- 12 — It can foster mutual understanding of social responsibility issues and identify and help to resolve
13 conflicts;
- 14 — It helps to increase the effectiveness of social responsibility activities;
- 15 — It may demonstrate an organization's level of commitment to social responsibility and potentially
16 enhance its credibility; and
- 17 — It can contribute to solving social responsibility issues and achieving goals that neither an
18 organization nor stakeholders involved could have achieved alone.

19 **7.4.1 Stakeholder identification and selection**

20 An organization should identify all of the relevant stakeholders and stakeholder groups, including those
21 within an organization and those external to it. The identification encompasses the supply and value
22 chains. An organization should also determine stakeholders' interests, concerns and relationship to the
23 organization.

24 An organization's existing relationships can act as a starting point for the identification of stakeholders,
25 but consideration should also be given to stakeholders with whom an organization does not yet have
26 relationships. These stakeholders may be identified by means of focus groups or surveys or by
27 announcing the identification process publicly and inviting stakeholders to indicate their interest in being
28 involved.

29 After identifying the relevant stakeholders, an organization should select the stakeholders to approach
30 and engage.

31 In selecting stakeholders, an organization should consider:

- 32 — Degree to which stakeholders are affected;

- 1 — Breadth of relevant issues covered;
- 2 — Legitimacy of stakeholders as representatives of specific interests or issues;
- 3 — Independence in decision-making; and
- 4 — Representation across a wide range of issues (see Practical help box 6).

Practical help box 6 – Ensuring stakeholder representation

Representation is best achieved by including appropriate representation of each relevant stakeholder group. The following is an illustrative list of stakeholder groups:

- An organization's own employees;
- Trade unions;
- Owners/shareholders/investors/providers of capital;
- Constituents;
- Customers;
- Civil society and NGOs, such as environmental or human rights organizations;
- Government organizations;
- Community organizations;
- Suppliers and their employees; and
- Supply and value chain organizations

It is also important to include individuals who represent relevant stakeholder interests.

5

6 7.4.2 Engaging with stakeholders

- 7 Stakeholder engagement should develop trust between an organization and its stakeholders, with the
- 8 aim of improving an organization's performance in social responsibility. Trust is developed through a
- 9 combination of performance and transparency and indicates the organization's credibility in social
- 10 responsibility. The development of trust involves an exchange of ideas and relevant information
- 11 between an organization and its stakeholders. To ensure that trust between an organization and its
- 12 stakeholders is developed, an organization should engage with them in a systematic manner.
- 13 Provisions should be made for legally recognized justifications for confidentiality, such as trade secrets
- 14 and restrictions on disclosure.
- 15 The development of a stakeholder engagement and communication plan can be helpful in identifying
- 16 specific means of communicating with stakeholders, including communication methods and frequencies.
- 17 The engagement plan should be communicated and easily accessible, and it should evolve over time.
- 18 When engaging with stakeholders on labour-related issues, topics should be based on ILO principles,
- 19 applicable national/local legislation and agreements between national labour and employer
- 20 organizations. It should further provide that the most essential form of engagement for labour
- 21 stakeholders be collective bargaining.

Practical help box 7 – Methods of engaging with stakeholders

Methods of engaging with stakeholders include:

- Individual interviews;
- Group interviews;
- Focus groups;
- Workshops and seminars;
- Public meetings and hearings; and
- Queries and surveys.

The appropriate method depends on the size and nature of an organization and the stage of the engagement process.

7.4.3 Partnership and collaboration

Partnership and collaboration is a source of creative thinking that produces win-win solutions to conflicts that may occur between an organization and its stakeholders.

It sometimes produces new opportunities, new approaches and new developments that add value to an organization.

7.4.4 Integrating feedback from stakeholder engagement

Meaningful engagement with stakeholders is not simply an isolated activity; it is a decision making method that may involve a degree of cultural and procedural change within an organization. It has the potential to result in continual learning within and outside an organization. This mutual learning process is likely to strengthen trust between an organization and its stakeholders. Trust, in turn, fortifies credibility.

Stakeholder engagement is an ongoing process. There should be a constant cycle of dialogue and feedback between an organization and its stakeholders. Stakeholder engagement should make an organization aware of its risks. Stakeholders should be in a position, through feedback, to understand how an organization has responded to their views. Communicating information about its performance on social responsibility allows an organization to demonstrate progress towards its objectives.

