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*English title*

**Guidance on Social Responsibility**

*French title*

**Lignes directrices relatives à la responsabilité sociétale**

Reference language version:  English  French  Russian

Introductory note

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6 **Guidance on Social Responsibility**

7 *Lignes directrices relatives à la responsabilité sociétale*

8

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## 77 Foreword

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

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

85 The main task of technical committees is to prepare International Standards. Draft International Standards  
86 adopted by the technical committees are circulated to the member bodies for voting. Publication as an  
87 International Standard requires approval by at least 75 % of the member bodies casting a vote.

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

90 ISO 26000 was prepared by ISO/TMB WG *Social Responsibility*.

## 91 Introduction

92 Organizations around the world, as well as their stakeholders, are becoming increasingly aware of the need  
93 for socially responsible behaviour. The aim of social responsibility is to contribute to sustainable development,  
94 including health and the welfare of society.

95 An organization's performance in relation to the society in which it operates and its impact on the environment  
96 has become a critical part of measuring its overall performance and its ability to continue operating effectively.  
97 That is, in part, a reflection of the growing recognition of the need for ensuring healthy eco-systems, social  
98 equity and good organizational governance.

99 Organizations are subject to greater scrutiny by their various stakeholders, including customers or consumers,  
100 workers and their trade unions, members, the community, non-governmental organizations, students,  
101 financiers, donors, investors, companies and other entities. The perception of an organization's social  
102 responsibility performance can influence:

103 — its reputation;

104 — its ability to attract and retain male and female workers and/or members, customers, clients or users;

105 — the maintenance of employees' morale, commitment and productivity;

106 — the view of investors, donors, sponsors and the financial community; and

107 — its relationship with companies, governments, the media, suppliers, peers, customers and the community  
108 in which it operates.

109 This International Standard provides guidance on the underlying principles of social responsibility, the core  
110 subjects and issues pertaining to social responsibility (see Table 2) and on ways to integrate socially  
111 responsible behaviour into existing organizational strategies, systems, practices and processes (see Figure  
112 1). This International Standard emphasizes the importance of results and improvements in performance.

113 This International Standard is intended to be useful to all types of organizations, whether large or small, and  
114 whether operating in the developed or developing world. While not all parts of this International Standard will  
115 be of equal use to all types of organizations, all core subjects are relevant to every organization. It is the  
116 individual organization's responsibility to identify what is relevant and significant for the organization to  
117 address, through its own considerations and through dialogue with stakeholders.

118 Governmental organizations may wish to use this International Standard. However, it is not intended to  
119 replace, alter or in any way change the obligations of the state.

120 This International Standard is for voluntary use and is not intended or appropriate for certification purposes or  
121 regulatory or contractual use. It is not intended to create a non-tariff barrier to trade, nor is it intended to alter  
122 an organization's legal obligations. Further, it is not intended to provide a proper basis for legal actions,  
123 complaints, defences or other claims in any international, domestic, or other proceedings, nor is it intended to  
124 be cited as evidence of the evolution of customary international law.

125 Every organization is encouraged to become more socially responsible by using this International Standard,  
126 including taking into account the expectations of stakeholders, complying with applicable law, and respecting  
127 international norms of behaviour.

128 Although the standard is meant to be read and used as a whole, readers looking for specific types of  
129 information on social responsibility may find the outline in Table 1 useful.

Table 1 — ISO 26000 outline

Clause title	Clause number	Description of clause contents
Scope	Clause 1	Defines the content covered by this International Standard and identifies any limitations or exclusions.
Terms and definitions	Clause 2	Identifies and provides the meaning of key terms used in this International Standard. These terms are of fundamental importance for understanding social responsibility and using this International Standard.
Understanding social responsibility	Clause 3	Describes the factors, conditions and important issues that have influenced the development of social responsibility and that continue to affect its nature and practice. It also describes the concept of social responsibility itself - what it means and how it applies to organizations. The clause includes guidance for small and medium-sized organizations on the use of this International Standard.
Principles of social responsibility	Clause 4	Introduces and explains the principles of social responsibility.
Recognizing social responsibility and engaging stakeholders	Clause 5	Addresses two practices of social responsibility: an organization's recognition of its social responsibility, and the identification and engagement of its stakeholders.
Guidance on social responsibility core subjects	Clause 6	Explains the core subjects and associated issues relating to social responsibility (see Table 2). For each core subject, information has been provided on its scope, its relationship to social responsibility, relevant principles and considerations, and related actions and expectations.
Guidance on integrating social responsibility throughout an organization	Clause 7	Provides guidance on putting social responsibility into practice in an organization.
Annex on voluntary initiatives relating to social responsibility	Annex A	Presents a list of existing voluntary initiatives relating to social responsibility.
Abbreviations	Annex B	Presents a list of abbreviations used in this International Standard.
Bibliography		Includes references to authoritative international instruments and ISO Standards that have been referenced in the body of this International Standard as source material.

Table 2 — Core subjects and issues of social responsibility

Core subjects and issues	addressed in sub-clause
Core subject: Organizational governance	6.2
Core subject: Human rights	6.3
Issue 1: Due diligence	6.3.3
Issue 2: Human rights risk situations	6.3.4
Issue 3: Avoidance of complicity	6.3.5
Issue 4: Resolving grievances	6.3.6
Issue 5: Discrimination and vulnerable groups	6.3.7
Issue 6: Civil and political rights	6.3.8
Issue 7: Economic, social and cultural rights	6.3.9
Issue 8: Fundamental rights at work	6.3.10
Core subject: Labour Practices	6.4
Issue 1: Employment and employment relationships	6.4.3
Issue 2: Conditions of work and social protection	6.4.4
Issue 3: Social dialogue	6.4.5
Issue 4: Health and safety at work	6.4.6
Issue 5: Human development and training in the workplace	6.5
Core subject: The environment	6.5.3
Issue 1: Prevention of pollution	6.5.4
Issue 2: Sustainable resource use	6.5.5
Issue 3: Climate change mitigation and adaptation	6.5.6
Issue 4: Protection and restoration of the natural environment	6.5.7
Core subject: Fair operating practices	6.6
Issue 1: Anti-corruption	6.6.3
Issue 2: Responsible political involvement	6.6.4
Issue 3: Fair competition	6.6.5
Issue 4: Promoting social responsibility in the sphere of influence	6.6.6
Issue 5: Respect for property rights	6.6.7
Core subject: Consumer issues	6.7
Issue 1: Fair marketing, information and contractual practices	6.7.3
Issue 2: Protecting consumers' health and safety	6.7.4
Issue 3: Sustainable consumption	6.7.5
Issue 4: Consumer service, support, and dispute resolution	6.7.6
Issue 5: Consumer data protection and privacy	6.7.7
Issue 6: Access to essential services	6.7.8
Issue 7: Education and awareness	6.7.9
Core subject: Community involvement and development	6.8
Issue 1: Community involvement	6.8.3

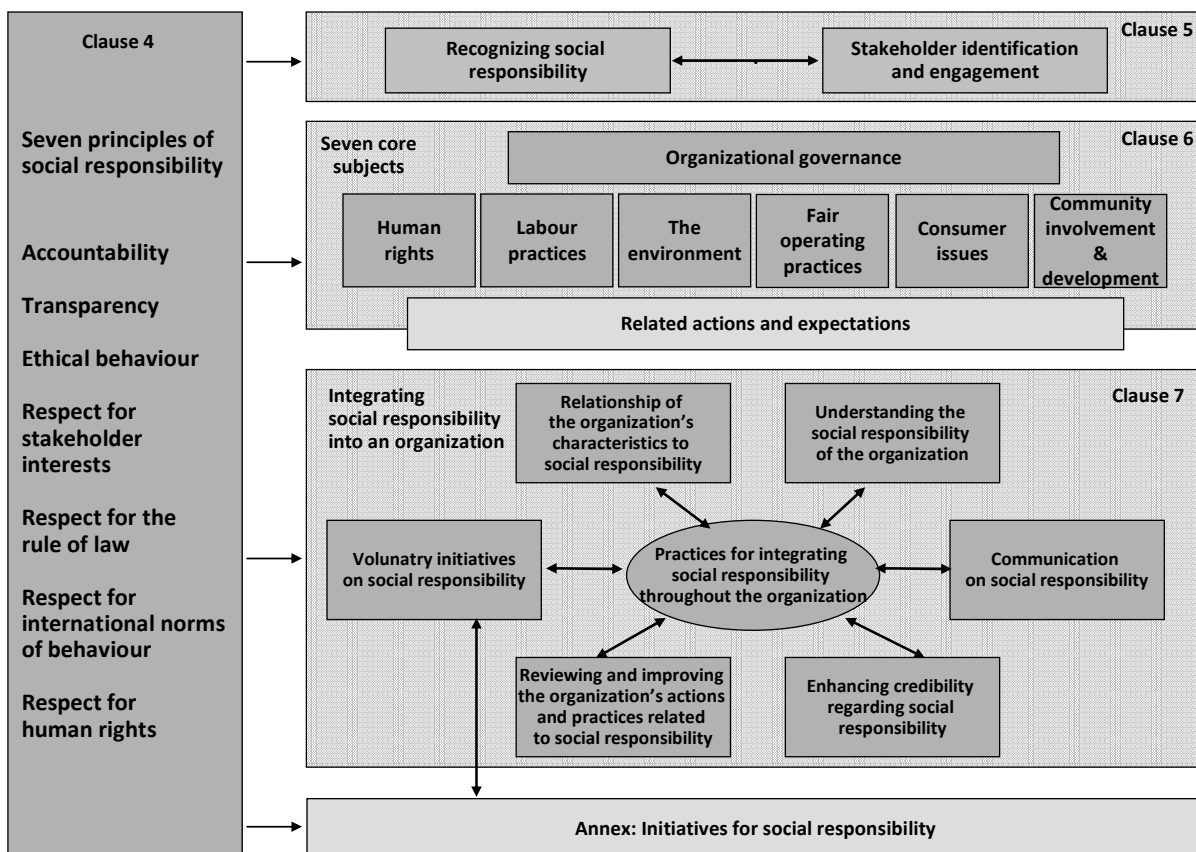


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Table 2 (continued)

Core subjects and issues	addressed in sub-clause
Issue 2: Education and culture	6.8.4
Issue 3: Employment creation and skills development	6.8.5
Issue 4: Technology development	6.8.6
Issue 5: Wealth and income creation	6.8.7
Issue 6: Health	6.8.8
Issue 7: Social investment	6.8.9

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Figure 1 — ISO 26000 Overview

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Reference to any standard, code or other initiative in this International Standard does not imply that ISO endorses or gives special status to that standard, code or initiative.

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This International Standard was developed using a multi-stakeholder approach involving experts from more than 80 countries and 40 international or broadly-based regional organizations involved in different aspects of social responsibility. These experts represented six different stakeholder groups: consumers; government; industry; labour; non-governmental organizations (NGOs); and service, support, research and others.

144

145

In addition, specific provision was made to achieve a balance between developing and developed countries as well as a gender balance in drafting groups. Although efforts were made to ensure the broad and

146 representative participation of all the stakeholder groups, a full and equitable balance of stakeholders was  
147 constrained by various factors, including the availability of resources and the need for English language skills.

148 Bracketed numbers in the text refer to cited references in the Bibliography.

149 Text in boxes represents supplementary guidance or examples.

150



## 151 **Guidance on Social Responsibility**

### 152 **1 Scope**

153 This International Standard provides guidance to all types of organizations, regardless of their size or location,  
154 on:

- 155 — concepts, terms and definitions relating to social responsibility;
- 156 — the background, trends and characteristics of social responsibility;
- 157 — principles and practices relating to social responsibility;
- 158 — core subjects and issues relating to social responsibility;
- 159 — integrating, implementing and promoting socially responsible behaviour throughout the organization and  
160 its sphere of influence;
- 161 — identifying and engaging with stakeholders; and
- 162 — communicating commitments and performance related to social responsibility.

163 By providing this guidance, this International Standard is intended to assist organizations to contribute to  
164 sustainable development, including health and the welfare of society.

165 This International Standard encourages an organization to undertake activities that go beyond legal  
166 compliance, recognizing that compliance with law is a fundamental part of any organization's social  
167 responsibility.

168 This International Standard is intended to promote common understanding in the field of social responsibility.  
169 It is intended to complement other instruments and initiatives related to social responsibility, and not to replace  
170 them.

171 The application of this International Standard may take into consideration societal, environmental, legal and  
172 organizational diversity, as well as differences in economic conditions, while observing international norms of  
173 behaviour.

174 This International Standard is not a management system standard. It is not intended or appropriate for  
175 certification purposes or regulatory or contractual use.

### 176 **2 Terms and definitions**

177 The following terms and definitions apply to this International Standard.

#### 178 **2.1**

##### 179 **accountability**

180 responsibility of an organization for its decisions and actions, and state of being answerable to its governing  
181 bodies, legal authorities, and, more broadly, its other stakeholders regarding these decisions and actions

- 182 **2.2**  
183 **consumer**  
184 individual member of the general public purchasing or using products or services for private purposes
- 185 **2.3**  
186 **customer**  
187 organization or person purchasing or using products or services for commercial, private or public purposes
- 188 NOTE A consumer is a particular type of customer.
- 189 **2.4**  
190 **due diligence**  
191 the process of conscientiously and methodically considering the actual and potential negative impacts of an  
192 organization's activities, and managing these with a view to minimizing or avoiding the risk of social or  
193 environmental harm
- 194 **2.5**  
195 **environment**  
196 natural surroundings in which an organization operates, including air, water, land, natural resources, flora,  
197 fauna and people, and their interrelationships
- 198 NOTE Surroundings in this context extend from within an organization to the global system.
- 199 **2.6**  
200 **ethical behaviour**  
201 behaviour that is in accordance with accepted principles of right or good conduct in the context of a particular  
202 situation, and consistent with international norms of behaviour (2.10)
- 203 **2.7**  
204 **gender equality**  
205 comparable treatment for women and men, according to their respective needs and interests
- 206 NOTE This includes equal treatment or, in some instances, treatment that is different but considered equivalent in  
207 terms of rights, benefits, obligations and opportunities.
- 208 **2.8**  
209 **impact of an organization**  
210 positive or negative change to society or the environment, wholly or partially resulting from an organization's  
211 decisions and activities
- 212 **2.9**  
213 **initiative for social responsibility**  
214 organization, programme or activity expressly devoted to meeting a particular aim relating to social  
215 responsibility
- 216 NOTE Initiatives can be developed, sponsored or administered by any type of organization.
- 217 **2.10**  
218 **international norms of behaviour**  
219 expectations of socially responsible organizational behaviour derived from customary international law,  
220 generally accepted principles of international law, or intergovernmental agreements (such as treaties and  
221 conventions) that are universally or nearly universally recognized
- 222 NOTE Although these instruments are written primarily for states, they have been agreed in detailed negotiations and  
223 they express goals to which all organizations can aspire. These instruments pertain to the core subjects and social  
224 responsibility principles covered in this International Standard.

- 225 **2.11**  
 226 **issue of social responsibility**  
 227 specific item of social responsibility (2.16) that can be acted upon to seek favourable outcomes for the  
 228 organization or its stakeholders
- 229 **2.12**  
 230 **organizational governance**  
 231 system by which an organization makes and implements decisions in pursuit of its objectives
- 232 **2.13**  
 233 **principle**  
 234 fundamental basis for decision making or behaviour
- 235 **2.14**  
 236 **service**  
 237 action of an organization to meet a demand or need
- 238 **2.15**  
 239 **social dialogue**  
 240 all types of negotiation, consultation or simply exchange of information between or among representatives of  
 241 governments, employers and workers, on issues of common interest relating to economic and social policy
- 242 NOTE In this International Standard, the term "social dialogue" is used only in the meaning applied by the  
 243 International Labour Organization (ILO).
- 244 **2.16**  
 245 **social responsibility**  
 246 responsibility of an organization for the impacts of its decisions and activities on society and the environment,  
 247 through transparent and ethical behaviour that
- 248 — contributes to sustainable development, including health and the welfare of society;
  - 249 — takes into account the expectations of stakeholders;
  - 250 — is in compliance with applicable law and consistent with international norms of behaviour; and
  - 251 — is integrated throughout the organization and practised in its relationships
- 252 NOTE 1 Activities include products, services and processes.
- 253 NOTE 2 Relationships refer to an organization's activities within its sphere of influence.
- 254 **2.17**  
 255 **sphere of influence**  
 256 area across which an organization has the ability to affect the decisions or activities of individuals or  
 257 organizations
- 258 NOTE Area can be understood in a geographic sense, as well as in a functional sense.
- 259 **2.18**  
 260 **stakeholder**  
 261 individual or group that has an interest in any activities or decisions of an organization
- 262 **2.19**  
 263 **stakeholder engagement**  
 264 activity undertaken to create opportunities for dialogue between the organization and one or more of its  
 265 stakeholders, with the aim of providing an informed basis for the organization's decisions

266 **2.20**  
267 **supply chain**  
268 sequence of activities or parties that provides products and services to the organization

269 NOTE In some countries, the term supply chain is understood to be the same as value chain (2.23). However, for the  
270 purpose of this International Standard supply chain is used as defined above.

271 **2.21**  
272 **sustainable development**  
273 development that meets the needs of the present without compromising the ability of future generations to  
274 meet their own needs

275 NOTE This involves addressing economic, social and environmental factors and their interdependence in an  
276 organization's decision making and activities.

277 **2.22**  
278 **transparency**  
279 openness about decisions and activities that affect society and the environment, and willingness to  
280 communicate these in a clear, accurate and complete manner

281 **2.23**  
282 **value chain**  
283 entire sequence of activities or parties that provide or receive value in the form of products or services

284 NOTE 1 Parties that provide value include suppliers, outsourced workers and others.

285 NOTE 2 Parties that receive value include customers, consumers, clients and other users.

286 **2.24**  
287 **vulnerable group**  
288 group of individuals who share a characteristic that is the basis of discrimination or adverse social, economic,  
289 cultural, political or health circumstances, and that causes them to lack the means to achieve their rights or  
290 otherwise enjoy equal opportunities

## 291 **3 Understanding social responsibility**

### 292 **3.1 The social responsibility of organizations**

293 The term social responsibility came into widespread use in the early 1970s, although various aspects of social  
294 responsibility were the subjects of action by organizations and governments as far back as the late 19th  
295 century, and in some instances even earlier.

296 The attention to social responsibility has in the past focused primarily on business. The term "corporate social  
297 responsibility" is still more familiar to most people than "social responsibility".