7.4.5 Methods and approaches

(to be further developed)

Useful references on working with stakeholders are shown in Annex B.

7.5 Integrating social responsibility into an organization's daily practices

Social responsibility should be integrated into all aspects of an organization's activities. The way in which an organization addresses social responsibility may have an impact on all aspects of the organization.

This subclause provides guidance on integrating social responsibility into all aspects of an organization's operations. As it is important for an organization to include social responsibility in its decision-making processes at all levels, it should review existing structures and procedures for relevance to social responsibility issues. An organization should develop the necessary competency to carry out activities of social responsibility throughout the entire organization. An organization should

also engage and educate its employees so that they take active roles in promoting and implementing social responsibility activities in their own positions.

7.5.1 Establishing organizational structures and allocating resources

An organization should review its existing structures and modify them as necessary to ensure that they are appropriate for achieving its social responsibility objectives.

Factors to be considered in establishing appropriate organizational structures and procedures include:

- Commitment and participation of an organization's managers;
- Competence in social responsibility at all levels of the organization;
- Sections of the organization whose activities and responsibilities are particularly relevant to social responsibility;
- Organizational structures and procedures to implement social responsibility policies and priorities throughout the organization including:
 - Communicating with all employees about their responsibilities;
 - Promoting cross-functional interactions; and
 - Establishing a mechanism for sharing information, including communication with and from top management; and
- The identification of organizational structures and procedures to engage with stakeholders and reflect their feedback in the relevant social responsibility activities, as described in 7.4.

The establishment of an organizational structure(s) and social responsibility procedure(s) may also require allocation of resources including budget, human resources, specific expertise, technology and information systems. Before allocating resources for social responsibility, relevant decision-making groups within the organization should consider the relevance and priority of different activities. Allocation of resources for social responsibility may be possible using the organization's regular processes of planning and budgeting if the existing organizational structures and procedures are revised to incorporate the new social responsibility needs.

7.5.2 Building an organization's capability and raising internal awareness

To ensure that it has the capability to address social responsibility, an organization should identify and develop in-house expertise on social responsibility by providing up-to-date information, tools, skills and learning opportunities. In addition, an organization should promote understanding and raise awareness among its constituents/employees/members so that they can recognize the importance of their own actions relevant to social responsibility and their own roles in contributing to an organization's social responsibility.

An organization's senior management has a critical role in raising awareness of social responsibility within the organization. It should be consistently involved and demonstrate leadership in social responsibility.

7.5.3 Integrating social responsibility into relevant operations of an organization

In integrating social responsibility into its ongoing activities, and in addressing various social responsibility issues, an organization should make diligent efforts to enhance its performance on each social responsibility issue. Each section of the organization, especially those with the potential to advance social responsibility issues, should determine what social responsibility means to its operations, identify possible achievements and study practices in leading organizations to determine what else might be relevant to the organization. Accordingly, the managers and/or staff members with responsibility for specific social responsibility issues should take concrete actions to minimize risks and

to maximize opportunities associated with these issues. They also should develop plans and prioritize specific actions that flow from the social responsibility objectives and strategy identified in 7.3.

Effective approaches for integrating social responsibility throughout the organization may differ between organizations. Approaches may be centralized, de-centralized or a combination of both centralized and de-centralized.

— A centralized approach often includes:

— Appointing social responsibility leader(s) with overarching responsibility to promote, coordinate and collaborate on social responsibility activities throughout an organization and

— Appointing one department to be responsible for social responsibility and interaction with others.

— A decentralized approach often includes:

— Delegating specific social responsibility activities or issues to individual departments, and encouraging the departments to coordinate their activities and

— Forming an internal team among major departments, including at least some members of senior management.

An organization should determine who will be responsible for implementing activities associated with social responsibility within the organization and assign responsibility and provide resources to those individuals. The organization should also determine rewards and recognition for successful implementation and consequences for non-performance. Procedures for evaluating, rewarding and holding employees accountable for performance on social responsibility issues should be integrated into existing human resources systems.