298 The view that social responsibility is applicable to all organizations has emerged as different types of  
299 organizations, not just those in the business world, recognized that they too had responsibilities for  
300 contributing to sustainable development, including health and the welfare of society.

301 The elements of social responsibility reflect the expectations of society at a particular time, and are therefore  
302 ever changing. As society's concerns change, its expectations of organizations also change to reflect those  
303 concerns.

304 An early notion of social responsibility centred on philanthropic activities such as giving to charity. Subjects  
305 such as labour practices and fair operating practices emerged a century or more ago. Other subjects, such as  
306 human rights, the environment and consumer protection, were added over time, as these subjects received  
307 greater attention.

308 The core subjects and issues identified in this International Standard reflect a current view of good practice.  
309 Views of good practice will undoubtedly change in the future, and additional issues may come to be seen as  
310 important elements of social responsibility.

## 311 **3.2 Recent trends in social responsibility**

312 For a number of reasons, interest in the social responsibility of organizations is increasing.

313 Globalization, greater ease of travel, and the availability of instant communications mean that individuals and  
314 organizations around the world are finding it easier to know about the activities of organizations both nearby  
315 and in distant locations. These factors provide the opportunity for organizations to benefit from learning about  
316 new ways of doing things and solving problems. They also mean that organizations' activities are subject to  
317 increased scrutiny by a wide variety of groups and individuals. Policies or practices applied by organizations in  
318 different locations can be readily compared.

319 The global nature of some environmental and health issues, recognition of worldwide responsibility for  
320 combating poverty and more geographically dispersed value chains, mean that the issues relevant to an  
321 organization may extend well beyond those existing in the immediate area in which the organization is  
322 located. Documents such as the Rio Declaration on Environment and Development <sup>[114]</sup> the Johannesburg  
323 Declaration on Sustainable Development <sup>[107]</sup> and the Millennium Development Goals <sup>[109]</sup> emphasize this  
324 worldwide interdependence.

325 Over the past several decades, globalization has resulted in an increase in the role and influence of the  
326 private sector in the global economy and a smaller role for the public sector in many areas. NGOs and  
327 companies have become providers of many services usually offered by government, particularly in countries  
328 where governments have historically faced serious challenges and constraints, and have been unable to  
329 provide services in areas such as health, education and welfare. As the capability of those country  
330 governments expands, the roles of government and private sector organizations are undergoing change.

331 Consumers, customers, investors and donors are, in various ways, exerting financial influence over  
332 organizations in relation to social responsibility. Community expectations about the performance of  
333 organizations continue to grow. Community-right-to-know legislation in many locations gives people access to  
334 detailed information about the operations of some organizations. A growing number of organizations now  
335 produce social responsibility reports to meet stakeholders' needs for information about their performance.

336 These and other factors form the context for social responsibility today and contribute to the call for  
337 organizations to demonstrate their social responsibility.

## 338 **3.3 Characteristics of social responsibility**

### 339 **3.3.1 General**

340 The essential characteristic of social responsibility is the willingness of an organization to take responsibility  
341 and be accountable for the impacts of its activities and decisions on society and the environment. This implies  
342 both transparent and ethical behaviour that contributes to sustainable development, including health and the  
343 welfare of society, takes into account the expectations of stakeholders, is in compliance with applicable law  
344 and consistent with international norms of behaviour, and is integrated throughout the organization and  
345 practised in its relationships.

### 346 **3.3.2 The expectations of society**

347 Social responsibility involves an understanding of the broader interests and expectations of society. A  
348 fundamental principle of social responsibility is respect for the rule of law and compliance with legally binding  
349 obligations. Social responsibility, however, also entails actions beyond legal compliance and a recognition of  
350 obligations to others that are not legally binding. These obligations arise out of widely shared ethical and other  
351 values.



352 Although the expectations of responsible behaviour will vary between countries and cultures, organizations  
353 should respect international norms of behaviour such as those laid down in the Universal Declaration of  
354 Human Rights<sup>[112]</sup>.

355 Clause 6 considers the core subjects of social responsibility. Each of these subjects includes various issues  
356 that will enable an organization to identify its most important impacts on society. The discussion of each issue  
357 also describes expectations and actions for addressing these impacts.

### 358 **3.3.3 The role of stakeholders in social responsibility**

359 Identification of and engagement with stakeholders are fundamental to social responsibility. An organization  
360 should determine who has an interest in its decisions and activities so that it can understand its impacts and  
361 identify how to address these impacts. While stakeholders can help an organization identify the relevance of  
362 particular issues to its activities, stakeholders do not replace broader society in determining norms and  
363 expectations of behaviour. A particular issue may be relevant to the social responsibility of an organization  
364 even if not specifically identified by the stakeholders it consults. Further guidance on this is provided in Clause  
365 5 and in 4.5.

### 366 **3.3.4 Integrating social responsibility throughout the organization**

367 Because social responsibility concerns the potential and actual impacts of an organization's activities and  
368 decisions, the ongoing, regular daily activities of the organization constitute the most important behaviour to  
369 be addressed. Philanthropy (in this context understood as giving to charitable causes) can have a positive  
370 impact on society. However, it should not be used by an organization as a substitute for addressing the  
371 adverse impacts of its activities.

372 The impacts of an organization's activities can be greatly affected by its relationships with other organizations.  
373 An organization may need to work with others to address its responsibilities. These can include peer  
374 organizations, competitors or parts of the value chain, or any other relevant actor party within the  
375 organization's sphere of influence.

376

377

378

**Box 1 ISO 26000 and small and medium-sized organizations (SMOs)**

379 Working with social responsibility is about adopting an integrated approach to managing an organization's  
380 activities and impacts. An organization should address and monitor the impacts of its decisions and activities  
381 on society and the environment in a way that takes account of both the size of the organization and its  
382 impacts. Of course it may not be possible for an organization immediately to remedy fully all of the negative  
383 consequences of its decisions and activities. It might be necessary to make choices and to set priorities.

384 The following considerations may be of assistance. SMOs should:

385 take into account that internal management procedures, reporting to stakeholders and other processes may  
386 be more flexible and informal for SMOs than for their larger counterparts, provided that appropriate levels of  
387 transparency and traceability are preserved;

388 — be aware that when reviewing all seven core subjects and identifying the relevant issues, the  
389 organization's own context, conditions, resources and stakeholder perceptions should be taken into  
390 account, recognizing that not all issues will be relevant for every organization;

391 — focus at the outset on the issues and impacts that are of greatest significance to sustainable  
392 development, including health and the welfare of society. An SMO should also have a plan to address the  
393 remaining impacts in a reasonable and clear timeframe;

394 — encourage relevant government agencies, collective organizations (such as sector associations and  
395 umbrella or peer organizations) and perhaps national standards bodies to assist SMOs in becoming  
396 socially responsible by developing practical guides and programmes for using this International Standard.  
397 Such guides and programmes should be tailored to the specific nature and needs of SMOs and their  
398 stakeholders; and

399 — where appropriate, act collectively with peer and sector organizations rather than individually, to save  
400 resources and enhance capacity for action. For instance, in the case of organizations operating in the  
401 same context and sector, identification and engagement with stakeholders can sometimes be more  
402 effectively done collectively.

403 SMOs have the same potential as other organizations to operate in a socially responsible way. Becoming  
404 socially responsible is likely to benefit them for the reasons mentioned elsewhere in this International  
405 Standard. They may find that other organizations with which they have relationships consider that providing  
406 support for these endeavours is part of their own social responsibility.

407 Organizations with more capacity and experience in social responsibility might consider providing support to  
408 SMOs, including assisting them in raising awareness on issues of social responsibility and good practice.

409

**410 3.3.5 Relationship between social responsibility and sustainable development**

411 Although many people use the terms social responsibility and sustainable development interchangeably, and  
412 there is a close relationship between the two, they are different concepts.

413 **Sustainable development** is a widely accepted concept and guiding objective that gained international  
414 recognition following the 1987 report of the World Commission on Environment and Development, Our  
415 Common Future [125] which called for "a global agenda for change". Its challenging goals are the elimination  
416 of poverty, health for all, social justice, and meeting the needs of society while living within the planet's  
417 ecological limits and without undermining the needs of future generations. Numerous international forums  
418 have reiterated the importance of these objectives over the years since 1987 – such as the United Nations  
419 Conference on Environment and Development in 1992 and the World Summit on Sustainable Development in  
420 2002. The objective of sustainable development is to achieve a state of "sustainability".

421 **Social responsibility** has as its focus the organization, not the globe. Social responsibility is, however,  
422 closely linked to sustainable development because an overarching goal of an organization's social  
423 responsibility should be to contribute to sustainable development, including health and the welfare of society.

424 The principles, practices and core subjects described in the following clauses of this International Standard  
425 form the basis for an organization's practical application of social responsibility. The actions of a socially  
426 responsible organization can make a meaningful contribution to sustainable development.

427 It is important to note that sustainable development, as described above, is a fundamentally different concept  
428 than the sustainability or ongoing viability of an individual organization. The sustainability of an individual  
429 organization may or may not be compatible with the sustainability of society as a whole, which is attained by  
430 addressing social, economic and environmental aspects in an integrated manner. Sustainable consumption,  
431 sustainable resource use and sustainable livelihoods relate to the sustainability of society as a whole.

### 432 **3.4 The state and social responsibility**

433 This International Standard cannot replace, alter or in any way change the duty of the state to express and act  
434 on the public interest. Because the state has the unique power to create and enforce laws, it is different from  
435 organizations. For instance, the duty of the state to protect human rights is different from those responsibilities  
436 of organizations with respect to human rights that are addressed in this International Standard.

437 Social responsibility of organizations is not and cannot be a substitute for the effective expression of state  
438 duties and responsibilities. This International Standard does not provide guidance on what should be subject  
439 to legally binding regulation. Neither is it intended to address questions that can only properly be resolved  
440 through political institutions.

441 Governmental organizations, like any other organizations, may, however, wish to use this International  
442 Standard to inform their policies and actions related to aspects of social responsibility.

## 443 **4 Principles of social responsibility**

### 444 **4.1 General**

445 This clause provides guidance on principles of social responsibility.

446 When approaching and practising social responsibility, the overarching goal for an organization is to maximize  
447 its contribution to sustainable development, including health and the welfare of society. Within this goal,  
448 although there is no comprehensive list of principles for social responsibility, organizations should at least  
449 apply the seven principles outlined below, as well as the principles specific to each core subject outlined in  
450 Clause 6.

451 Organizations should base their behaviour on standards, guidelines or rules of conduct that are recognized as  
452 being moral and right in the context of specific situations.

### 453 **4.2 Accountability**

454 The principle is: an organization should be accountable for its impacts on society and the environment.

455 This principle suggests that an organization should accept appropriate scrutiny and also accept a duty to  
456 respond to this scrutiny.

457 Accountability imposes an obligation on management to be answerable to the controlling interests of the  
458 organization and on the organization to be answerable to legal authorities with respect to laws and  
459 regulations. Accountability implies that the organization is answerable to those affected by its decisions and  
460 activities, as well as to society in general, for the overall impact on society of its decisions and activities.

461 Being accountable will have a positive impact on both the organization and society. The degree of  
462 accountability should always correspond to the amount or extent of authority. Those organizations with  
463 ultimate authority are likely to take greater care for the quality of their decisions and oversight. Accountability  
464 also encompasses accepting responsibility where wrongdoing has occurred, taking the appropriate measures  
465 to remedy the wrongdoing and taking action to prevent it from being repeated.

466 An organization should account for:

- 467 — the results of its decisions and activities, including significant consequences, even if they were  
468 unintended or unforeseen; and
- 469 — the significant impacts of its decisions and actions on society and the environment.

### 470 **4.3 Transparency**

471 The principle is: an organization should be transparent in its decisions and activities that impact on society  
472 and the environment.

473 An organization should disclose in a clear, accurate and complete manner and to a reasonable and sufficient  
474 degree, the policies, decisions and activities for which it is responsible, including the known and likely impacts  
475 on society and the environment. This information should be readily available and directly accessible to those  
476 who have been, or may be affected in significant ways by the organization. It should be timely, factual and  
477 presented in a clear and objective manner so as to enable stakeholders to accurately assess the impact that  
478 the organization's decisions or actions have on their respective interests.

479 Transparency does not require that proprietary information be made public, nor does it involve providing  
480 information that is legally protected or that would otherwise breach legal, commercial, security or personal  
481 privacy obligations.

482 An organization should be transparent regarding:

- 483 — the purpose, nature and location of its activities;
- 484 — the manner in which its decisions are made, implemented and reviewed, including the definition of the  
485 roles, responsibilities, accountabilities and authorities across the different functions in the organization;
- 486 — standards and criteria against which the organization evaluates its own performance relating to social  
487 responsibility;
- 488 — the known and likely impacts of its decisions and activities on society and the environment; and
- 489 — the identity of its stakeholders and the criteria and procedures used to identify, select and engage them.

### 490 **4.4 Ethical behaviour**

491 The principle is: an organization should behave ethically at all times.

492 An organization's behaviour should be based on the ethics of honesty, equity and integrity. These ethics imply  
493 a concern for people, animals and the environment and a commitment to address stakeholders' interests.

494 An organization should actively promote ethical conduct by:

- 495 — developing governance structures that help to promote ethical conduct within the organization and in its  
496 interactions with others;
- 497 — identifying, adopting and applying its own standards of ethical behaviour appropriate to its purpose and  
498 activities but consistent with the principles outlined in this International Standard;
- 499 — encouraging and promoting the observance of its standards of ethical behaviour;
- 500 — defining and communicating the standards of ethical behaviour expected from its personnel, and  
501 particularly from those that have the opportunity to significantly influence the values, culture, integrity,  
502 strategy and operation of the organization;

- 503 — preventing or resolving conflicts of interest throughout the organization that could otherwise lead to  
504 unethical behaviour;
- 505 — establishing oversight mechanisms and controls to monitor and enforce ethical behaviour;
- 506 — establishing mechanisms to facilitate the reporting of violations of ethical behaviour without fear of  
507 reprisal; and
- 508 — recognizing and addressing situations where local laws and regulations do not exist or conflict with ethical  
509 behaviour.

#### 510 **4.5 Respect for stakeholder interests**

511 The principle is: an organization should respect, consider and respond to the interests of its stakeholders.

512 Although an organization's objectives may be limited to the interests of its respective owners, members or  
513 constituents, other individuals or groups may also have rights, claims or specific interests that should be taken  
514 into account. Collectively, these individuals or groups comprise the organization's stakeholders.

515 An organization should:

- 516 — identify its stakeholders;
- 517 — be conscious of and respect the interests and needs of its stakeholders and respond to their expressed  
518 concerns;
- 519 — recognize the legal rights and legitimate interests of stakeholders;
- 520 — take into account the relative capacity of stakeholders to contact and engage the organization;
- 521 — take into account the relation of its stakeholders' interests to the broader interests of society and to  
522 sustainable development, as well as the nature of the stakeholders' relationship with the organization;  
523 and
- 524 — consider the views of stakeholders that may be affected by a decision even if they have no formal role in  
525 the governance of the organization or are unaware of their interest in the decisions or activities of the  
526 organization.

#### 527 **4.6 Respect for the rule of law**

528 The principle is: an organization should accept that respect for the rule of law is mandatory.

529 The rule of law refers to the supremacy of law and, in particular, to the idea that no individual or organization  
530 stands above the law and that government is also subject to law. The rule of law contrasts with the arbitrary  
531 exercise of power. It is generally implicit in the rule of law that laws are written, publicly disclosed and fairly  
532 enforced according to established procedures. In the context of social responsibility, respect for the rule of law  
533 means that an organization complies with all applicable laws and regulations. This implies that it should take  
534 steps to be aware of applicable laws and regulations, to inform those within the organization responsible for  
535 observing these laws and regulations and to see that they are observed.

536 An organization should:

- 537 — comply with legal and regulatory requirements in all jurisdictions in which the organization operates;
- 538 — ensure that its relationships and activities fall within the intended and relevant legal framework;
- 539 — comply with its own by-laws, policies, rules and procedures and apply them fairly and impartially;

540 — remain informed of all legal obligations; and

541 — periodically review its compliance.

#### 542 **4.7 Respect for international norms of behaviour**

543 The principle is: an organization should respect international norms of behaviour, while adhering to the  
544 principle of respect for the rule of law.

545 — In countries where national law or its implementation does not provide for minimum environmental or  
546 social safeguards, an organization should strive to respect international norms of behaviour.

547 — Where national law or its implementation prohibits organizations from respecting international norms of  
548 behaviour, an organization should strive to respect such norms to the greatest extent possible.

549 — In situations of conflict with international norms of behaviour, and where not following these norms would  
550 have significant consequences, an organization should, as feasible and appropriate, review the nature of  
551 its activities and relationships within that jurisdiction.

552 — An organization should consider legitimate opportunities and channels to seek to influence relevant  
553 organizations and authorities to remedy any such conflicts in national law and its implementation.

554 — An organization should avoid being complicit in another organization's activities that fail to meet  
555 international norms of behaviour.

556

557

#### **Box 2 Understanding complicity**

558 Complicity has both legal and non-legal meanings.

559 In the legal context complicity has been defined in some jurisdictions as knowingly providing substantial  
560 assistance to the commission of an illegal act, such as a crime.

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

566

#### 567 **4.8 Respect for human rights**

568 The principle is: an organization should respect human rights and recognize both their importance and their  
569 universality (see also the core subject on human rights in 6.3).

570 An organization should:

571 — respect and foster the rights set out in the International Bill of Human Rights;

572 — accept that these rights are universal, that is, they are indivisibly applicable in all countries, cultures and  
573 situations;

574 — in situations where human rights are not protected, take steps to respect human rights and avoid taking  
575 advantage of these situations; and

576 — in situations where national law or its implementation does not provide for adequate protection of human  
 577 rights, adhere to the principle of respect for international norms of behaviour.

## 578 **5 Recognizing social responsibility and engaging stakeholders**

### 579 **5.1 General**

580 This clause addresses two fundamental practices of social responsibility. These are an organization's  
 581 recognition of its social responsibility and identification and engagement of its stakeholders. As with the  
 582 principles described in Clause 4, these practices should be kept in mind when addressing the core subjects of  
 583 social responsibility described in Clause 6.

584 The recognition of responsibility involves identifying the issues raised by the organization's decisions and  
 585 actions as well as the way these issues should be addressed so as to contribute to sustainable development,  
 586 including health and the welfare of society.

587 The recognition of responsibility also involves the recognition of an organization's stakeholders. As described  
 588 in Clause 4, a basic principle of social responsibility is that an organization should respect and consider the  
 589 interests of its stakeholders.

### 590 **5.2 Recognizing social responsibility**

#### 591 **5.2.1 Impacts, interests and expectations**

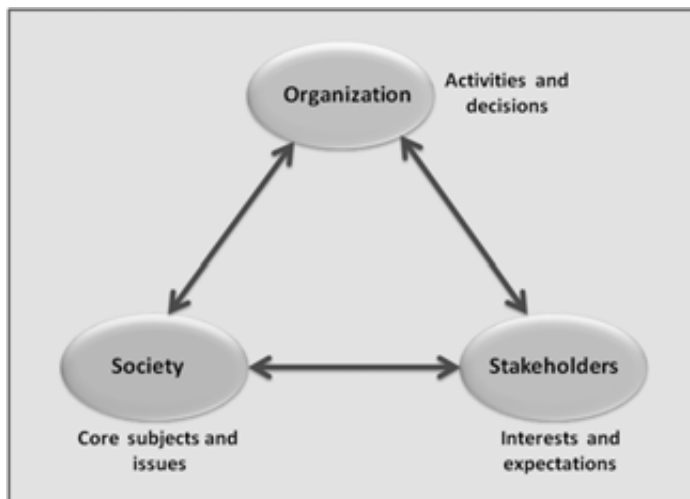
592 In addressing its social responsibility an organization should understand three relationships (see Figure 2):

593 — **Between the organization and society** An organization should understand how its activities and  
 594 decisions impact on society. An organization should also understand society's expectations of  
 595 responsible behaviour concerning these impacts. This can be done by considering the core subjects and  
 596 issues of social responsibility (see 5.2.2).

597 — **Between the organization and its stakeholders** An organization should be aware of its various  
 598 stakeholders. The activities and decisions of an organization may have potential and actual impacts on  
 599 individuals and organizations. This fact creates the "stake" or interest that causes the organizations or  
 600 individuals to be considered stakeholders.

601 — **Between the stakeholders and society** An organization should understand the relationship between the  
 602 stakeholders' interests that are affected by the organization, on the one hand, and the interest of society  
 603 on the other.

604



605

606 **Figure 2 — Relationship between an organization, its stakeholders and society**

607 In determining its most important responsibilities, the organization should take the relative importance of all  
 608 three relationships into account. The relevance and significance of an organization's impacts on society  
 609 should be considered together with the importance of the organization's relationship with any relevant  
 610 stakeholder. Of course, it should be recognized that individuals and organizations may have various interests  
 611 with respect to the activities and decisions of any specific organization.

### 612 5.2.2 Recognizing the core subjects and issues of social responsibility

613 An effective way for an organization to identify its social responsibility is to become familiar with the issues  
 614 concerning social responsibility in the following core subjects:

- 615 — organizational governance;
- 616 — human rights;
- 617 — labour practices;
- 618 — the environment;
- 619 — fair operating practices;
- 620 — consumer issues; and
- 621 — community involvement and development.

622 These core subjects cover the most likely economic, environmental and social impacts that should be  
 623 addressed by organizations. Each of these core subjects is considered in Clause 6. The discussion of each  
 624 core subject covers specific issues that an organization should take into account when identifying its social  
 625 responsibility. Every core subject, but not necessarily each issue, has some relevance for every organization.

626 The guidance on each issue includes a number of actions that an organization should take or expectations of  
 627 how an organization should behave. In determining its social responsibility, an organization should identify  
 628 each issue relevant to its activities and decisions, together with the related actions and expectations.  
 629 Additional guidance on identifying issues can be found in 7.2 and 7.3.

630 The impacts of an organization's activities and decisions should be considered with respect to these issues.  
 631 Not all issues may be relevant for a specific organization. Moreover, these core subjects and their respective



632 issues can be described or categorized in various ways. Some important considerations, including health and  
633 safety, economics and the value chain, are dealt with under more than one core subject in Clause 6.

634 The identification of relevant issues should be followed by the assessment of the significance of the  
635 organization's impacts. The significance of an impact should be considered with reference both to the  
636 stakeholders concerned and to the way in which the impact affects the broader interests of society and of  
637 sustainable development, including health and the welfare of society.

638 Recognizing the core subjects and issues of its social responsibility, an organization is helped by considering  
639 interactions with other organizations. For example, an organization may consider the impact of its activities  
640 and decisions on customers or users, suppliers, partners and competitors.

641 An organization seeking to recognize its social responsibility should consider both the legally binding and  
642 other obligations that exist. Legally binding obligations include applicable laws and regulations, as well as  
643 obligations concerning social or environmental issues that may exist in enforceable contracts. An organization  
644 should consider the commitments with respect to social responsibility that it has made. Such commitments  
645 could be in ethical codes of conduct or guidelines or in the membership obligations of associations to which it  
646 belongs.

647 Recognizing social responsibility is a continuous process. Determining potential impacts of activities and  
648 decisions and taking these into account should be done during the planning stage of new activities. Ongoing  
649 activities should be reviewed as necessary to be confident that the social responsibility of the organization is  
650 still being addressed and to determine whether new issues need to be taken into account.

### 651 **5.2.3 Social responsibility and the organization's sphere of influence**

652 An organization is responsible for the impacts of its activities and decisions through transparent and ethical  
653 behaviour that is integrated throughout the organization and practiced in its relationships. In addition to being  
654 responsible for its own activities and decisions, an organization may, in some situations, have the ability to  
655 influence the decisions or behaviour of parties with which it has a relationship. Such situations are considered  
656 to fall within an organization's sphere of influence.

657 An organization cannot be held responsible for the impacts of every party over which it may have some  
658 influence. However, there will be situations where an organization's ability to influence others will be  
659 accompanied by a responsibility to exercise that influence. For instance, the moral obligation to oppose  
660 human rights abuses committed by others can be an important aspect of an organization's social  
661 responsibility. The responsibility for exercising influence in any situation will depend on various factors  
662 including the actual ability of the organization to influence others and the issue involved. Generally, the  
663 responsibility for exercising influence increases with the ability to influence.

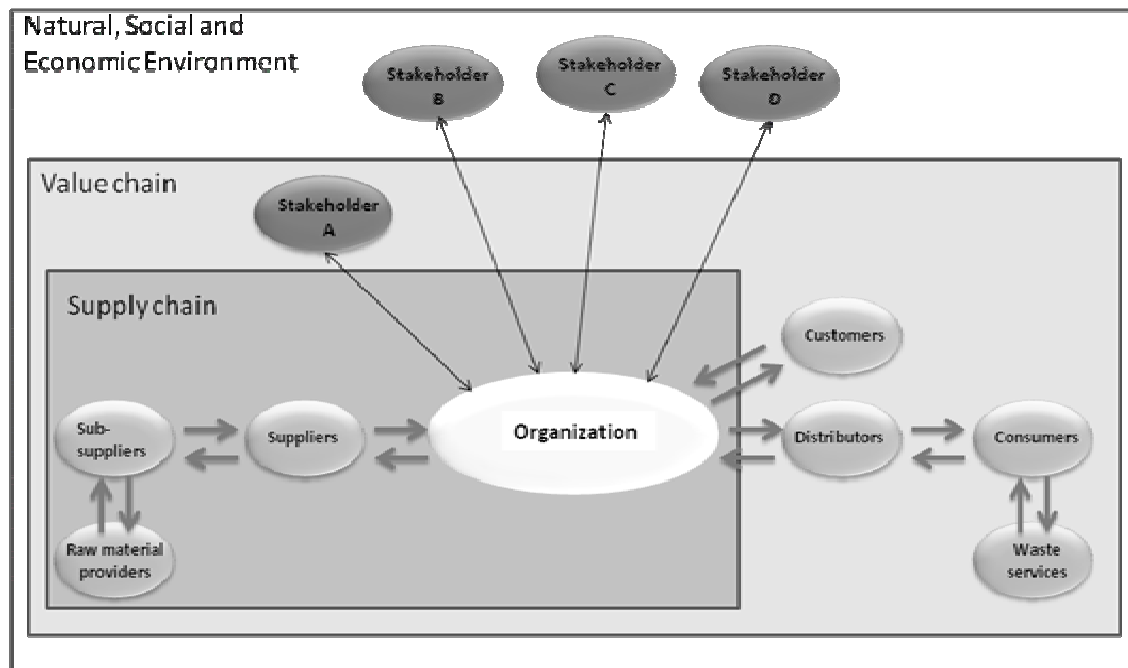
664 Although an organization cannot be held responsible for the impacts of activities that it does not control or for  
665 the decisions of others, the impacts of activities and decisions over which it has control can be extensive.  
666 Generally an organization decides whether to have a relationship with another organization and also decides  
667 the nature or extent of this relationship. There will be situations where an organization has the responsibility to  
668 be alert to the impacts caused by the activities and decisions of other organizations and to take steps to avoid  
669 or to mitigate the negative impacts that are related to its relationship with such organizations.

670 The sphere of influence of an organization will usually include parts of the value chain or supply chain. It may  
671 also include the formal and informal associations in which it participates, as well as peer organizations or  
672 competitors. When assessing its sphere of influence, an organization should exercise due diligence and  
673 should consider engaging with stakeholders.

674 Figure 3 illustrates the relation between the concepts of supply chain of an organization and the value chain.  
675 The stakeholders and other parties involved will differ depending on the nature of the organization. In some  
676 countries, the term supply chain is understood to be the same as value chain.

677 It shows that the value chain includes parties backward in the chain, such as suppliers and parties forward in  
678 the chain, such as customers and users. In addition, some parties, such as peer organizations and partners,  
679 operate in parallel to the organization.

680 Guidance with respect to recognizing an organization's sphere of influence, as well as recognizing the true  
681 extent of an organization's impacts, can be found in Clause 7.



682

683 **Figure 3 — Schematic view of the relation between value chain and supply chain**

## 684 5.3 Stakeholder identification and engagement

### 685 5.3.1 General

686 Identifying and engaging stakeholders are effective ways for an organization to consider its social  
687 responsibility. These activities have become central among the practices associated with social responsibility  
688 and should not be avoided by an organization that wants to be recognized for its social responsibility.

### 689 5.3.2 Stakeholder identification

690 Stakeholders are organizations or individuals that have one or more interests in any activities and decisions of  
691 an organization. Because these interests (or “stakes”) can be affected by the organization, a relationship with  
692 the organization is created. This relationship need not be formal. Moreover, it is not necessary for either the  
693 organization or the stakeholder to recognize this relationship for the relationship to exist. An organization may  
694 not always be aware of all of its stakeholders. Many stakeholders may not be aware of the potential of an  
695 organization to affect their interests.

696 “Interest” in this sense does not mean curiosity, nor does it refer to a hobby or other pursuit. In this context,  
697 interest refers to something that can be the basis of a claim. Such claims need not involve financial claims or  
698 legal rights. Sometimes the claim can simply be the right to be heard. From the standpoint of social  
699 responsibility, the significance or relevance of an interest is best determined by its relationship to sustainable  
700 development, including health and the welfare of society.

701 Individuals or groups that are affected, or likely to be affected, by an organization are considered to be among  
702 its stakeholders. Understanding how individuals or groups are affected by an organization's activities and  
703 decisions will make it possible to identify the interests that establish a relationship with the organization.  
704 Therefore identifying the impacts of an organization's activities and decisions will make it easier to identify the  
705 most important of an organization's stakeholders.

706 The meaning of stakeholder is very broad, and organizations have many stakeholders. Moreover, different  
707 stakeholders have various and sometimes competing interests. Stakeholders can have both common and  
708 conflicting interests with an organization. For example, community residents' interests could include the  
709 positive impacts of an enterprise, such as employment, as well as the negative impacts of the same  
710 enterprise, such as pollution.

711 Some stakeholders should be considered as an integral part of the organization. These could include the  
712 members or employees of the organization, as well as the shareholders or other owners of the organization. It  
713 should be recognized that these stakeholders share a common interest in the purpose of the organization and  
714 in its success. This does not mean, however, that all their interests with respect to the organization will be the  
715 same.

716 The interest of most stakeholders can be related to the social responsibility of the organization. The common  
717 interests of stakeholders can be related to the broader interests of society. An example is the supplier who  
718 wants to be paid. Honouring debts and contractual obligations is essential to the interests of society.

719 Not all stakeholders of an organization belong to organized groups that have the purpose of representing their  
720 interests to specific organizations. Many stakeholders may not be organized at all, and for this reason, may be  
721 wrongly overlooked or ignored. Organizations should therefore take into account that stakeholders may not be  
722 organized. This problem may be especially important with respect to vulnerable groups.

723 Groups dedicated to advocating social or environmental causes may be stakeholders with respect to an  
724 organization whose activities and decisions have a relevant and significant impact on their causes.

725 An organization should weigh the representativeness and credibility of groups claiming to speak on behalf of  
726 specific stakeholders or advocating specific causes. In some cases, it will not be possible for important  
727 interests to be directly represented. For instance, neither wildlife nor children own or control organized groups.  
728 In this situation, an organization should give attention to the views of credible groups seeking to protect such  
729 interests.

730 To identify stakeholders, an organization might ask itself the following questions:

- 731 — To whom do legal obligations exist?
- 732 — Who might be positively or negatively affected by the organization's activities?
- 733 — Who has been involved when similar issues needed to be addressed?
- 734 — Who can help the organization address specific impacts?
- 735 — Who would be disadvantaged if they were excluded from the engagement?
- 736 — Who in the value chain is affected?

### 737 **5.3.3 Stakeholder engagement**

738 Stakeholder engagement involves dialogue between the organization and one or more of its stakeholders.  
739 The main aim of stakeholder engagement should be to better address an organization's social responsibility.  
740 Although it is important for an organization to know who its stakeholders are, it will not be possible for an  
741 organization to engage with all of its stakeholders.

742 Stakeholder engagement can take many forms. It can be initiated by an organization or it can begin as a  
743 response by an organization to one or more stakeholders. It can take place in either informal or formal  
744 meetings and can follow a wide variety of formats such as individual meetings, conferences, workshops,  
745 public hearings, roundtable discussions, advisory committees, participation in multi-party forums, membership,  
746 and participation in community groups and other associations, such as interactive web-based forums.  
747 Stakeholder engagement is interactive. Its essential feature is that it involves two-way communication.

748 There are various reasons for an organization to engage with its stakeholders. Stakeholder engagement can  
749 be used to:

750 — address the link between the stakeholders' interests and the responsibilities of the organization to society  
751 at large;

752 — determine how best to increase the beneficial impacts of the organization's activities and decisions on  
753 how to decrease any adverse impacts;

754 — fulfill legal obligations (for instance to shareholders or to employees) to address conflicting interests,  
755 either between the organization and the stakeholder or between various stakeholders;

756 — reconcile conflicts involving its interests, those of its stakeholders and those of society as a whole;

757 — inform its decisions through better understanding of the likely consequences of its actions and of its  
758 impacts;

759 — contribute to continuous learning by the organization;

760 — provide the organization with the benefits associated with obtaining diverse perspectives;

761 — help an organization review its performance so it can improve it;

762 — increase transparency and the credibility of its communications; and

763 — provide a basis for cooperative activity such as partnerships.

764 With respect to this last point, stakeholder engagement can be used to change the relationship between the  
765 organization and one or more of its stakeholders. This is true where the organization enters into a partnership  
766 with one or more of its stakeholders to achieve mutually beneficial goals. These could involve participating in  
767 multi-stakeholder groups or undertaking joint projects. Such mutually beneficial relationships will not be  
768 possible with all stakeholders. As with all genuine partnerships, all parties need to be truly independent.  
769 Sometimes stakeholders are included in the formal governance structure of an organization.

770 In most situations an organization will already know, or can easily learn, what the expectations of society are  
771 for it to address its impacts. In such circumstances, it need not rely on engagement with specific stakeholders  
772 to understand these expectations, although the stakeholder engagement process can provide other benefits.  
773 Such expectations are found in laws or regulations, widely accepted social or cultural expectations, and  
774 established best practices with respect to specific issues. Expectations concerning stakeholders' interests can  
775 be found in the "Related actions and/or expectations" sections following the description of various issues in  
776 Clause 6. An organization should not use stakeholder engagement as a way of avoiding already established  
777 expectations concerning its behaviour.

778 A fair and proper process based on engaging the most appropriate stakeholders should be developed. The  
779 organizations or individuals identified as stakeholders should have authentic interests and, where appropriate  
780 and practical, be the most representative of these interests. Effective stakeholder engagement is based on  
781 good faith and goes beyond mere public relations.

782 When engaging stakeholders, an organization should not give preference to an organized group because it is  
783 more "friendly" or supports its goals more than another group. An organization should not form or support  
784 particular groups to give the appearance that it has a dialogue partner when the supposed partner is not in  
785 fact truly independent.

786 An organization should be conscious of and respect the interests and needs of its stakeholders and their  
787 relative capacity to contact and engage with the organization.

788 Stakeholder engagement is more likely to be meaningful where there is a clear purpose, the stakeholder's  
789 interests are identified, the relationship that these interests establish between the organization and the

790 stakeholder is direct or important, and where these interests are relevant and significant to the interests of  
791 sustainable development, including health and the welfare of society.

## 792 **6 Guidance on social responsibility core subjects**

### 793 **6.1 General**

794 To define the scope of its social responsibility, identify relevant issues and to set its priorities, an organization  
795 should address the following core subjects, shown in Figure 4:

- 796 — organizational governance;
- 797 — human rights;
- 798 — labour practices;
- 799 — the environment;
- 800 — fair operating practices;
- 801 — consumer issues; and
- 802 — community involvement and development.

803 Economic aspects, as well as aspects relating to health and safety and the value chain, are dealt with  
804 throughout the seven core subjects, where relevant. Each core subject includes a range of issues of social  
805 responsibility that are described in this clause with their related actions and expectations. Other issues can  
806 appear in the future, as social responsibility is dynamic and reflects the evolution of social and environmental  
807 concerns.

808 Action upon these core subjects and issues should be based on the principles and practices of social  
809 responsibility (Clauses 4 and 5). For each core subject, an organization should identify and address all those  
810 issues that have a significant or relevant influence on its decisions and activities (see Clause 5). When  
811 assessing relevance of issues, short- and long-term objectives should be taken into account. However, there  
812 is no pre-determined order in which an organization should address the core subjects and issues; this will vary  
813 with the organization and its strategy.

814 Although all the core subjects are interrelated and complementary, the nature of organizational governance is  
815 different from the other core subjects. Effective organizational governance enables an organization to take  
816 action on the other core subjects and issues and to implement the principles outlined in Clause 4.