7.5.4 Setting social responsibility targets and selecting actions

To achieve its social responsibility objectives, an organization should identify priorities for social responsibility issues. It should then set specific social responsibility targets and select concrete actions based on these priorities. These actions should be based on input from stakeholders, internal procedures of the organization and provisions of this International Standard. Each section of the organization may need to set its own social responsibility targets for its ongoing activities and operations. These targets may be qualitative, quantitative or a combination of qualitative and quantitative, depending on the most suitable targets for monitoring progress of each action related to social responsibility. Targets can serve as milestones along the way to achieving social responsibility objectives and may provide opportunities for adjusting the social responsibility plan, for identifying additional training needs and for adjusting resources as necessary.

In setting priorities for the social responsibility issues identified as most relevant to an organization (see 7.2), consideration may be given to the following factors, as appropriate:

— Timeframe to implement;

— Sections of the organization that would be involved and the activities anticipated for each section;

— Short- and long-term costs;

— Benefits to stakeholders, the organization and the environment;

— Potential challenges or obstacles;

— Additional information needed and ways of obtaining that information;

Additional sources of guidance on social responsibility should be considered, including items such as:

- 1 — Legal provisions in the host country of the organization. Provisions in other countries should also
2 be considered when they afford a higher level of protection, because they may serve as a possible
3 benchmark for the organization.
- 4 — International agreements in the field of social responsibility;
- 5 — Best practice and state-of-the-art approaches identified in studies, guidelines and other documents;
6 and
- 7 — Public procurement guidelines establishing sustainability criteria.

8 **7.5.5 Methods and approaches**

9 *(to be further developed)*

10 **7.6 Reviewing performance for improvement**

11 **7.6.1 General**

12 This subclause provides guidance to an organization on reviewing performance and monitoring
13 progress on social responsibility.

14 At appropriate intervals, an organization should review its performance on social responsibility and
15 monitor progress and activities that can have a significant impact on that performance. The review and
16 monitoring should be based on the following clauses of this International Standard:

- 17 — Scope, Terms and Definitions, Context and Principles (Clauses 1, 3, 4 and 5);
- 18 — Issues (Clause 6); and
- 19 — Implementation approaches (Clause 7).

20 The organization should then identify and address obstacles and social responsibility activities that
21 need improvement, and realign the guidance statements, objectives, strategy, targets, plans and
22 actions, as necessary.

23 **7.6.2 Compiling and usage of data**

24 An organization should gather information and keep records of its activities and performance on social
25 responsibility for use in the review of its performance on social responsibility. It should disclose this
26 information to its stakeholders and society. It should set up internal procedures to identify, secure,
27 protect, amend and dispose of data and other information on social responsibility.

28 Records should be identifiable and traceable. In gathering data, an organization may face some
29 challenges, such as costs, the availability of data, the reliability of the information and the accuracy of
30 the information. The organization should evaluate the costs and effort compared to the benefits, that is,
31 the value that specific data will add to its performance on social responsibility.

32 The organization should also maintain its documentation and records for an appropriate period of time,
33 to follow its progress and demonstrate its performance on social responsibility commitments and targets.

Practical help box 8 – Documentation and records

Examples of relevant documentation and records may include:

- Minutes of organization's relevant meetings / decision-making record;
- Records of complaints;
- Results of social responsibility supply chain audits;
- Results of environmental audits;
- Results of related assessments (privacy, ethics, governance);
- Output of stakeholder engagement activities (surveys, focus groups);
- Data records of key performance indicators identified by an organization and its stakeholders;
- Invoices received for relevant activities;
- Donation receipts;
- Training records;
- External communications (including advertising to potential customers); and
- Records and lessons learned from past incidents, accidents, events or failure of internal controls.

1 **7.6.3 Reviewing performance and progress**

2 An organization should review its social responsibility performance at appropriate intervals, and should
3 monitor progress against its targets (see 7.5.4).

4 Monitoring procedures established by an organization should address:

- 5 — The functional responsibilities and objectives for planning and conducting reviews and for reporting
6 results; and
- 7 — The determination of scope, frequency and methods for reviews.

8 An organization should review its social responsibility performance throughout the entire organization
9 by establishing an internal review function or team. Elements of such reviews should include:

- 10 — Compliance with all relevant laws;
- 11 — Consistency with the organization's commitments;
- 12 — Appropriateness of the implementation process for achieving the organization's social responsibility
13 objectives and targets; and
- 14 — Compliance with the provisions of the voluntary initiatives to which the organization subscribes.

15 To make internal social responsibility performance reviews effective, an organization should provide
16 information on the results of such reviews to key stakeholders and obtain feedback from them.
17 Stakeholder engagement is useful for generating ideas for improving performance.

7.6.4 Senior management reviews

To ensure the continued suitability and effectiveness of the organization's social responsibility program, senior management should review the organization's social responsibility performance at appropriate intervals after taking feedback from stakeholders into consideration. Reviews should include the assessment of opportunities for improvement and the need for changes to the organization's operations as well as its guidance documents, social responsibility strategy, policies, objectives and targets.

Elements of such a review should include:

- Results of internal social responsibility performance reviews;
- Evaluation of compliance with legal requirements;
- Evaluation of compliance with provisions of voluntary initiatives to which the organization subscribes;
- The social responsibility performance of the organization, including progress toward achieving its objectives and targets;
- Follow up actions from previous reviews;
- Changes in circumstances, including new developments in legal and regulatory requirements as well as in voluntary initiatives related to social responsibility; and
- Recommendations for improvement and the design of improvement projects, including budget, capacity and resources to be decided by management.

Results of management reviews should be communicated to the organization's stakeholders. The organization may consider communicating and engaging with key stakeholders about the results of management reviews to obtain the stakeholders' views on the organization's performance in social responsibility .

7.6.5 Methods and approaches

(To be further developed)

7.7 Communication on social responsibility

7.7.1 Purpose of social responsibility communication

Effective social responsibility-related communication between an organization and its stakeholders serves a number of purposes that are important to the implementation of social responsibility within an organization:

- It enables an organization to convey internally its social responsibility guidance statements (see 7.2), objectives, strategies, targets, indicators, issues, practices, performance and stakeholder concerns; to communicate the social responsibility aspects of its products and services, so as to raise the awareness of both management and employees about those matters; to recognize and hold accountable those who are responsible for performance and to otherwise stimulate improvement in its performance;
- It prompts an organization to identify, evaluate, address, and improve performance on social responsibility issues before they become serious threats or lost opportunities;
- It can address stakeholders' social responsibility concerns and an organization's social responsibility dilemmas;

- 1 — It facilitates the alignment of an organization's social responsibility plans and actions with the
2 expectations, needs and demands of key stakeholders;
- 3 — It strengthens trust in an organization by its key stakeholders, fostering a reputation of responsible
4 action, openness and integrity;
- 5 — It helps ensure that complete and accurate social responsibility information about an organization
6 and its products and services is conveyed consistently to the outside world by employees and
7 others within an organization;
- 8 — It may be necessary for meeting requests and requirements for reporting, labelling or other social
9 responsibility-related communications imposed by law, investors or customers;
- 10 — It conveys the extent of conformance with any social responsibility-related commitments, public
11 standards or norms to which an organization subscribes; and
- 12 — It may be critical to ensure prompt and adequate responses to emergencies related to social
13 responsibility-issues.

14 **7.7.2 Ensuring effective social responsibility communication.**

15 To be most effective, social responsibility communication should:

- 16 — Use one or more of a variety of communication tools and techniques, as appropriate for the
17 circumstances;
- 18 — Include both *ad hoc* and periodic communications, as appropriate;
- 19 — Address short-term targets as well as long-term values and objectives;
- 20 — Be balanced in addressing achievements and problems;
- 21 — Be open, honest, accurate, and responsive without divulging protected information;
- 22 — Be practicable for an organization, and;
- 23 — Be timely, clear and succinct, while also complete for the purpose intended.

24 **7.7.3 Content of social responsibility communication**

25 The organization should regularly communicate information about its activities on social responsibility to
26 its key stakeholders. Such information should, at a minimum, cover the significant impacts related to
27 social responsibility that arise from activities of the organization and its related operations, including its
28 supply chain. It should also cover other social responsibility information that may substantially influence
29 the assessments or decisions of stakeholders about an organization (often referred to as "material
30 social responsibility information"). This may include information on an organization's social responsibility
31 guidance statements (see 7.2), objectives, strategies, targets, indicators, issues, practices, performance
32 and stakeholder concerns, as well as on the social responsibility aspects of its products and services. It
33 may also include other information to fulfil the purposes of social responsibility communication listed
34 above.