817 An organization should look at the core subjects holistically, that is, it should consider all core subjects and  
818 issues, and their interdependence, rather than just concentrate on a single issue. Particular improvements  
819 targeted at a specific issue should not adversely affect other issues or create adverse impacts, on the life  
820 cycle of its products and services, on its stakeholders or in the value chain.

821 Further guidance on integration of social responsibility is provided in Clause 7.



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Figure 4 — The seven core subjects

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**Box 3 Benefits of social responsibility**

By addressing these core subjects and issues, and by integrating social responsibility within its decisions and activities, an organization can achieve some important benefits, including:

- encouraging more informed decision making based on an improved understanding of the expectations of society, the opportunities associated with social responsibility and the risks of not being socially responsible;
- improving its risk management practices;
- enhancing the reputation of the organization and fostering greater public trust;
- improving the organization’s relationship with its stakeholders;
- enhancing employee loyalty and morale, improving the safety and health of female and male workers and impacting positively on an organization’s ability to recruit, motivate and retain its employees;
- achieving savings associated with increased productivity and resource efficiency, lower energy and water consumption, decreased waste, the recovery of valuable by-products and the increased availability of raw materials;
- improving the reliability and fairness of transactions through responsible political involvement, fair competition, and the absence of corruption;
- preventing or reducing potential conflicts with consumers about products or services;
- contributing to the long-term viability of the organization by promoting the sustainability of natural resources and environmental services; and
- contributing to the public good and to strengthening civil society and institutions.

**6.2 Organizational governance**

**6.2.1 Overview of organizational governance**

**6.2.1.1 Organizations and organizational governance**

Organizational governance is the system by which an organization makes and implements decisions in pursuit of its objectives. Governance systems vary, depending on the size and type of organization and the environmental, economic, political, cultural and social context in which it operates. They are directed by a person or group of persons (owners, members, constituents or others) having the authority and responsibility for pursuing the organization’s objectives.

**6.2.1.2 Organizational governance and social responsibility**

Organizational governance in the context of social responsibility has the special characteristic of being both a core subject on which organizations should act, and a means of increasing the organization’s ability to implement socially responsible behaviour with respect to the other core subjects.

859 This special characteristic arises from the fact that an organization aiming to be socially responsible has a  
 860 decision-making system designed to put into practice the principles of social responsibility mentioned in  
 861 Clause 4.

## 862 **6.2.2 Principles and considerations**

863 Effective governance should be based on incorporating the principles and practices of accountability,  
 864 transparency, ethical behaviour, respect for stakeholder interests and respect for the rule of law into decision  
 865 making and implementation. Due diligence can also be a useful approach for an organization in addressing  
 866 the issues of social responsibility.

## 867 **6.2.3 Decision-making processes and structures**

### 868 **6.2.3.1 Description of the issue**

869 Decision-making processes and structures conducive to social responsibility are those that promote the  
 870 practical use of the principles and practices described in Clauses 4 and 5.

871 Every organization has decision-making processes and structures. In some cases, these are formal,  
 872 sophisticated and even subject to laws and regulations. In other cases they are informal. All organizations  
 873 should put in place processes, systems and structures to make it possible to apply the principles and practices  
 874 of social responsibility <sup>[86][115]</sup>.

### 875 **6.2.3.2 Related actions and expectations**

876 An organization's decision-making processes and structures should enable it to:

- 877 — create and nurture an environment in which the principles of accountability, transparency, ethical  
 878 behaviour, respect for stakeholder interests and respect for the rule of law are practised;
- 879 — create a system of economic and non-economic incentives related to performance on social  
 880 responsibility;
- 881 — use financial, natural and human resources efficiently;
- 882 — promote fair representation of under-represented groups (including women and racial and ethnic groups)  
 883 in senior positions in the organization;
- 884 — balance the needs of the organization and its stakeholders, including immediate needs and those of  
 885 future generations;
- 886 — establish two-way communication processes with its stakeholders that take into account the stakeholders'  
 887 interests and assist in identifying areas of agreement and disagreement and in negotiation to resolve  
 888 possible conflicts;
- 889 — encourage effective participation of male and female employees in the organization's decision making on  
 890 issues of social responsibility;
- 891 — balance the level of authority, responsibility and capacity of people who make decisions on behalf of the  
 892 organization; and
- 893 — keep track of decisions to ensure that they are followed through and to determine accountability for the  
 894 results of the organization's activities, either positive or negative.



## 6.3 Human rights

### 6.3.1 Review of human rights

#### 6.3.1.1 Organizations and human rights

Human rights are the basic rights to which all human beings are entitled because they are human beings, with an intrinsic desire for freedom, peace, health and happiness. There are two broad categories of human rights. The first category concerns civil and political rights and includes such rights as the right to life and liberty, equality before the law and freedom of expression. The second category concerns economic, social and cultural rights and includes such rights as the right to work, the right to food, the right to health, the right to education and the right to social security.

Various widely held moral, legal and intellectual beliefs are based on the premise that human rights transcend laws or cultural traditions. The primacy of human rights has been emphasized by the international community in the International Bill of Human Rights and core human rights instruments, as discussed in Box 4.

While most human rights law relates to relationships between the state and individuals, it is widely acknowledged that non-state organizations can affect individuals' human rights, and hence have a duty to respect them.

#### **Box 4 The International Bill of Human Rights and the core human rights instruments**

The Universal Declaration of Human Rights (Universal Declaration) <sup>[112]</sup> is a non-binding declaration adopted by the UN General Assembly in 1948, and is the most widely recognized human rights instrument. It provides the basis for human rights law, and elements of it have become part of international customary law. Recognizing both the universal nature of the rights, and that their realization requires the involvement of all, the Universal Declaration calls on "all organs of society" to contribute to securing the rights contained in the Universal Declaration. The Universal Declaration, together with the subsequent international conventions spelling out in more detail the content of the rights contained in the Universal Declaration, rests on the founding principle of the inherent dignity of all members of the human family.

The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights are treaties adopted by the General Assembly in 1966 and thereafter ratified by individual states. They entered into force in 1976. The International Bill of Human Rights refers to the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights <sup>[102]</sup> and the International Covenant on Economic, Social and Cultural Rights <sup>[103]</sup>, as well as to the optional protocols to the two covenants, one of which aims to abolish the death penalty <sup>[108]</sup>.

In addition to the International Bill of Human Rights, there are seven core international human rights instruments that also form part of international human rights law and that deal with: the elimination of all forms of racial discrimination <sup>[100]</sup>, elimination of all forms of discrimination against women <sup>[91]</sup>, efforts against torture and other cruel, inhuman or degrading treatment or punishment <sup>[90]</sup>, rights of the child <sup>[93]</sup>, involvement of children in armed conflict <sup>[105]</sup>, sale of children, child prostitution and child pornography <sup>[106]</sup>, protection of migrant workers and their families <sup>[41][42][43][101]</sup>, protection of all persons from enforced disappearances <sup>[99]</sup> and rights of persons with disabilities <sup>[92]</sup>.

Taken together these instruments form the basis for international standards for universal human rights. The instruments are binding on states that ratify them. Some instruments allow for individual complaints to be lodged, subject to procedural rules outlined in optional protocols.

### 937 **6.3.1.2 Human rights and social responsibility**

938 Human rights are basic rights to which all human beings are entitled. States have a duty and responsibility to  
 939 protect human rights. An organization has the responsibility to respect human rights, including in its sphere of  
 940 influence. Recognition and respect for human rights is widely regarded as essential to the rule of law, to  
 941 concepts of social justice and fairness and as the basic underpinning of the most essential institutions of  
 942 societies, such as the judicial system. The value placed on, and the realization of, human rights is widely  
 943 accepted as a measure of civilization.

## 944 **6.3.2 Principles and considerations**

### 945 **6.3.2.1 Principles**

946 Human rights are inherent, inalienable, universal, indivisible and interdependent:

- 947 — they are inherent, in that they belong to everyone;
- 948 — they are inalienable, in that people cannot consent to giving them up or be deprived of them by  
 949 governments or any other institutions;
- 950 — they are universal, in that they apply to all people regardless of any status;
- 951 — they are indivisible, in that no human rights may be selectively ignored; and
- 952 — they are interdependent, in that realization of one right contributes to the realization of other rights.

### 953 **6.3.2.2 Considerations**

954 States have a duty to protect individuals and groups against abuse of human rights, as well as to respect and  
 955 fulfil human rights within their jurisdiction. It is widely recognized that organizations and individuals have the  
 956 potential to and do affect human rights, directly and indirectly. Organizations have a responsibility to respect  
 957 all human rights, irrespective of whether the state is unable or unwilling to fulfil its duty to protect. To respect  
 958 human rights essentially means to not infringe on the rights of others, and to do no harm. Doing no harm is not  
 959 merely a passive responsibility for organizations but entails positive steps. To discharge the responsibility to  
 960 respect human rights requires due diligence. Where the state fails in its duty to protect, an organization may  
 961 have to take additional measures to ensure that it operates with respect for human rights.

962 Even though international law primarily binds states, there are some fundamental norms of international  
 963 criminal law that are binding on all individuals and entail legal liability. These include the prohibition of torture,  
 964 crimes against humanity, slavery and genocide. Some countries have adopted national legislation in order to  
 965 prosecute legal entities in national courts for certain international crimes.

966 Outside the area of international criminal law, human rights instruments and their implementation and  
 967 enforcement determine the scope of legal obligations for organizations with regard to human rights. However,  
 968 the scope of responsibility of an organization to respect human rights is broader than its legal obligations in  
 969 that this responsibility is also shaped by social expectations.

970 Stakeholders often expect that organizations should not only avoid harm, but also can and should make a  
 971 positive contribution to realizing human rights where the organization is in a position to do so. The concept of  
 972 sphere of influence can be used to help develop the scope of an organization's opportunities to support  
 973 human rights, including with respect to the categories of rights holders and rights where they can have the  
 974 greatest positive impact. To understand more clearly how the organization may best support human rights, it  
 975 may analyze what influence it has, and over what parts of its surroundings, within which field of human rights it  
 976 can have the greatest positive impact and who the rights holders are that would be affected.

977 In many situations, an organization's sphere of influence and opportunities to support human rights will be  
 978 greatest with respect to its own operations and workers, with its ability to act gradually declining outward to the  
 979 supply chain, local communities and beyond. In some cases, organizations may wish to increase their

980 leverage or sphere of influence through collaboration with other organizations and individuals. Assessment of  
981 the opportunities for action and leverage will depend on the particular circumstances, some specific to the  
982 organization and some specific to the context in which it is operating (see 7.3.2).

983 **6.3.3 Human rights issue 1: Due diligence**

984 **6.3.3.1 Description of the issues**

985 Due diligence, in the context of social responsibility, involves an organization conscientiously and methodically  
986 considering the actual and possible negative impacts of its activities, and managing these with a view to  
987 minimizing or avoiding the risk of social or environmental harm. In the specific sphere of human rights, it  
988 involves managing the risk of harm to human rights with a view to avoiding it. It may also entail influencing the  
989 behaviour of others, where they may be the cause of human rights violations. To respect human rights,  
990 organizations have a responsibility to exercise due diligence to become aware of, identify, prevent and  
991 address actual or potential adverse human rights impacts resulting from their activities and from the  
992 relationships associated with these activities.

993 **6.3.3.2 Related actions and/or expectations**

994 — in any due diligence process, an organization should consider the country context in which the  
995 organization operates or in which the organization's activities take place; the potential and actual human  
996 rights impacts of the organization's own activities; and the potential for abuse of human rights resulting  
997 from the actions of other entities or persons whose activities are significantly linked to those of the  
998 organization. It should include, in a due diligence process, in a manner appropriate to the organization's  
999 size and circumstances, the following components:

- 000 — a human rights policy for the organization that gives meaningful guidance to those within the organization  
001 and those closely linked to the organization;
- 002 — means of assessing how existing and proposed activities may affect human rights;
- 003 — means of integrating the human rights policy throughout the organization; and
- 004 — means of tracking performance over time, to be able to make necessary adjustments in priorities and  
005 approach.

006 In identifying potential areas for action, an organization should strive to better understand challenges and  
007 dilemmas from the perspective of the individuals and groups potentially harmed.

008 In addition to this self-evaluation, an organization may find that in some cases it is both possible and  
009 appropriate to seek to influence the behaviour of other entities in support of human rights, particularly those  
010 with which it has close ties or where the organization feels the issues are particularly compelling or relevant to  
011 its situation. As an organization gains experience in the area of respect for human rights, it may grow in its  
012 capacity and willingness to intervene with other entities to advocate respect for human rights.

013 **6.3.4 Human rights issue 2: Human rights risk situations**

014 **6.3.4.1 Description of the issues**

015 There are certain circumstances and environments where organizations are more likely to face challenges  
016 and dilemmas in dealing with human rights issues.

017 **6.3.4.2 Related actions and/or expectations**

018 Organizations should take specific care when dealing with situations characterized by:

- 1019 — conflict <sup>[89]</sup> or extreme political instability, or absence of political and other civil rights, or situations of  
1020 poverty, drought, extreme health challenges or natural disasters;
- 1021 — involvement in extractive activities or other activities that might significantly affect natural resources such  
1022 as water, forests or the atmosphere, and often disrupt communities;
- 1023 — proximity of operations to communities of indigenous peoples <sup>[38][110]</sup> ;
- 1024 — activities that can affect or involve children <sup>[93][105][106]</sup> ;
- 1025 — a culture of corruption;
- 1026 — complex supply chains that involve work performed on an informal basis without legal protection; or
- 1027 — a need for extensive measures to ensure security of premises or other assets.

1028 When operating in environments in which one or more of these circumstances apply, organizations are likely  
1029 to be faced with the need to make difficult and complex judgements on how to conduct themselves and what  
1030 form of action to take. While there may be no simple formula or solution, an organization should base any  
1031 decision on respecting, promoting and defending the overall fulfilment of human rights.

1032 In responding, the organization should give thought to the potential consequences of its actions so that the  
1033 desired objective is actually achieved. In particular, it is important not to compound or create other abuses. A  
1034 situation's complexity should not be used as an excuse not to act.

### 1035 **6.3.5 Human rights issue 3: Avoidance of complicity**

#### 1036 **6.3.5.1 Description of the issues**

1037 In its legal sense, complicity has been defined as knowingly providing substantial assistance to the  
1038 commission of a human rights abuse. In the non-legal meaning of complicity, an organization may be  
1039 considered to be complicit where it has assisted in the commission of wrongful acts of others and where, had  
1040 it exercised due diligence, it would or should have known, that those acts would lead to substantial negative  
1041 impacts. This complicity may include staying silent about, or benefiting from, wrongful acts of others.

1042 Hence, there are three forms of complicity:

- 1043 — **Direct complicity** This occurs when an organization knowingly assists in a violation of human rights;
- 1044 — **Beneficial complicity** This involves an organization benefiting directly from human rights abuses  
1045 committed by someone else. Examples include an organization tolerating security forces suppressing a  
1046 peaceful protest against its activities, or the use of repressive measures while guarding its facilities, or  
1047 benefiting economically from suppliers' abuse of fundamental rights at work;
- 1048 — **Silent complicity** This can involve the failure by an organization to raise with the appropriate authorities  
1049 the question of systematic or continuous human rights violations, such as not speaking out against  
1050 systematic discrimination in employment law against particular groups.

#### 1051 **6.3.5.2 Related actions and/or expectations**

1052 A prominent area in respect of potential complicity in human rights abuses relates to security arrangements. In  
1053 this respect:

- 1054 — Organizations should verify that their security arrangements respect human rights and are consistent with  
1055 international norms and standards for law enforcement.
- 1056 — Procedures should include measures to prevent torture, cruel, inhuman or degrading treatment and the  
1057 use of excessive force.

- 058 — Security personnel (employed or contracted) should be adequately trained, including in adherence to  
059 these standards of human rights.
- 060 — Organizations should develop clear rules for contracting with security forces and for not hiring security  
061 personnel with a record of human rights violations.
- 062 — Complaints about security procedures or personnel should be addressed and investigated promptly and,  
063 where appropriate, independently.
- 064 — Organizations supplying military security or police services should take measures to prevent any human  
065 rights violations. Such measures could include adequate training for staff, and oversight and monitoring of  
066 staff behaviour.
- 067 Organizations can become aware of, prevent and address risks of complicity by integrating the common  
068 features of legal and societal benchmarks into their due diligence processes.

069 **6.3.6 Human rights issue 4: Resolving grievances**

070 **6.3.6.1 Description of the issues**

071 Even where institutions operate optimally, disputes over the human rights impact of organizations may occur.  
072 Effective grievance mechanisms play an important role in the state's duty to protect human rights. Equally, the  
073 organization's responsibility to respect human rights should include a means for those who believe they have  
074 been harmed to bring this to the attention of the organization and seek redress, without losing their right to use  
075 available legal mechanisms. Non-state mechanisms should not undermine the strengthening of state  
076 institutions, particularly judicial mechanisms, but can offer additional opportunities for recourse and redress.

077 **6.3.6.2 Related actions and/or expectations**

078 An organization should establish remedy mechanisms for use by the organization and its stakeholders. For  
079 these mechanisms to be effective they should be:

- 080 — **legitimate** This includes clear, transparent and sufficiently independent governance structures to ensure  
081 that no party to a particular grievance process can interfere with the fair conduct of that process.
- 082 — **accessible** This means their existence should be publicized and adequate assistance should be provided  
083 for aggrieved parties who may face challenges to access regarding language, literacy, awareness,  
084 finance, distance, or fear of reprisal.
- 085 — **predictable** , Procedures should be clear and known, with a clear time frame for each stage and clarity  
086 on the types of process and outcome they can (and cannot) offer, as well as a means of monitoring any  
087 outcome.
- 088 — **equitable** Aggrieved parties should have reasonable access to sources of information, advice and  
089 expertise necessary to engage in a grievance process on fair and equitable terms.
- 090 — **rights-compatible** The outcomes and remedies should accord with internationally recognized human  
091 rights standards.
- 092 — **transparent** Although confidentiality might sometimes be appropriate, the process and outcome should  
093 be sufficiently open to public scrutiny and should give priority to the public interest.