35 As one purpose of social responsibility communication is to strengthen trust between an organization
36 and its stakeholders, an organization at times may need to take steps to assure stakeholders of the
37 correctness and completeness of the information presented. An organization should make its best
38 efforts to respond in a timely and complete manner to stakeholder inquiries about the basis and
39 meaning of information that has been provided.

7.7.4 Planning for communication

An organization may wish to undertake detailed planning for its approach to social responsibility communication to help ensure that the communication will be effective. This entails identifying the objectives of the communication and the most effective approaches for achieving these objectives. At the outset, an organization should decide whether it wants to inform, persuade, consult with and/or involve the target audience of the information.

The selection of approaches should also take into account:

- resource and time constraints for the communication;
- the cultural, social, educational, economic and political background of the target audience;
- values, views and concerns of the target audience;
- the extent to which participation of the target audience is expected to form part of the communication; and
- ease of access to the information by the target audience.

The communication plan should identify:

- information to be communicated;
- the target audience for the information;
- the sequence of the communications if multiple communications segments or audiences will be involved;
- parties within the organization who will provide and communicate the information; and
- when and how frequently, where and by what means the communications will occur.

Planning for periodic reporting to key stakeholders should also define the approach for regularly collecting feedback from stakeholders on the content, media and general effectiveness of such communication, so that it may be improved.

7.7.5 Selecting communication forms and media

A wide variety of forms and media are available for internal and external communication of social responsibility-related information. Written forms include:

- Social responsibility/sustainability reports;
- Newsletters and magazines;
- Announcements, advertisements, articles, interviews and editorials;
- Letters, leaflets and bulletins; and
- Product labels and inserts.

Such communications may be distributed:

- In hard copy by various means;
- Through websites, email or other electronic methods;
- Verbally through speeches, films, TV or radio; and/or

1 — Through exhibits, displays and other visual forms.

2 Two-way communication via telephone, video-conference, online computer exchange or face-to-face
3 meetings can improve the understanding of both the target audience and the organization itself. Press
4 conferences, open houses, site tours, public meetings and workshops can offer additional opportunities
5 for two-way discussion.

6 **7.7.6 Ad hoc disclosures**

7 Disclosures about an organization's social responsibility-related matters may be warranted at any time,
8 based on the needs of the organization and its key stakeholders. Examples of such *ad hoc*
9 communications include those associated with:

10 — Emergencies that have social responsibility implications and incidents affecting the organization's
11 public relations;

12 — Stakeholder engagement that is focused on specific issues;

13 — Social responsibility aspects of new products, services and procurement; and

14 — Newly identified threats or opportunities with significance for social responsibility.

15 The considerations identified in 7.7.4 and 7.7.5 may be useful in preparing this communication.

16 **7.7.7 Periodic public reporting**

17 An organization should periodically make public certain material social responsibility information of the
18 type discussed in 7.6.3. This information should include a mix of quantitative data and explanatory and
19 other contextual narrative information. Achievements in the organization's performance on social
20 responsibility should be reported, including progress against publicly stated goals and external
21 commitments. To demonstrate transparency, an organization's communication of positive
22 accomplishments should be accompanied by information on its performance shortfalls and actions
23 planned to address them. The public report may be compiled from and built upon internal reports that
24 are prepared more frequently than the public report.

25 Given the wide range of potential data that can be included in the report, the parties preparing it should
26 select the content with appropriate input from knowledgeable internal experts and key external
27 stakeholders.

28 Social responsibility information may be included in a single report or spread across several documents.
29 Where several documents are used, at least one of them should identify where the others can be
30 located. Reported information should be consistent with that provided to the public in other
31 communications of an organization.

32 Planning for the report should take into account the following:

33 — Target audience;

34 — Scope/boundaries;

35 — Media used;

36 — Size of the document;

37 — Quantity (if hard copy);

38 — Budget;

39 — Schedule;

- 1 — Report structure;
 - 2 — Content; and
 - 3 — information, if any, that will be subject to internal and/or external assurance.
- 4 Assurance involves the review of report information and the processes used to collect and present it, to
5 confirm accuracy, reliability and appropriateness. All information covered in the report should be subject
6 to internal assurance by an organization's own personnel, preferably those independent of the people
7 who prepared the report. An organization that wants to enhance the credibility of its reports may do so
8 by securing assurance from an external independent party.

9 An organization planning a social responsibility report should also refer to the more extensive reporting
10 guidance, principles, indicators and tools discussed in 7.7.10.

11 **7.7.8 Guidance for small organizations on social responsibility reporting and other** 12 **communications**

13 An organization that has limited resources to devote to social responsibility communications because of
14 its size or financial condition may consider the following approaches:

- 15 — Use internal resources as much as possible to prepare the social responsibility communications;
- 16 — Incorporate the information into a newsletter or other existing publication already being issued by
17 the organization, and/or post the information in simple form on the organization's web site or in an
18 email attachment;
- 19 — Use performance and other data that is already available;
- 20 — Narrow the geographical and/or organizational scope of the information;
- 21 — Set priorities for the information content. (One way this may be done is by using the materiality
22 principle identified in the GRI Sustainability Reporting Guidelines);
- 23 — Produce the communication in a black and white computerized document or other simple
24 publication, eliminating colour printing, expensive photos and sophisticated graphic designs;
- 25 — For periodic social responsibility reports, adjust the frequency of reporting; and
- 26 — Use a voluntary advisory group to conduct external assurance of the report, limit assurance
27 activities to the most important data and/or invite existing auditors to undertake report assurance
28 while they are already in the field on other matters. If resources are very limited, have the report
29 evaluated by an internal department, using a different department than the one preparing the report.

30 **7.7.9 Dialogue with stakeholders**

31 An organization should periodically seek input from its key stakeholders about its social responsibility
32 communications. Such input can be used to help:

- 33 — Assess the adequacy and effectiveness of the social responsibility communications (for example,
34 the content, media, frequency and scope);
- 35 — Select priorities for the content of the social responsibility report;
- 36 — As appropriate, provide external assurance on the social responsibility report; and
- 37 — Identify best practices in social responsibility communications.

38 As noted elsewhere in this standard, dialogue with stakeholders can also be used in connection with
39 planning, setting targets and other aspects of managing the social responsibility of an organization.

1 Regardless of the purpose of the dialogue, however, it is a two-way information task. The regular
2 publication of results alone is not sufficient to ensure good communication. To have information on the
3 concerns and expectations of stakeholders at all times, the organization should build a systematic and
4 regular dialogue with them. It is not possible, however, to have the same level of exchange with each
5 stakeholder, nor is every communication with every stakeholder of equal importance. Further guidance
6 on two-way stakeholder engagement on social responsibility is provided in 7.4.

7 **7.7.10 Methods and approaches**

8 Guidance and tools for preparation of social responsibility reports and other communications are
9 provided in Annex B.

Annex A

(informative)

Social responsibility agreements and institutions

The guidance standard may include annexes if so desired.

(Not currently assigned to a Task Group; to be developed later.)

Note from TG leadership

It is proposed that an Annex be included that describes the different kinds of inter-governmental and international non-governmental initiatives relevant to social responsibility, classified into appropriate categories, with reference to the relevant official website and possibly presented as a chart or table. (Annex C of the NWIP contains a list of examples of such initiatives, though this is not necessarily an indication of the initiatives to be included in this proposed Annex).

For the purposes of preliminary drafting, and on the basis of TG4 comments, it is proposed that the following issues will guide the identification and drafting of the text of this Annex:

— *provision will be made for reference to “authoritative intergovernmental instruments” as well as private instruments;*

— *the distinction between these two types of instruments will be highlighted.*

On the basis of the feedback from TG4 it is proposed that a possible approach for describing and differentiating these instruments is by social responsibility theme. It is suggested that these themes should correspond to the themes/issues that are currently being identified in TG5.