1094 **6.3.7 Human rights issue 5: Discrimination and vulnerable groups**1095 **6.3.7.1 Description of the issues**

1096 Discrimination involves selecting certain individuals or groups to deny him, her or them the same treatment or  
 1097 opportunities as others, where that consideration is based on prejudice rather than a legitimate ground.  
 1098 Illegitimate grounds for discrimination include but are not limited to: race, colour, gender, age, nationality or  
 1099 national origin, ethnic or social origin, caste, marital status, sexual orientation, health status, such as  
 1100 HIV/AIDS status, or political affiliation <sup>[34][94][95][96][97][112]</sup>. Certain other grounds, such as disability <sup>[41]</sup> and  
 1101 pregnancy also often form the basis for undue, prejudicial discrimination. The prohibition of discrimination is  
 1102 one of the most fundamental principles of international human rights law.

1103 The full and effective participation and inclusion in society for all groups, including those who are vulnerable,  
 1104 provides opportunities for all organizations as well as the people concerned. An organization has much to gain  
 1105 by taking an active approach to ensuring equal opportunity and respect for all individuals.

1106 Groups that have suffered persistent discrimination, leading to entrenched disadvantages, are vulnerable to  
 1107 further discrimination, and their human rights should be the focus of additional attention in terms of protection  
 1108 and respect by organizations. While vulnerable groups typically include the individuals having the  
 1109 characteristics described in 6.3.7.2, there may be other vulnerable groups in the particular community in which  
 1110 an organization operates.

1111 Discrimination can also be indirect. This occurs when an apparently neutral provision, criterion or practice  
 1112 would put persons having a particular religion or belief, disability, age, race or sexual orientation at a  
 1113 disadvantage compared with other persons, unless that provision, criterion or practice is objectively justified  
 1114 by a legitimate aim and the means of achieving that aim are appropriate and necessary.

1115 **6.3.7.2 Related actions and/or expectations**

1116 An organization should take care to ensure that it does not discriminate against employees, partners,  
 1117 customers, stakeholders, members and anyone else with which the organization has any contact or can  
 1118 impact.

1119

1120 **Box 5 Vulnerable groups**

1121 **Women** comprise half of the world population, but they are frequently denied access to resources and  
 1122 opportunities on equal terms with men.

1123 **People with disabilities** are often vulnerable, in part because of misperceptions about their skills and  
 1124 abilities.

1125 **Children** are a particularly vulnerable segment of society, in part because of their dependent status.

1126 **Indigenous peoples** enjoy indigenous rights, which are collective rights granted to enable them to continue  
 1127 their distinct traditional lifestyles. Indigenous rights are established to support indigenous peoples' and  
 1128 traditional communities' self-determination and their freedom to make decisions on issues including but not  
 1129 limited to management of land that they traditionally occupy, resources, education, judicial systems and law  
 1130 enforcement.

1131 **Migrants and migrant workers** and their families may also be a vulnerable group.

1132 **Other vulnerable groups** include people considered to be of 'low caste', sometimes called 'untouchable',  
 1133 who often suffer discrimination.

1134

135 It should take particular care not to discriminate against the following vulnerable groups in particular (see also  
 136 Box 5):

137 — **Women** Women have the right to enjoy all human rights without discrimination, including in education,  
 138 employment and economic and social activities as well as the right to decide on marriage, family matters  
 139 and right to make decisions over their own reproductive health. An organization’s policies and activities  
 140 should respect women’s rights and promote the equal treatment of women and men in the economic,  
 141 social and political spheres <sup>[91]</sup>.

142 — **People with disabilities** An organization should contribute to ensuring that men and women with  
 143 disabilities are accorded dignity, autonomy and full participation in society. For example, organizations  
 144 should attempt to provide accessible facilities when possible <sup>[92]</sup>.

145 — **Children** In taking action that will have or may have effects on children, primary consideration should be  
 146 given to the best interests of the child. The principles from the Convention on the Rights of the Child,  
 147 which include non-discrimination, a child’s right to life, survival, development and free expression, should  
 148 always be respected and taken into account <sup>[93][105][106]</sup>.

149 — **Indigenous peoples** An organization should consider and respect the rights of indigenous peoples (see  
 150 Box 5) when carrying out activities. <sup>[38][110]</sup>.

151 — **Migrants and migrant workers** An organization should respect the rights and contribute to promoting a  
 152 climate of respect for the rights of migrants, migrant workers and their families <sup>[41][42][43][101]</sup>.

153 — **Others.** An organization should respect the rights of all people, regardless of caste or class.

154 An organization also should contribute to redressing discrimination or the legacy of past discrimination,  
 155 wherever practicable. For example, it should make special efforts to employ or do business with organizations  
 156 operated by people from groups historically discriminated against and, where feasible, support efforts to  
 157 increase access to education, infrastructure or social services for groups denied full access.

158 **6.3.8 Human rights issue 6: Civil and political rights**

159 **6.3.8.1 Description of the issues**

160 Civil and political rights include absolute rights such as the right to life, the right to freedom from torture, the  
 161 right to security, the right to own property, liberty and integrity of the person, and the right to due process of  
 162 law and a fair hearing when facing criminal charges. They further include freedom of opinion and expression,  
 163 freedom of peaceful assembly and association, freedom to adopt and practise a religion, freedom to hold  
 164 beliefs, freedom from arbitrary interference with family, home or correspondence and the right to privacy, to  
 165 access to public services and to take part in elections <sup>[102][108]</sup>.

166 **6.3.8.2 Related actions and/or expectations**

167 An organization should always respect individual rights including the right to:

- 168 — life of individuals;
- 169 — freedom of opinion and expression, and should not aim to suppress anyone’s views or opinions, even  
 170 when the person expresses criticism of the organization internally or externally;
- 171 — freedom of peaceful assembly and of association;
- 172 — seek, receive and impart information and ideas through any means, regardless of national borders; and
- 173 — due process and the right to a fair hearing before taking any internal disciplinary measures. Any  
 174 disciplinary measures should be proportionate and not involve physical punishment or inhuman or  
 175 degrading treatment.

## 1176 **6.3.9 Human rights issue 7: Economic, social and cultural rights**

### 1177 **6.3.9.1 Description of the issue**

1178 Every person, as a member of society, has economic, social and cultural rights indispensable for his or her  
 1179 dignity and personal development. These rights include access without discrimination to health, education,  
 1180 work, food, religion and culture, and genuine opportunities to participate without discrimination in decision  
 1181 making that supports positive practices and discourages negative practices concerning health, education,  
 1182 work, food, religion and culture <sup>[103]</sup>.

### 1183 **6.3.9.2 Related actions and/or expectations**

1184 Organizations have a responsibility to respect the enjoyment of economic, social and cultural rights. An  
 1185 organization should respect these rights by exercising due diligence to ensure that it does not engage in  
 1186 actions that obstruct or impede the enjoyment of such rights. An organization should also support the  
 1187 enjoyment of such rights when appropriate. An organization should bear in mind the different roles and  
 1188 capacities of governments, organizations and individuals to provide these rights. An organization should  
 1189 acknowledge that everyone has the right to an education, health, a standard of living adequate for the physical  
 1190 and mental health and well-being of himself or herself and family. This includes food, clothing, housing,  
 1191 medical care and necessary social protection, such as the right to security in the event of unemployment,  
 1192 sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his or her control.

1193 An organization should also base actions on the ideal that education should be directed to the full  
 1194 development of the human personality and dignity.

1195 Organizations can contribute to respect for these rights by refraining from actions that obstruct or impede the  
 1196 realization of such rights, and more positively by helping to secure them when appropriate. Two such  
 1197 examples are given below.

1198 — An organization should not directly or indirectly limit or deny access to an essential product or resource,  
 1199 such as water. For example, production processes should not compromise the supply of scarce potable  
 1200 water resources.

1201 — An organization should respect everyone's right to enjoy the highest attainable standard of physical and  
 1202 mental health. To this end, an organization should assess the possible impacts of its activities, products  
 1203 and services, as well as new projects, on human rights and health and safety, including those of the local  
 1204 population, consumers and customers.

1205 Economic, social and cultural rights should also be considered in the local context of the rights holders.  
 1206 Further guidance on related actions and expectations is provided in 6.8 on community involvement and  
 1207 development.

## 1208 **6.3.10 Human rights issue 8: Fundamental rights at work**

### 1209 **6.3.10.1 Description of the issue**

1210 The International Labour Organization (ILO) has identified and designated fundamental rights at work <sup>[19]</sup>.  
 1211 These include:

1212 — freedom of association and effective recognition of the right to collective bargaining <sup>[27][66]</sup>;

1213 — the elimination of all forms of forced or compulsory labour <sup>[15][25]</sup>;

1214 — the effective abolition of child labour <sup>[44][45][79][80]</sup>; and

1215 — the elimination of discrimination in respect of employment and occupation <sup>[20][22][23]</sup>.



216 **6.3.10.2 Related actions and/or expectations**

217 Although these rights are legislated for in many jurisdictions, organizations should independently ensure that  
 218 they address the following issues:

- 219 — **freedom of association and collective bargaining** <sup>[27][66]</sup> Representative organizations formed or joined  
 220 by workers should be recognized for purposes of collective bargaining. Terms and conditions of  
 221 employment may be fixed by voluntary collective negotiation where workers so choose. Workers'  
 222 representatives should be given appropriate facilities that will enable them to do their work effectively and  
 223 allow them to perform their role without interference. Collective agreements should include provisions for  
 224 the settlement of disputes. Workers' representatives should be provided with information required for  
 225 meaningful negotiations. See 6.4 for further information, particularly about how freedom of association  
 226 and collective bargaining relate to social dialogue.
- 227 — **forced labour** <sup>[15][25]</sup> An organization should not engage in or benefit from any use of forced or  
 228 compulsory labour. No work or service should be exacted from any person under the threat of any penalty  
 229 or when the work is not conducted voluntarily. An organization should not engage or benefit from prison  
 230 labour, unless the prisoners have been convicted in a court of law and their labour is under the  
 231 supervision and control of a public authority. Further, prison labour should not be used by private  
 232 organizations, unless performed on a voluntary basis, as evidenced by, among other things, fair and  
 233 decent conditions of employment.
- 234 — **child labour** <sup>[44][45][79][80]</sup> Organizations should not engage in or benefit from any use of child labour. The  
 235 minimum age for employment is determined through international instruments. International labour  
 236 standards establish a minimum age of 15 years in general, and 14 years of age in some developing  
 237 countries (see Table 3). Light work that does not harm the child or interfere with school attendance or with  
 238 other activities necessary to the child's full development (such as recreational activities) is not considered  
 239 child labour. Children and young persons under 18 should not be employed in any work that, by its nature  
 240 or the circumstances by which it is carried out, is likely to harm their health, safety or morals. When an  
 241 organization discovers child labour in its operations or sphere of influence, it should not only ensure that  
 242 the child is removed from work but also that appropriate alternatives, in particular education, are provided  
 243 to the child.
- 244 — **non-discrimination** <sup>[20][22][23]</sup> Organizations should check that their employment policies are free of  
 245 gender, ethnic, racial or other bias and that earnings, employment conditions and hiring policies are  
 246 based on the requirements of the job. Organizations should also take steps to prevent harassment in the  
 247 workplace.

1248

1249

1250

**Box 6 Child labour**

1251 ILO conventions <sup>[44][79]</sup> [ provide the framework for national law to prescribe a minimum age for admission to  
 1252 employment or work that must not be less than the age for completing compulsory schooling, and in any case  
 1253 not less than 15 years. In countries where economic and educational facilities are less well developed, the  
 1254 minimum age may be as low as 14 years. Exception may also be made from 13 or 12 years for "light work"  
 1255 <sup>[44][45]</sup> . The minimum age for hazardous work — work that is likely to harm the health, safety or morals of the  
 1256 child as a consequence of its nature or the circumstances under which it is carried out — is 18 years of age  
 1257 for all countries <sup>[79][80]</sup> (see Table 3).

1258 The term "child labour" should not be confused with "youth employment" or "student work", which may be both  
 1259 legitimate and desirable if performed as part of a genuine apprenticeship or training programme that respects  
 1260 relevant laws and regulations.

1261 Child labour is a form of exploitation that is a violation of a human right. Child labour damages a child's  
 1262 physical, social, mental, psychological and spiritual development. Child labour deprives boys and girls of their  
 1263 childhood and their dignity. They are deprived of an education and may be separated from their families.  
 1264 Children who do not complete their basic education are likely to remain illiterate and never acquire the skills  
 1265 needed to get a job that enables them to contribute to the development of a modern economy. Consequently  
 1266 child labour results in under-skilled, unqualified workers and jeopardizes future improvements of skills in the  
 1267 workforce and future economic and social development.

1268 Organizations should make efforts to eliminate all forms of child labour. Efforts to eliminate the worst forms of  
 1269 child labour should not be used to justify other forms of child labour. Organizations should analyze the  
 1270 different circumstances of girls and boys and the different ways in which children from ethnic populations or  
 1271 populations that are discriminated against are affected, so that preventive and corrective measures can be  
 1272 targeted and effective. When children below the legal working age are found in the workplace, measures  
 1273 should be taken to remove them from work. To the extent possible, an organization should help the child  
 1274 removed from the workplace and his/her family to access adequate services and viable alternatives to ensure  
 1275 that he/she does not end up in the same or a worse situation, either working elsewhere or being exploited.

1276

1277

**Table 3 — Minimum age for admission to employment or work**

	Developed countries	Developing countries
<b>Regular work</b>	15 years	14 years
<b>Hazardous work</b>	18 years	18 years
<b>Light work</b>	13 years	12 years

1278

**6.4 Labour practices****6.4.1 Overview of labour practices****6.4.1.1 Organizations and labour practices**

1282 The labour practices of an organization encompass all policies and practices relating to work performed  
 1283 within, by or on behalf of the organization.

284 Labour practices extend beyond the relationship of the organization with its direct employees or the  
285 responsibilities that the organization has at a workplace that it owns or directly controls. Labour practices  
286 include the responsibilities of the organization for work performed on its behalf by others, including  
287 subcontracted work.

288 Labour practices include the recruitment and promotion of workers; disciplinary and grievance procedures; the  
289 transfer and relocation of workers; termination of employment; training and skills development; health, safety  
290 and industrial hygiene; and any policy or practice affecting conditions of work, in particular working time and  
291 remuneration. Labour practices also include the recognition of worker organizations and representation and  
292 participation of both worker and employer organizations in collective bargaining, social dialogue and tripartite  
293 consultation (see Box 6) to address social issues related to employment.

#### 294 **6.4.1.2 Labour practices and social responsibility**

295 The creation of jobs, as well as wages and other compensation paid for work performed are among an  
296 organization's most important economic and social impacts. Meaningful and productive work is an essential  
297 element in human development; standards of living are improved through full and secure employment. Its  
298 absence is a primary cause of social problems. Labour practices have a major impact on respect for the rule  
299 of law and on the sense of fairness present in society: socially responsible labour practices are essential to  
300 social justice, stability and peace.

### 301 **6.4.2 Principles and considerations**

#### 302 **6.4.2.1 Principles**

303 A fundamental principle in the ILO's 1944 Declaration of Philadelphia <sup>[35]</sup> is that labour is not a commodity.  
304 This means that women and men workers should not be treated as a factor of production and subjected to the  
305 same market forces that apply to commodities. The inherent vulnerability of workers and the need to protect  
306 their basic rights is reflected in the Universal Declaration of Human Rights and the International Covenant on  
307 Economic, Social and Cultural Rights [5]. The principles involved include the right of everyone to gain a living  
308 by freely chosen work, and the right to just and favourable conditions of work.

#### 309 **6.4.2.2 Considerations**

310 The human rights recognized by the ILO as constituting fundamental rights at work are addressed in 6.3.10.  
311 These include the right of all workers and employers to form or join their own organizations to advance or  
312 defend their own interests; the right of workers to collectively bargain with their employer; the right to be free  
313 from discrimination with respect to employment or occupation, as well as the prohibition of child labour and  
314 forced labour. These rights are expressed in eight conventions referred to as the Core Conventions. Many  
315 other ILO conventions and recommendations complement and reinforce various provisions in the Universal  
316 Declaration of Human Rights and its two covenants mentioned in Box 4 and can be used as a source of  
317 practical guidance on the meaning of various human rights.

318 The primary responsibility for ensuring fair and equitable treatment for workers' lies with governments. This is  
319 achieved through adopting legislation consistent with the Universal Declaration of Human Rights and the  
320 principles underlying relevant ILO labour standards, enforcing those laws, and ensuring that workers and  
321 organizations have the necessary access to justice. Labour laws and practices will vary from country to  
322 country.

323 Where governments have failed to legislate, organizations operating in those environments should abide by  
324 the principles underlying these international instruments. Where national law is adequate but government  
325 enforcement is inadequate, organizations should abide by the law. It is important to distinguish between the  
326 government in its role as organ of state and the role of government in its role as an employer. Government  
327 bodies or state-owned organizations have the same responsibilities for their labour practices as other  
328 organizations, and they have other responsibilities because they create and apply laws and regulations and  
329 administer justice.

1330 **6.4.3 Labour practices issue 1: Employment and employment relationships**

1331 **6.4.3.1 Description of the issue**

1332 The significance of employment for human development is universally accepted. As employers, organizations  
1333 contribute to one of the most widely accepted objectives of society, namely the improvement of standards of  
1334 living through full and secure employment.

1335 Every country provides a legal framework that regulates the relationship between employers and employees.  
1336 Although the precise tests and criteria to determine whether an employment relationship exists vary from one  
1337 country to another, the fact that the power of the contracting parties is not equal and that the employees  
1338 therefore require additional protection is universally accepted, and forms the basis for labour law or  
1339 employment law.

1340 The employment relationship confers rights and imposes obligations on both employers and employees in the  
1341 interest of both the organization and society.

1342 Not all work is performed within an employment relationship. Work and services are also performed by men  
1343 and women who are self-employed; in these situations the parties are considered independent of each other  
1344 and have a more equal and commercial relationship. The distinction between employment and commercial  
1345 relationships is not always clear and is sometimes wrongly labelled, with the consequence that workers do not  
1346 always receive the protections and rights that they are supposed to receive. It is important for both society and  
1347 the individual performing work that the appropriate legal and institutional framework be recognized and  
1348 applied. Whether work is performed under an employment contract or under a commercial contract, all parties  
1349 to a contract are entitled to understand their rights and responsibilities and to have appropriate recourse in the  
1350 event that the terms of the contract are not respected <sup>[21]</sup>.

1351 In this context, labour is understood to be work performed for compensation and does not include activities  
1352 undertaken by genuine volunteers. However the policies and measures that all organizations should adopt to  
1353 discharge and fulfil obligations relating to such things as legal liability and duty of care also need to be taken  
1354 into account where volunteers are involved.

1355 **6.4.3.2 Related actions and/or expectations**

1356 An organization should:

1357 — be confident that all work is performed by women and men who are legally recognized as employees or  
1358 who are legally recognized as being self-employed;

1359 — not seek to avoid the obligation that law places on the employer by disguising relationships that would  
1360 otherwise be recognized as an employment relationship under law;

1361 — recognize the importance of secure employment to both the individual worker and to society. Use active  
1362 workforce planning to avoid the use of work performed on a casual basis or the excessive use of work  
1363 performed on a temporary basis, except where the nature of the work is genuinely short term or seasonal;

1364 — provide reasonable notice, timely information and, with worker representatives where they exist, jointly  
1365 consider how to mitigate adverse impacts to the greatest possible extent when considering changes in its  
1366 operations, such as closures that affect employment <sup>[70][71]</sup>;

1367 — ensure equal opportunities for all workers and not discriminate either directly or indirectly in any labour  
1368 practices including on the grounds of race, colour, gender, age, nationality or national origin, ethnic or  
1369 social origin, caste, marital status, sexual orientation, disability, health status such as HIV/AIDS status or  
1370 political affiliation;

1371 — not engage in arbitrary or discriminatory dismissal practices <sup>[70][71]</sup>;

- 372 — contract out work only to organizations that are legally recognized or are otherwise able and willing to  
 373 assume the responsibilities of an employer and to provide decent working conditions. An organization  
 374 should not use labour intermediaries who are not legally recognized or make other arrangements for the  
 375 performance of work that do not confer legal rights on those performing the work <sup>[58][59]</sup>. In this regard, an  
 376 organization should take steps to confirm that the organizations with which it deals, for instance suppliers  
 377 and sub-contractors, are legitimate organizations whose labour practices require that all work be  
 378 performed within the appropriate legal and institutional framework;
  
- 379 — not benefit from unfair, exploitative or abusive labour practices of their partners, suppliers or sub-  
 380 contractors. An organization should make reasonable efforts to encourage organizations in its supply  
 381 chain or in the value chain to follow responsible labour practices, recognizing that a high level of influence  
 382 is likely to correspond to a high level of responsibility to exercise that influence. Depending upon the  
 383 situation and influence, reasonable efforts could include establishing contractual obligations on suppliers  
 384 and sub-contractors; making unannounced visits and inspections; and exercising due diligence in  
 385 supervising contractors and intermediaries. Where suppliers and sub-contractors are expected to comply  
 386 with a code of labour practice, the code should be consistent with the Universal Declaration of Human  
 387 Rights and the principles underlying relevant ILO labour standards (see 7.6.6 for additional information  
 388 about responsibilities in the supply chain); and
  
- 389 — where operating internationally, endeavour to increase the employment, occupational development,  
 390 promotion and advancement of nationals of the host country. This includes sourcing and distributing  
 391 through local enterprises where practical <sup>[37]</sup>.

392

393

394

**Box 7 The International Labour Organization**

395 The International Labour Organization is a United Nations agency with a tripartite structure (governments,  
 396 workers and employers) that was established for the purpose of setting international labour standards. These  
 397 minimum standards are legal instruments setting out universal basic principles and rights at work. They  
 398 pertain to workers everywhere, working in any type of organization; and are intended to prevent unfair  
 399 competition based on exploitation and abuse. ILO standards are technically well informed and have the  
 400 support of employers, workers and governments, whose tripartite negotiation at the global level leads to their  
 401 adoption. ILO instruments are kept up to date through a review process and through the jurisprudence of a  
 402 formal supervisory mechanism which interprets the meaning and proper application of ILO standards. ILO  
 403 Conventions and Recommendations, together with the ILO Declaration on Fundamental Principles and Rights  
 404 at Work 1998 <sup>[19]</sup> and the ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises and  
 405 Social Policy 1977 (last revised 2006) <sup>[37]</sup>, constitute the most authoritative guidance with respect to labour  
 406 practices and some other important social issues. The ILO seeks to promote opportunities for women and  
 407 men to obtain decent and productive work, which it defines as work performed in conditions of freedom,  
 408 equity, security and human dignity.

409

**6.4.4 Labour practices issue 2: Conditions of work and social protection**

**6.4.4.1 Description of the issue**

412 Conditions of work include wages and other forms of compensation, working time, rest periods, holidays,  
 413 disciplinary and dismissal practices, maternity protection and welfare issues such as safe drinking water,  
 414 canteens and access to medical services. Many of the conditions of work are set by national laws and  
 415 regulations or by legally binding agreements between those for whom work is performed and those who  
 416 perform work. The employer can nevertheless still determine many of the conditions of work.

417 Conditions of work greatly affect the quality of the life of workers and their families, and also economic and  
 418 social development. Fair and appropriate consideration should be given to the quality of conditions of work.

1419 Social protection refers to all legal guarantees and organizational policies and practices to mitigate the  
 1420 reduction or loss of income in case of employment injury, illness, maternity, parenthood, old age,  
 1421 unemployment, disability or any other financial hardship. Social protection plays an important role in  
 1422 preserving human dignity and establishing a sense of fairness and social justice. Generally, it is the primary,  
 1423 but not exclusive, responsibility of the state.

#### 1424 **6.4.4.2 Related actions or expectations**

1425 An organization should:

1426 — ensure that the conditions of work comply with national laws and regulations and are consistent with  
 1427 relevant international labour standards;

1428 — respect higher levels of provision established through other applicable legally binding collective  
 1429 agreements;

1430 — observe at least those minimum provisions defined in international labour standards as established by the  
 1431 ILO, especially where national legislation is silent;

1432 — provide decent conditions of work in respect of wages<sup>[46][47][60][61][62]</sup>, hours of work<sup>[26][30][48][49][65]</sup>, weekly  
 1433 rest, holidays<sup>[28][29][72][73][74]</sup>, health and safety<sup>[16][17][34][36][50][51][52][53][63][64][67][68][75]</sup>, maternity protection  
 1434<sup>[39][40][69]</sup> and ability to combine work with family responsibilities<sup>[77]</sup>;

1435 — provide conditions of work that are comparable with those offered by similar employers in the locality  
 1436 concerned and that permit work-life balance<sup>[58][59]</sup>;

1437 — provide wages and other conditions of work in accordance with national law and practice, for example, as  
 1438 included in relevant collective bargaining. An organization should pay wages at least adequate for the  
 1439 needs of workers and their families. In doing so, it should take into account the general level of wages in  
 1440 the country, the cost of living, social security benefits and the relative living standards of other social  
 1441 groups. It should also consider economic factors, including the requirements of economic development,  
 1442 levels of productivity and the desirability of attaining and maintaining a high level of employment. In  
 1443 determining wages and working conditions that reflect these considerations, the organization should  
 1444 bargain collectively with the workers where they so wish<sup>[58][59]</sup>;

1445 — provide equal pay for work of equal value<sup>[22][23]</sup>;

1446 — pay wages directly to the workers concerned, subject only to any restrictions or deductions permitted by  
 1447 law or collective agreement<sup>[46][47][60][61][62]</sup>;

1448 — recognize that, within the context of the country in which it is operating, if it has obligations concerning the  
 1449 provision of social protection for workers, it should comply with these obligations<sup>[37]</sup>;

1450 — respect the right of male and female workers to adhere to normal or agreed working hours established in  
 1451 law, regulations or collective agreements<sup>[46][47][60][61][62]</sup>. It should also provide workers with weekly rest  
 1452 and paid annual leave<sup>[26][30][48][49][65]</sup>;

1453 — compensate workers for overtime in accordance with national law and practice. When requesting workers  
 1454 to work overtime, an organization should take into account the interests, safety and well-being of the  
 1455 workers concerned and any hazards inherent in the work. An organization should respect laws and  
 1456 regulations prohibiting mandatory and non-compensated overtime<sup>[46][47][60][61][62]</sup>, and always respect the  
 1457 basic human rights of workers concerning forced labour<sup>[25]</sup>; and

1458 — wherever possible allow observance of national or religious traditions and customs with respect to weekly  
 1459 rest.

**6.4.5 Labour practices issue 3: Social dialogue**

**6.4.5.1 Description of the issue**

Social dialogue includes all types of negotiation, consultation or exchange of information between or among representatives of governments, employers and workers, on subjects of common interest relating to economic and social issues. It could take place between employer and employee representatives, on matters affecting their interests, and could also include governments, where broader issues, such as legislation and national social policy, are at stake.

Independent parties are required for social dialogue. Worker representatives should be freely elected, in accordance with national laws, regulations or collective agreements, by either the members of their trade union or by the workers concerned. They should not be designated by the government or the employer. Social dialogue takes various forms, including enterprise-level information and consultation mechanisms (such as works councils) and collective bargaining. Trade unions, as the chosen representatives of workers, have a particularly important role to play in social dialogue.

Social dialogue is based on the recognition that employers and workers have both competing and mutual interests, and plays a significant role in industrial relations, policy formulation and governance in many countries.

Effective social dialogue provides a mechanism for developing policy and finding solutions that take into account the priorities and needs of both employers and workers, and thus results in outcomes that are meaningful and long-lasting for both the organization and society. Social dialogue can contribute to establishing participation and democratic principles in the workplace, to better understanding between the organization and those who perform its work and to healthy labour-management relations, thus minimizing resort to costly industrial disputes. Social dialogue is a powerful means for managing change. It can be used to design skills development programmes contributing to human development and enhancing productivity, or to minimize the adverse social impacts of change in the operations of organizations.

Social dialogue can take many forms and can occur at various levels. Workers may wish to form groups with a broader occupational, inter-occupational or geographical coverage. Employers and workers are in the best position to decide jointly the most appropriate level. One way to do this is by adopting framework agreements supplemented by local organization-level agreements.

At times, social dialogue may address contentious issues, in which case the parties can establish a dispute resolution process. Social dialogue can also concern grievances for which a complaints mechanism is important, particularly in countries where the fundamental principles and rights at work are not adequately protected.

International social dialogue is a growing trend, and includes European works councils and global dialogue and agreements between organizations operating internationally and international trade union organizations.

**6.4.5.2 Related actions or expectations**

An organization should <sup>[18][24][76]</sup>:

- recognize the importance for organizations of social dialogue institutions and applicable collective bargaining structures, including at the international level;
- not oppose or discourage the exercise by workers of their right to form or join their own organizations to advance or protect their interests or to bargain collectively;
- not dismiss or otherwise discriminate against workers, threaten to relocate or outsource jobs or to obstruct workers who seek to form or join their own organizations and to bargain collectively;
- where changes in operations would have major employment effects, an organization should provide reasonable notice to the appropriate government authorities and representatives of the workers so that the implications may be examined jointly to mitigate adverse impacts to the greatest possible extent;

1505 — as far as possible, and to the extent that is reasonable and non-disruptive, provide duly designated  
 1506 worker representatives with access to authorized decision makers, access to workplaces, and to the  
 1507 workers they represent, to facilities necessary to perform their role and to information that will allow them  
 1508 to have a true and fair picture of the organization's finances and activities; and

1509 — not encourage governments to restrict the exercise of the internationally recognized rights of freedom of  
 1510 association and collective bargaining nor participate in incentive schemes based on such restrictions.

1511 Organizations may also wish to consider participating, as appropriate, in relevant employers' organizations as  
 1512 a means of creating opportunities for social dialogue and extending their expression of social responsibility  
 1513 through such channels.

#### 1514 **6.4.6 Labour practices issue 4: Health and safety at work**

##### 1515 **6.4.6.1 Description of the issue**

1516 Health and safety at work concerns the promotion and maintenance of the highest degree of physical, mental  
 1517 and social well-being of workers and prevention of departures from health caused by working conditions. It  
 1518 also relates to the protection of workers from risks to health and the adaptation of the occupational  
 1519 environment to the physiological and psychological needs of workers.

1520 The financial and social costs to society of work-related illness, injuries and death are high. Accidental and  
 1521 chronic pollution and other workplace hazards that are harmful for workers may also have impacts on  
 1522 communities and/or the environment. For more information on environmental hazards see 6.5. Health and  
 1523 safety issues arise over dangerous equipment, processes, practices and substances (chemical, physical and  
 1524 biological).

1525 Socially responsible health and safety practices can reduce costs, improve well-being and morale of workers  
 1526 and increase productivity.

##### 1527 **6.4.6.2 Related actions or expectations**

1528 An organization should:

1529 — develop, implement and maintain a health, safety and environment policy that clearly states that  
 1530 implementation of good health, safety and environmental standards should not be traded off against good  
 1531 performance: the two are mutually reinforcing;

1532 — analyze and control the health and safety risks involved in its activities;

1533 — communicate information about the requirement that workers should follow all safe practices at all times  
 1534 and ensure that workers follow the proper procedures;

1535 — provide the safety equipment needed for the prevention of occupational diseases and accidents, as well  
 1536 as for dealing with emergencies;

1537 — reduce or eliminate risk, by recording and investigating all health and safety incidents and problems  
 1538 raised by workers;

1539 — understand the specific and sometimes different ways in which women and men are affected by  
 1540 occupational safety and health (OSH) risks, as well as the ways people with disabilities may be affected;

1541 — understand and apply principles of health and safety management, including the hierarchy of controls: the  
 1542 elimination, substitution, engineering controls, administrative controls, work procedures and personal  
 1543 protective equipment;

1544 — recognize that psychosocial hazards in the workplace may contribute or lead to stress and occupational  
 1545 illness;



- 546 — provide adequate training in all relevant issues to all relevant personnel;
- 547 — respect the principle that health and safety measures should not involve expenditures by workers; and
- 548 — adopt health, safety and environment systems that are based on the participation of the workers  
549 concerned and that recognize and respect the rights of workers to:
- 550 — full and accurate information concerning the health and safety risks and the best practices used to  
551 address these risks;
- 552 — freely inquire into and to be consulted on all aspects of their health and safety related to their work;
- 553 — refuse work that is reasonably considered to pose an imminent or serious danger to their life or health or  
554 to the lives and health of others;
- 555 — seek outside advice;
- 556 — report health and safety matters to the relevant authorities;
- 557 — participate in health and safety processes and decisions; and
- 558 — be free of the threat of reprisals for doing any of these things <sup>[16][17][34][36][50][51][52][53][63][64][67][68][75]</sup>.

559

**Box 8 Joint labour-management health and safety committees**

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561 An effective occupational health and safety programme depends on the involvement of workers. Joint labour-  
562 management health and safety committees can be the most important part of the organization's health and  
563 safety programme. Joint committees can:

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**6.4.7 Labour practices issue 5: Human development and training in the workplace**

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**6.4.7.1 Description of the issue**

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Human development includes the process of enlarging people's choices by expanding human capabilities and functioning, thus enabling women and men to lead long and healthy lives, to be knowledgeable and to have a decent standard of living. Human development also includes access to political, economic and social opportunities for being creative and productive and for enjoying self-respect and a sense of belonging to a community and contributing to society.

1581 Employers can use workplace policy and initiatives to further human development by addressing important  
 1582 social issues, such as fighting discrimination, balancing family responsibilities and promoting health and well-  
 1583 being. They can also use workplace policy and initiatives to increase the capacity and employability of  
 1584 individuals. Employability refers to the experiences, competencies and qualifications that increase an  
 1585 individual's capacity to secure and retain decent work. Organizations have every interest in facilitating the  
 1586 education, training and lifelong learning of workers. These actions contribute significantly to promoting the  
 1587 interests of the organizations themselves – as well as those of the individual workers, the economy and  
 1588 society as a whole – in terms of the capacities, motivation, effectiveness, productivity and overall performance  
 1589 of the men and women whom they employ.

#### 1590 **6.4.7.2 Related actions or expectations**

1591 An organization should <sup>[31][32][33][40][54][55][56][57][77][78]</sup> :

1592 — provide workers with access to skills development, training and apprenticeships, and opportunities for  
 1593 career advancement, on an equal and non-discriminatory basis;

1594 — ensure that, when necessary, workers are helped to transition to new employment through skills  
 1595 recognition systems;

1596 — respect the family responsibilities of workers by providing reasonable working hours and, through other  
 1597 policies and facilities when possible, such as childcare facilities and parental leave, that can help workers  
 1598 achieve a proper work-life balance;

1599 — not discriminate on the basis of race, colour, gender, age, nationality or national origin, ethnic or social  
 1600 origin, caste, marital status, sexual orientation, disability, health status such as HIV/AIDS status or  
 1601 political affiliation in employment practices; this includes recruitment, selection, access to training,  
 1602 promotion and termination;

1603 — take positive actions to provide for the protection and advancement of vulnerable groups such as  
 1604 indigenous and migrant workers as well as workers with disabilities (see Box 5);

1605 — consider establishing or participating in programmes that address issues such as youth unemployment,  
 1606 the under-employment of women and the under-representation of women in senior positions; and  
 1607 establish joint labour-management programmes that promote health and well-being.

### 1608 **6.5 The Environment**

#### 1609 **6.5.1 Overview of the environment**

##### 1610 **6.5.1.1 Organizations and the environment**

1611 The decisions and activities of organizations invariably have an impact on the natural environment, no matter  
 1612 where they are located. These impacts may be associated with the organization's use of living and non-living  
 1613 resources, the generation of pollution and wastes, and the implications for the organization's activities,  
 1614 products and services on natural habitats. To reduce their environmental impacts, organizations should adopt  
 1615 an integrated approach that takes into consideration the wider economic, social and environmental  
 1616 implications of their decisions and activities.

##### 1617 **6.5.1.2 The environment and social responsibility**

1618 Society is facing many environmental challenges including the depletion of natural resources, pollution,  
 1619 climate change, destruction of habitats, loss of species and the collapse of whole ecosystems. As the world  
 1620 population grows and consumption increases, these issues are becoming increasing threats to human  
 1621 security, and the health and well-being of society. Environmental issues at the local, regional and global level  
 1622 are interconnected. Addressing them requires a comprehensive, systematic and collective approach.

623 Environmental responsibility is a precondition for the survival and prosperity of human beings. It is therefore  
 624 an important aspect of social responsibility. Environmental issues are closely linked to human rights,  
 625 community involvement and development, and other social responsibility core subjects. They also require due  
 626 consideration of education, as environmental education is fundamental in promoting the development of  
 627 sustainable societies and lifestyles.

628 **6.5.2 Principles and considerations**

629 **6.5.2.1 Principles**

630 An organization should respect and promote the following environmental principles:

631 — **environmental responsibility** Along with meeting national statutory and regulatory requirements, an  
 632 organization should accept responsibility for the environmental burdens caused by its activities, products  
 633 and services in rural or urban areas and the broader natural environment. It should act to improve its own  
 634 performance, as well as performance within its control or sphere of influence.