The following is presented for illustrative purposes only (it is envisaged that these reflect the themes in Section 6, and that in each instance a distinction is made between authoritative intergovernmental instruments and other instruments) – some additional examples of instruments have been provided for in the comments; these may be included pending agreement on the preferred approach and level of detail

A.1 General social responsibility / sustainability

(the following list of instruments is not exhaustive):

— *Authoritative intergovernmental instruments:*

— *UN Earth Summit Rio de Janeiro 1992;*

— *Johannesburg Declaration on Sustainable Development and Plan of Implementation of the World Summit on Sustainable Development 2002;*

— *OECD Guidelines for Multinational Enterprises; and*

— *UN Global Compact.*

— *Other instruments (possibly subdivided by issue/theme type):*

— *The Global Reporting Initiative (GRI).*

A.2 Labour and social

(the following list of instruments is not exhaustive):

- *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; and*
- *ILO Declaration on fundamental principles and rights at work.*

A.3 Human rights

(the following list of instruments is not exhaustive):

- *UN Declaration on Human Rights and its Covenants on Civil and Political, and Economic, Social and Cultural Rights.*

A.4 Environment

(the following list of instruments is not exhaustive):

- *[ISO 14000 series of environmental management standards]; and*
- *Multilateral environmental agreements.*

It is proposed that any guidance to organizations on the choice and implementation of the various social responsibility instruments be provided in Clause 7 (Implementing social responsibility).

Annex B (informative)

Useful references for implementation of social responsibility

B.1 Working with stakeholders

[Note from TG6 leadership: The content of these documents still needs to be summarized.]

AA1000SES

GRI's High 5!

GRI Sustainability Reporting Guidelines

BS8900:2006, Guidance for managing sustainable development AFNOR FD X30-023

B.2 Guidance and tools for preparation of social responsibility reports and other communications

The following guidance and tools should be considered in preparing social responsibility reports and other communications:

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines

The GRI Guidelines provide guidance to organizations of all kinds and sizes on the public reporting of their social responsibility and internal economic performance. The Guidelines call on organizations to include five major components in their reports: a strategy and analysis section, an organizational profile, a governance and commitments section, a discussion of management approach and performance against specific indicators.

Model indicators are provided under the following categories: economic, social (including sub-categories for labour practices, human rights, and broader topics affecting consumers, community and other stakeholders in society) and environmental. Reporters are urged to provide contextual management information, termed "Disclosure on Management Approach" for each category. The indicators likely to be of interest and material to most reporting organizations are classified as "core indicators." "Additional indicators" represent emerging practice or address topics likely to be material to some but not a majority of organizations. Each indicator is supported with an explanatory indicator protocol.

The GRI Guidelines also provide general guidance on building the reporting process and communicating about it. Reporting principles are offered for helping reporters decide what to report (materiality, stakeholder inclusiveness, sustainability context, completeness) and how to achieve a good quality report (balance, comparability, accuracy, timeliness, reliability, and clarity). These principles can assist organizations in selecting from the indicators offered by the GRI Guidelines as well as aid them in developing additional indicators appropriate to their operations, products and services.

Global Compact Communication on Progress (COP) Tools

The Global Compact, a code of organizational socially responsible behaviour, was developed by the United Nations. Organizations endorsing the Global Compact are expected to report their progress toward fulfilling their Compact obligations, and a number of tools are provided to help them do so. These tools include reporting policies and guidelines, model and notable reports and report templates.

1 These tools may also prove useful for organizations reporting progress under other social responsibility
2 codes.

3 **ISO 14063: 2005(E) Environmental Management: Environmental Communication - Guidelines**
4 **and Examples**

5 Although ISO 14063 applies to internal and external communications on an organization's
6 environmental values, actions and performance, much of the standard can be readily extended to social
7 and economic matters as well. The standard identifies five principles that should be employed in
8 planning the communications: transparency, appropriateness, credibility, responsiveness, and clarity. It
9 provides guidance on the development of an environmental communication policy and strategy, and on
10 planning, implementing, evaluating and improving such communications. Helpful tips, case examples
11 and a bibliography are also included.

12 **Guidance on social responsibility reporting for small organizations**

13 The above-mentioned documents apply to organizations of all kinds and sizes. GRI and the Global
14 Compact have also published supplemental guidance for small organizations.

1 **Bibliography**

2

<i>(Not currently assigned to a Task Group; to be developed later).</i>