635 — **precautionary approach** An organization should support a precautionary approach to environmental  
 636 challenges. Where there are threats of serious or irreversible damage, lack of full scientific certainty  
 637 should not be used as a reason for postponing cost-effective measures to prevent environmental  
 638 degradation (see Principle 15 of the Rio Declaration <sup>[114]</sup>). When carrying out human health and  
 639 environmental risk assessments, conservative assumptions should be made to address uncertainties or  
 640 data gaps.

641 — **environmental risk management** An organization should implement programmes using a risk-based  
 642 and sustainability perspective to assess and reduce environmental risks from activities, products and  
 643 services. An organization should develop and implement awareness- raising activities and emergency  
 644 response procedures to reduce environmental, health and safety burdens caused by accidents and to  
 645 communicate information about environmental incidents to appropriate authorities and local communities.

646 — **polluter pays** An organization should bear the cost of pollution caused by its activities, products and  
 647 services according to the extent of either the environmental burden to society and the remedial action  
 648 required, or the degree to which the pollution exceeds an acceptable level (see Principle 16 of the Rio  
 649 Declaration <sup>[114]</sup>). An organization should use the polluter pays principle to internalize the cost of pollution  
 650 and quantify the economic and environmental benefits of preventing pollution rather than mitigating its  
 651 impacts.

652 **6.5.2.2 Considerations**

653 In its environmental management activities, an organization should assess the relevance of, and employ as  
 654 appropriate, the following approaches and techniques:

655 — **life cycle management** This approach links the economic, social and environmental dimensions of  
 656 activities, products and services throughout their life cycle – from raw materials and energy generation,  
 657 through production and use, to end-of life disposal or recovery. An organization should consider the  
 658 environmental impacts its of activities, products and services over their life cycle.;

659 — **cleaner production and eco-efficiency** These are strategies for satisfying human needs by using  
 660 resources more efficiently and by generating less pollution and waste. An important focus is on making  
 661 improvements at the source rather than at the end of a process or activity. Cleaner and safer production  
 662 and eco-efficiency approaches include: improving maintenance practices, upgrading or introducing new  
 663 technologies or processes, reducing materials and energy use, eliminating or safely managing toxic and  
 664 hazardous materials and wastes, and improving product and service design.

665 — **a product-service system approach** This can be used to shift the focus from selling or providing  
 666 products to selling or providing a system of products and services that jointly fulfil consumer needs.  
 667 Product-service systems include product lease, product renting or sharing, product pooling and pay-for-  
 668 service. Such systems can reduce material use, decouple revenues from material flows, and involve

1669 stakeholders in promoting extended producer responsibility through the life cycle of the product and  
1670 accompanying service.

1671 — **use of environmentally sound technologies and practices** An organization should seek to adopt and,  
1672 where appropriate, promote the development and diffusion of environmentally sound technologies and  
1673 services (see Principle 9 of the Rio Declaration <sup>[114]</sup>).

1674 — **sustainable procurement** In its purchasing decisions, an organization should take into account the  
1675 environmental and social performance of the product or service being procured, over its entire life cycle,  
1676 and where possible should prioritize environmental and social performance on the basis of eco-labelling  
1677 criteria.

### 1678 6.5.3 Environmental issue 1: Prevention of pollution

#### 1679 6.5.3.1 Description of the issue

1680 An organization can improve its environmental performance by preventing pollution including emissions to air,  
1681 discharges to water, the generation of solid or liquid waste, contamination of land and soils, the use and  
1682 disposal of toxic and hazardous chemicals, and other pollution from its activities, products and services. More  
1683 specifically, the different forms of pollution involve the following:

1684 — **emissions to air** An organization's emissions to air of pollutants such as lead, mercury, volatile organic  
1685 compounds (VOCs), sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), dioxins, particulates and ozone-  
1686 depleting substances can cause environmental and health impacts that can affect men and women  
1687 differently. These emissions may come directly from an organization's facilities, or be caused indirectly by  
1688 the use of its products or services or the generation of the electricity it consumes.

1689 — **discharges to water** An organization may cause water to become polluted through direct, intentional or  
1690 accidental discharges into surface water bodies, or unintentional runoff to surface water or infiltration to  
1691 ground water. These discharges may come directly from an organization's facilities, or be caused  
1692 indirectly by the use of its products or services.

1693 — **waste** An organization's activities, products and services may lead to the generation of liquid or solid  
1694 waste that, if improperly managed, can cause contamination of air, water land and soils. Responsible  
1695 waste management seeks avoidance of waste and follows the waste reduction hierarchy of: source  
1696 reduction, reuse, recycle and reprocess, waste treatment and waste disposal.

1697 — **release of toxic and hazardous chemicals** An organization utilizing or producing toxic and hazardous  
1698 chemicals (both naturally occurring and anthropogenic) can adversely affect ecosystems and human  
1699 health through acute (immediate) or chronic (long-term) impacts resulting from emissions or releases.  
1700 These can affect men and women differently.

1701 — **other identifiable forms of pollution** An organization's activities, products and services may cause  
1702 other forms of pollution that negatively affect the health and well-being of communities, and that can  
1703 affect men and women differently. These include noise, odour, visual, vibration, radiation, infectious  
1704 agents (for example, viral or bacterial), non-point source emissions and biological hazards (for example,  
1705 invasive species)..

#### 1706 6.5.3.2 Related actions and/or expectations

1707 To improve performance of its activities, products and services in the prevention of pollution, an organization  
1708 should:

1709 — identify the sources of pollution and waste related to its activities, products and services. These can  
1710 include emissions to air, discharges to water and land, waste disposal, release of toxic and hazardous  
1711 chemicals and other forms of pollution;

1712 — measure, record and report on its significant sources of pollution;

- 713 — implement measures aimed at preventing pollution and waste, using the waste reduction hierarchy, and  
714 ensuring proper management of unavoidable pollution and waste <sup>[116]</sup>];
- 715 — publicly disclose the amounts and types of relevant and significant toxic and hazardous materials used  
716 and released, including the known human health and environmental risks of these materials;
- 717 — implement a programme to systematically identify and prevent, within its sphere of influence, the use of  
718 banned chemicals and, where possible, the use of chemicals identified by scientific bodies and the public  
719 as of being of concern. Chemicals to avoid include, but are not limited to: ozone-depleting substances  
720 <sup>[117]</sup>, persistent organic pollutants (POPs) <sup>[123]</sup> and chemicals covered under the Rotterdam Convention  
721 <sup>[124]</sup>, hazardous pesticides (as defined by the World Health Organization), and chemicals defined as  
722 carcinogenic (including exposure to smoke from tobacco products), mutagenic, as well as chemicals that  
723 affect reproduction, are endocrine disrupting, or persistent, bio-accumulative and toxic (PBTs); and
- 724 — implement a chemical accident prevention and preparedness programme and an emergency plan  
725 covering accidents and incidents both on- and off-site, and involving all relevant stakeholders (including  
726 workers, partners, authorities and local communities). This includes, among other matters, hazard  
727 identification and risk evaluation, notification procedures and communication systems, as well as public  
728 education and information.

729 **6.5.4 Environmental issue 2: Sustainable resource use**

730 **6.5.4.1 Description of the issue**

731 To ensure the availability of resources in the future, current patterns of consumption and production need to  
732 change so that they operate within the Earth's carrying capacity. The sustainable use of a resource means  
733 that it is used at a rate that is less than, or equal to, its rate of natural replenishment. An organization can  
734 progress towards sustainable resource use by using electricity, fuels, raw and processed materials, land and  
735 water more responsibly, and by combining or replacing non-renewable with renewable resources. Three key  
736 areas for efficiency improvements are:

- 737 — **energy efficiency** An organization can implement energy efficiency programmes to reduce the energy  
738 demand for buildings, transportation, production processes, appliances and electronic equipment and the  
739 provision of services. Efficiency improvements in energy use also need to complement efforts to advance  
740 sustainable use of alternative resources such as biomass.
- 741 — **water conservation and access to water** An organization can conserve water and make decisions that  
742 protect fair and sustainable access to freshwater resources within its watershed. Water, including the  
743 provision of safe, reliable drinking water and sanitation services, is a fundamental human need and a  
744 basic human right. The Millennium Development Goals (Box 12) include the provision of sustainable  
745 access to safe drinking water.
- 746 — **materials efficiency** An organization can implement materials efficiency programmes to reduce the  
747 environmental burden caused by the use of raw materials for production processes or for finished  
748 products used in its activities and/or in the delivery of its services. Materials use causes numerous direct  
749 and indirect environmental burdens, associated, for example, with the impact on ecosystems of mining  
750 and forestry, and the emissions resulting from the use, transport and processing of materials.

751 **6.5.4.2 Expectations and/or related actions**

752 In relation to all its activities, products and services, an organization should:

- 753 — identify the sources of energy, water and other material usage;
- 754 — measure, record and report on its significant uses of energy, water and other materials;
- 755 — implement resource efficiency measures to reduce its use of energy, water and other materials,  
756 considering best practice indicators and other benchmarks;

- 1757 — complement or replace non-renewable resources with alternative renewable and low impact sources; and
- 1758 — manage water resources to ensure fair access for all users within a watershed.

### 1759 **6.5.5 Environmental issue 3: Climate change mitigation and adaptation**

#### 1760 **6.5.5.1 Description of the issue**

1761 It is recognized that greenhouse gas (GHG) emissions from human activities, such as carbon dioxide (CO<sub>2</sub>)  
 1762 and methane (CH<sub>4</sub>), are the very likely cause of global climate change, which is having significant impacts on  
 1763 the natural and human environment <sup>[14]</sup>. Among the trends observed and anticipated are: rising temperatures,  
 1764 changes in rainfall patterns, more frequent occurrences of extreme weather events, rising sea levels, and  
 1765 changes to ecosystems, agriculture and fisheries. It is anticipated that climate change may pass a point  
 1766 beyond which changes would be far more drastic and difficult to address.

1767 Every organization is responsible for some GHG emissions (either directly or indirectly) and will be impacted  
 1768 in some way by climate change. There are implications for organizations both in terms of minimizing their own  
 1769 GHG emissions (mitigation), as well as planning for a changing climate (adaptation). Adapting to climate  
 1770 change has social implications in the form of impacts on health, prosperity and human rights.

#### 1771 **6.5.5.2 Expectations and/or related actions**

##### 1772 **6.5.5.2.1 Climate change mitigation**

1773 To mitigate climate change impacts related to its activities, products and services, an organization should:

- 1774 — identify the sources of direct and indirect GHG emissions and define its boundaries (scope) of  
 1775 responsibility;
- 1776 — measure, record and report on its significant GHG emissions, preferably using methods defined in  
 1777 internationally agreed standards (see Annex A for some examples of initiatives and standards);
- 1778 — implement measures to progressively reduce and minimize the direct and indirect GHG emissions within  
 1779 its control and sphere of influence;
- 1780 — reduce its dependence on fossil fuels and make use of low-emission technologies and renewable energy  
 1781 with the aim of reducing the life cycle GHG emissions, bearing in mind the possible environmental and  
 1782 social consequences of increased use of such sources;
- 1783 — prevent the release of GHG emissions (particularly those also causing ozone depletion) from processes  
 1784 or equipment including heating, ventilation and air conditioning units;
- 1785 — aim for carbon neutrality by implementing measures to offset remaining GHG emissions, for example  
 1786 through carbon capture or by supporting emissions reduction programmes; and
- 1787 — consider opportunities for emissions trading, similar market instruments and development mechanisms  
 1788 that use recognized methodologies and are provided under international agreements such as the UN  
 1789 Framework Convention on Climate Change (UNFCCC) <sup>[104]</sup>.

##### 1790 **6.5.5.2.2 Climate change adaptation**

1791 To reduce vulnerability to climate change, an organization should:

- 1792 — consider future climate projections to identify risks and integrate climate change adaptation into its  
 1793 decision making. This should be done to implement responsive measures to existing or anticipated  
 1794 impacts and to increase the capacity of stakeholders within its sphere of influence to adapt; and

- 795 — identify opportunities to avoid or minimize damage from natural disasters associated with climate change  
796 and take advantage of opportunities, where possible, to adjust for changing conditions.

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### 798 **Box 9 Examples of adaptation actions, taken by public organizations and others**

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Examples include:

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- planning for land use, zoning and infrastructure design and maintenance taking account of the implications of a changing climate and greater climatic uncertainty, and the possibility of increasingly severe weather including floods, high winds or intense heat; and

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- developing agricultural, industrial, medical and a range of other technologies and techniques and making them accessible to those in need, ensuring the security of drinking water, sanitation, food and other resources critical to human health.

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## 6.5.6 Environmental issue 4: Protection and restoration of the natural environment

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### 6.5.6.1 Description of the issue

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Over the past 50 years, human activity has changed ecosystems more rapidly and extensively than in any comparable period in history. Rapidly growing demand for natural resources has resulted in a substantial and often irreversible loss of habitat and the diversity of life on earth<sup>[81]</sup>. Vast areas – both urban and rural – have been transformed by human action.

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An organization can become more socially responsible by acting to protect and restore the natural environment and its ecosystems with their provisioning services (for example, food and water), regulating services (for example, climate regulation), cultural services (for example, recreation) and supporting services (for example, soil formation)<sup>[81]</sup>. Key aspects of this issue include:

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- **valuing, protecting and restoring ecosystem services** Ecosystems contribute to the well-being of society by providing services such as food, water, fuel, flood control, soil, pollinators, natural fibres, recreation and the absorption of pollution and waste. As ecosystems are degraded or destroyed, they lose the ability to provide these services.

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- **valuing and protecting biodiversity** Biodiversity is the variety of life in all its forms, levels and combinations. This includes ecosystem diversity, species diversity and genetic diversity<sup>[118]</sup>. Protecting biodiversity aims to ensure the survival of terrestrial and aquatic species, genetic variability and natural ecosystems<sup>[119][120]</sup>.

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- **using land and natural resource sustainably** An organization's land use projects may protect or degrade habitat, water, soils and ecosystems<sup>[121][122]</sup>.

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- **advancing environmentally sound urban and rural development** Decisions and operations of organizations can have significant impacts on the urban and/or rural environment and its related ecosystems. These can be associated with, for example, urban planning, building and construction, transport systems, waste and sewage management, and agricultural techniques applied.

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### 6.5.6.2 Expectations and/or related actions

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In relation to all its activities, products and services, an organization should:

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- identify potential adverse impacts on ecosystem services and biodiversity and take measures to eliminate or minimize these impacts;

- 1835 — where feasible and appropriate, participate in market mechanisms to internalize the cost of environmental  
1836 burdens caused and create economic value in protecting ecosystem services;
- 1837 — give highest priority to avoiding the loss of natural ecosystems, then to restoring ecosystems, and finally,  
1838 if the former two actions are not possible, to compensating for losses through actions that will lead to a  
1839 net gain in ecological services over time;
- 1840 — consider an integrated strategy for the administration of land, water and ecosystems that promotes  
1841 conservation and sustainable use in a socially equitable way;
- 1842 — take measures to preserve any endemic or endangered species or habitats that may be adversely  
1843 affected;
- 1844 — adopt planning, design and operating practices considering the possible environmental burdens resulting  
1845 from its land use decisions, including decisions related to agricultural and urban development;
- 1846 — incorporate the protection of natural habitat, wetlands, forest, wildlife corridors, protected areas and  
1847 agricultural lands into the development of the built environment <sup>[88][116][120]</sup>;
- 1848 — adopt sustainable agricultural, fishing, animal welfare and forestry practices as defined in leading  
1849 standards and certification schemes;
- 1850 — progressively use a greater proportion of products from suppliers meeting the requirements of standards  
1851 and certification schemes (see for example Annex A and Bibliography); and
- 1852 — avoid approaches that lead to the extinction of species or the distribution or proliferation of invasive  
1853 species.

## 1854 **6.6 Fair operating practices**

### 1855 **6.6.1 Overview of fair operating practices**

#### 1856 **6.6.1.1 Organizations and fair operating practices**

1857 Fair operating practices concern ethical conduct in an organization's dealings with other organizations. These  
1858 include relationships between organizations and government agencies, as well as between organizations and  
1859 their partners, suppliers, contractors, competitors and the associations of which they are members.

1860 Fair operating practice issues arise in the areas of anti-corruption, responsible involvement in the public  
1861 sphere, fair competition, promoting social responsibility in relations with other organizations and respect for  
1862 property rights.

#### 1863 **6.6.1.2 Fair operating practices and social responsibility**

1864 In the area of social responsibility, fair operating practices concern the way an organization uses its  
1865 relationships with other organizations to promote positive outcomes. Positive outcomes can be achieved by  
1866 providing leadership and promoting the adoption of social responsibility more broadly throughout its sphere of  
1867 influence.

### 1868 **6.6.2 Principles and considerations**

1869 Behaving ethically is fundamental to establishing and sustaining legitimate and productive relationships  
1870 between organizations. Therefore, observance, promotion and encouragement of standards of ethical  
1871 behaviour underlie all fair operating practices. Preventing corruption and responsible political involvement  
1872 depend on respect for the rule of law, adherence to ethical standards, accountability and transparency. Fair  
1873 competition and respect for property rights cannot be achieved if organizations do not deal with each other  
1874 honestly, equitably and with integrity.



875 **6.6.3 Fair operating practices issue 1: Anti-corruption**

876 **6.6.3.1 Description of the issue**

877 Corruption is the abuse of entrusted power for illegitimate gain. Corruption has two aspects, active and  
878 passive (for example, offering a bribe and accepting a bribe). Corruption can take many forms and may be  
879 gender-related (for example, bribery of domestic and foreign public officials, bribery in the private sector,  
880 provision of sexual favours, conflict of interest, fraud, money laundering and unfair trading influence).

881 Corruption undermines an organization's ethical context and makes it liable to criminal prosecution, as well as  
882 civil and administrative sanctions. Corruption can result in the violation of human rights, the erosion of political  
883 processes and damage to the environment. It can also distort competition, distribution of wealth and economic  
884 growth.

885 **6.6.3.2 Related actions and/or expectations**

886 To prevent corruption and bribery, an organization should:

- 887 — identify the risks of corruption and implement, apply and improve policies and practices that counter  
888 corruption, facilitation payments, bribery and extortion;
- 889 — provide leadership, commitment and oversight;
- 890 — support workers and agents in their efforts to eradicate bribery and corruption and provide incentives for  
891 progress;
- 892 — train and raise the awareness of female and male employees and agents about corruption and how to  
893 counter corruption;
- 894 — verify and confirm that the remuneration of its employees and agents is appropriate and for legitimate  
895 services only;
- 896 — encourage employees and agents to report violations of the organization's policies by adopting  
897 mechanisms that enable reporting without fear of reprisal or dismissal from employment;
- 898 — bring violations of the criminal law to the attention of the relevant law enforcement authorities; and
- 899 — work to oppose corruption by influencing others to adopt similar anti-corruption practices.

900 **6.6.4 Fair operating practices issue 2: Responsible political involvement**

901 **6.6.4.1 Description of the issue**

902 Organizations can support the public political process and encourage the development of public policy that  
903 benefits society at large. Organizations should avoid behaviour, such as manipulation, intimidation and  
904 coercion, that can erode the public political process.

905 **6.6.4.2 Related actions and/or expectations**

906 An organization should:

- 907 — train and raise the awareness of female and male employees and agents about responsible political  
908 involvement and contributions;
- 909 — be transparent regarding its activities related to lobbying, political contributions and political involvement;

1910 — establish policies and guidelines to manage the activities of people retained to advocate on the  
1911 organization's behalf;

1912 — avoid political contributions that amount to an attempt to control policymakers in favour of a specific  
1913 cause; and

1914 — avoid lobbying activities that involve misinformation, misrepresentation, threat or compulsion.

### 1915 **6.6.5 Fair operating practices issue 3: Fair competition**

#### 1916 **6.6.5.1 Description of the issue**

1917 Fair and widespread competition stimulates efficiency, reduces the costs of products and services, promotes  
1918 innovation, ensures all organizations have equal opportunities, encourages the development of new or  
1919 improved products or processes and, in the long run, enhances economic growth and living standards. Anti-  
1920 competitive behaviour risks harming the reputation of an organization with its stakeholders and may create  
1921 legal problems. When organizations refuse to engage in anti-competitive behaviour they help to build a  
1922 climate in which such behaviour is not tolerated, and this benefits everyone.

1923 There are many forms of anti-competitive behaviour. Some examples are: price fixing, where parties collude  
1924 to sell the same product or service at the same price; bid rigging, where parties collude to manipulate a  
1925 competitive bid; and predatory pricing, which is selling a product at very low price with the intent of driving  
1926 competitors out of the market.

#### 1927 **6.6.5.2 Related actions and/or expectations**

1928 To promote fair competition, an organization should:

1929 — conduct its activities in a manner consistent with competition legislation and co-operate with competition  
1930 authorities;

1931 — establish procedures and other safeguards to prevent engaging in or being complicit in anti-competitive  
1932 behaviour;

1933 — promote employee awareness of the importance of compliance with competition legislation and fair  
1934 competition; and

1935 — support public policies that encourage competition, including anti-trust and anti-dumping practices and  
1936 local regulations.

### 1937 **6.6.6 Fair operating practices issue 4: Promoting social responsibility in the sphere of influence**

#### 1938 **6.6.6.1 Description of the issue**

1939 An organization, including public organizations, can influence other organizations through the exercise of its  
1940 procurement and purchasing decisions and more broadly along the value chain, as well as through leadership  
1941 and mentorship to promote broader-scale adoption and support of principles and practice of social  
1942 responsibility. It can also stimulate demand for socially responsible products and services. These actions  
1943 should not be viewed as replacing the role of authorities to implement and enforce laws and regulations.

#### 1944 **6.6.6.2 Related actions and/or expectations**

1945 An organization should:

1946 — incorporate ethical, social, environmental and gender equality criteria, including health and safety, in its  
1947 purchasing, distribution and contracting policies;

- 948 — encourage other organizations to adopt similar policies, without indulging in anti-competitive behaviour in  
949 so doing;
- 950 — carry out relevant and appropriate investigations and monitoring of the organizations with which it has  
951 relationships, with a view to preventing compromise of the organization's commitments to social  
952 responsibility;
- 953 — consider providing support to SMOs, including assisting them with raising awareness on social  
954 responsibility issues, best practice and additional assistance where appropriate; and
- 955 — actively participate in raising the awareness of organizations with which it has relationships on social  
956 responsibility issues and principles.

957 **6.6.7 Fair operating practices issue 5: Respect for property rights**

958 **6.6.7.1 Description of the issue**

959 Property rights cover both physical property and intellectual property and include interest in land, and other  
960 physical assets, copyrights, patents, funds, moral rights and other rights. They also extend to rights that may  
961 not be recognized in law, such as traditional knowledge of specific groups, such as indigenous peoples, or the  
962 intellectual property of employees or others.

963 Recognition of property rights promotes investment, economic and physical security as well as encouraging  
964 creation and invention.

965 **6.6.7.2 Related actions and/or expectations**

966 An organization should:

- 967 — implement policies and practices that promote respect for property rights and traditional knowledge;
- 968 — conduct proper investigations to be confident it has legitimate ownership to use or dispose of property;
- 969 — not engage in activities that violate property rights, including misusing a dominant position, counterfeiting  
970 and piracy, or that otherwise infringe consumer interests; and
- 971 — pay fair compensation for property that it acquires or uses; and
- 972 — consider the interests of society, human rights and basic needs of the individual when exercising and  
973 protecting their intellectual and physical property rights.

974 **6.7 Consumer issues**

975 **6.7.1 Overview of consumer issues**

976 **6.7.1.1 Organizations and consumer issues**

977 Organizations that provide products or services to consumers and customers have responsibilities to those  
978 consumers and customers. These responsibilities include providing education and accurate information, using  
979 fair, transparent and helpful marketing and contractual processes and promoting sustainable consumption.  
980 They also involve minimizing risks from the use of products or services, through design, manufacturing,  
981 distribution, information provision, support services and recall procedures. Many organizations collect or  
982 handle personal information and have a responsibility to protect the security and privacy of that information.

983 Organizations have significant opportunities to contribute to sustainable consumption and sustainable  
984 development through the products and services they offer and the information they provide, including  
985 information on use, repair and disposal.

1986 **6.7.1.2 Consumer issues and social responsibility**

1987 Consumer issues regarding social responsibility are related to fair marketing practices, protection of health  
 1988 and safety, sustainable consumption, dispute resolution and redress, data and privacy protection, access to  
 1989 essential products and services, and education. The UN Guidelines for Consumer Protection provide  
 1990 fundamental information on consumer issues and sustainable consumption.

1991

1992

**Box 10 UN Guidelines for Consumer Protection**

1993 The **UN Guidelines for Consumer Protection** is the most important international document in the realm of  
 1994 consumer protection. The UN General Assembly adopted these Guidelines in 1985 by consensus. In 1999  
 1995 they were expanded to include provisions on sustainable consumption. They call upon states to protect  
 1996 consumers from hazards to their health and safety, promote and protect the economic interests of consumers,  
 1997 enable consumers to make informed choices, provide consumer education, make available effective  
 1998 consumer redress, promote sustainable consumption patterns and guarantee freedom to form consumer  
 1999 groups <sup>[111]</sup>.

2000

2001 **6.7.2 Principles and considerations**2002 **6.7.2.1 Principles**

2003 There are a number of principles that should guide socially responsible consumer practices:

2004 — principles drawn from the eight consumer rights that underpin the UN Guidelines for Consumer Protection  
 2005 <sup>[111]</sup>: Although these guidelines were written for states, they provide guidance on the underlying values of  
 2006 consumer protection, which can be useful to organizations as they analyze their consumer issues. These  
 2007 principles recognize the right to:

2008 — **satisfaction of basic needs** This is the right to have access to basic essential products and  
 2009 services, adequate food, clothing, shelter, health care, education and sanitation.

2010 — **safety** This is the right to be protected against products, production processes and services that are  
 2011 hazardous to health or life.

2012 — **be informed** This is the right to be given facts needed to make an informed choice, and to be  
 2013 protected against dishonest or misleading advertising or labelling.

2014 — **choose** This is the right to be able to select from a range of products and services, offered at  
 2015 competitive prices with an assurance of satisfactory quality.

2016 — **be heard** This is the right to have consumer interests represented in the making and execution of  
 2017 government policy, and in the development of products and services.

2018 — **redress** This is the right to receive a fair settlement of just claims, including compensation for  
 2019 misrepresentation, badly made products or unsatisfactory services.

2020 — **consumer education** This is the right to acquire knowledge and skills needed to make informed,  
 2021 confident choices about products and services while being aware of basic consumer rights and  
 2022 responsibilities and how to act on them.

2023 — **a healthy environment** This is the right to live and work in an environment that is non-threatening to  
 2024 the well-being of present and future generations.

2025 — additional principles:

- **respect for the right to privacy** This is drawn from the Universal Declaration of Human Rights, Article 12 <sup>[112]</sup>, which states that no one shall be subjected to arbitrary interference with her or his privacy, family, home or correspondence, or to attacks upon her or his honour and reputation, and that everyone has the right to the protection of the law against such interference or attacks; and
- **the precautionary approach** This is drawn from the Rio Declaration on Environment and Development, which states that where there are threats of serious or irreversible damage to the environment or human health, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation or damage to human health <sup>[114]</sup>.
- **promotion of gender equality and empowerment of women** This is drawn from the Millennium Development Goals and provides an additional basis on which to analyse consumer issues and prevent perpetuation of gender stereotypes (see Box 12).

6.7.2.2 Considerations

Although it is the primary responsibility of the state to ensure that the right to satisfaction of basic needs is respected, an organization can contribute to the fulfilment of this right. Particularly in areas where the state, as represented by the government, does not or cannot adequately satisfy people's basic needs, organizations should be sensitive to the impact of their actions on people's ability to satisfy those needs. They should also avoid actions that would jeopardize this ability.

Vulnerable consumers need to be treated with special care. They have special needs because they may not know their rights and responsibilities or may be unable to act on their knowledge. They may also be unaware of or unable to assess potential risks associated with products or services or to make balanced judgements when subjected to marketing.

6.7.3 Consumer issue 1: Fair marketing, factual and unbiased information and fair contractual practices

6.7.3.1 Description of the issue

Fair marketing, factual and unbiased information and fair contractual practices provide information about products and services in a manner that can be understood by consumers. This allows consumers to make informed decisions about purchases and to compare the characteristics of different products and services. Fair contractual processes aim to protect the legitimate interests of both suppliers and consumers in mitigating imbalances in negotiating power between the parties.

Details of products and services provided by suppliers play an important role in purchasing decisions because this information may provide the only data readily available to consumers. Unfair, incomplete or misleading marketing and information can result in purchase of products or services that do not meet consumer needs and result in waste of money, resources and time <sup>[82][84]</sup> and may even be hazardous to the consumer or the environment.

6.7.3.2 Related actions and/or expectations

When communicating with consumers, an organization should:

- not engage in any practices that are deceptive, misleading, fraudulent or unfair, including omission of critical information;
- clearly identify advertising and marketing;
- openly disclose total prices and taxes, terms and conditions of the products and services as well as any accessories required for use and delivery costs. When offering consumer credit, provide details of the actual annual interest rate as well as the average percentage rate charged (APR), which includes all the costs involved, amount to be paid, number of payments and the due dates of instalment payments;

- 2069 — be able to substantiate claims or assertions by providing underlying facts and information;
- 2070 — not use text or images that perpetuate stereotyping, such as those relating to gender, religion, race and  
2071 sexual orientation;
- 2072 — not unfairly target vulnerable groups (see Box 5);
- 2073 — provide complete, accurate, understandable and comparable information on:
  - 2074 — all relevant aspects of products or services, including financial and investment products, ideally  
2075 taking into account the full life cycle;
  - 2076 — the key quality aspects of products and services determined using standardized test procedures, and  
2077 compared, when possible, to average performance or best practice. Provision of such information  
2078 should be limited to circumstances where it is appropriate and practical and would assist consumers;
  - 2079 — health and safety aspects of products and services, such as hazardous materials and hazardous  
2080 chemicals contained in or released by products; and
  - 2081 — the organization's physical address, telephone number and e-mail address, when using domestic or  
2082 cross-border distance selling, including by means of the Internet, e-commerce, or mail order.
- 2083 — use contracts that:
  - 2084 — do not include unfair contract terms, such as the exclusion of liability, the right to unilaterally change  
2085 prices and conditions, the transfer of risk of insolvency to consumers or unduly long contract periods;  
2086 and
  - 2087 — provide clear and sufficient information about prices, terms, conditions and costs.

## 2088 **6.7.4 Consumer issue 2: Protecting consumers' health and safety**

### 2089 **6.7.4.1 Description of the issue**

2090 Protection of consumers' health and safety involves the provision of products and services that are safe and  
2091 that do not carry unacceptable risk of harm when used or consumed by consumers as directed or indicated, or  
2092 when they are misused in a reasonably foreseeable way <sup>[84][111]</sup>. Clear instructions for safe use are also an  
2093 important part of the protection of health and safety.

2094 The rapid pace of change in product design, construction and materials means that products and services  
2095 may be in use before appropriate regulatory safety requirements are in place. Globalization has led to the  
2096 increase in cross-border movement of products and sourcing of services, which puts strain on regulatory and  
2097 testing resources.

2098 An organization's reputation may be directly affected by the impact on consumers' health and safety of its  
2099 products and services.

2100 Products and services should be safe, regardless of whether or not legal safety requirements are in place.  
2101 Safety includes anticipation of potential risks to avoid harm or danger. As not all risks can be foreseen,  
2102 measures to protect safety include mechanisms for product withdrawal and recall.

### 2103 **6.7.4.2 Related actions and/or expectations**

2104 In protecting the health and safety of consumers, an organization should take the following actions and pay  
2105 special attention to vulnerable groups that might not have the capacity to recognize or assess potential  
2106 dangers. It should:

- 2107 — provide products and services that, under normal and reasonably foreseeable conditions of use, are safe  
2108 for users, their property, other persons and the environment;
- 2109 — assess the adequacy of health and safety laws, regulations, standards and other specifications to  
2110 address all health and safety aspects <sup>[1][2][3][11][12]</sup>. Organizations should go beyond these minimum safety  
2111 requirements where there is evidence that these higher requirements would achieve significantly better  
2112 protection, as indicated by the occurrence of accidents involving products or services that conform to the  
2113 minimum requirements, or the availability of products or product designs that can reduce the number  
2114 and/or severity of accidents;
- 2115 — minimize risks in the design of products:
  - 2116 — identify the likely user group(s) and give special care to vulnerable groups;
  - 2117 — identify the intended use and the reasonably foreseeable misuse of the product, process or service  
2118 and hazards arising in all the stages and conditions of use of the product or service;
  - 2119 — estimate and evaluate the risk to each identified user/contact group, including pregnant women,  
2120 arising from the hazards identified; and
  - 2121 — reduce the risk by using the following order of priority: inherently safe design, protective devices and  
2122 information for users.
- 2123 — in product development, avoid the use of chemicals that are classified as carcinogenic, mutagenic, toxic  
2124 for reproduction, or that are persistent and bio-accumulative. If such products are offered for sale, they  
2125 should be clearly labelled;
- 2126 — where practical and appropriate and where it would assist consumers, perform a human health risk  
2127 assessment of products and services before the introduction of new materials or production methods and,  
2128 when appropriate, make relevant documentation available;
- 2129 — convey vital safety information to consumers, wherever possible using symbols, preferably internationally  
2130 agreed ones, in addition to the textual information;
- 2131 — instruct consumers in the proper use of products and inform them of the risks involved in intended or  
2132 normally foreseeable use;
- 2133 — adopt measures that prevent products from becoming unsafe through improper handling or storage while  
2134 in the care of consumers; and
- 2135 — when a product, after having been placed on the market, presents an unforeseen hazard, has a serious  
2136 defect or contains misleading or false information, withdraw all products that are still in the distribution  
2137 chain, and recall products using appropriate measures and media to reach people who purchased the  
2138 product.

2139 **6.7.5 Consumer issue 3: Sustainable consumption**

2140 **6.7.5.1 Description of the issue**

2141 Sustainable consumption is consumption of products and resources at rates consistent with sustainable  
2142 development. The concept was promoted by Principle 8 of the Rio Declaration on Environment and  
2143 Development <sup>[14]</sup>, which states that to achieve sustainable development and a higher quality of life for all  
2144 people, states should reduce and eliminate unsustainable patterns of production and consumption.  
2145 Sustainable consumption also encompasses a concern for ethical behaviour regarding animal welfare.

2146 An organization's role in sustainable consumption arises from the products and services it offers, the  
2147 production processes it uses and the nature of the information it provides to consumers.

2148 Current rates of consumption are clearly unsustainable, contributing to environmental damage and resource  
 2149 depletion. Consumers play a pivotal role in fostering sustainable development through their purchasing  
 2150 decisions.

#### 2151 **6.7.5.2 Related actions and/or expectations**

2152 To contribute to sustainable consumption, organizations, where appropriate, should:

2153 — offer consumers socially and environmentally beneficial products and services and reduce adverse  
 2154 impacts on the environment and society by:

2155 — offering products and services that operate as efficiently as possible, considering the full life cycle;

2156 — breeding and keeping animals in a way that respects their physical integrity and avoids cruelty;

2157 — eliminating, where possible, or minimizing any negative health and environmental impacts of products  
 2158 and services, such as noise and waste;

2159 — designing products and packaging so that they can be easily reused, repaired or recycled and, if possible,  
 2160 offering or suggesting recycling and disposal services;

2161 — providing consumers and customers with traceable information about the environmental and social  
 2162 factors related to production and delivery of their products or services, including information on resource  
 2163 efficiency where relevant, taking the value chain into account <sup>[7][8][9][10]</sup>;

2164 — providing consumers with information about the social responsibility of organizations providing products  
 2165 and services;

2166 — providing consumers with information about the sustainability of products and services, including on  
 2167 performance, country of origin, energy efficiency (where applicable), contents or ingredients (including,  
 2168 where relevant, use of genetically modified organisms), impacts on health, aspects related to animal  
 2169 welfare, safe use, maintenance, storage and disposal of the products and their packaging; and

2170 — making use of eco-label schemes and/or other benchmarks to communicate the environmental and social  
 2171 qualities of products and services <sup>[8][9][10]</sup>; and

2172 — give consumers access to products and services, using the principles of universal design, for example,  
 2173 by:

2174 — designing products that can be used flexibly by people with different tools, access or abilities and  
 2175 providing information on their accessibility; and

2176 — providing information about products and services that is accessible to people with disabilities.

#### 2177 **6.7.6 Consumer issue 4: Consumer service, support, and dispute resolution**

##### 2178 **6.7.6.1 Description of the issue**

2179 Consumer service, support, complaint and dispute resolution are the mechanisms an organization uses to  
 2180 address the needs of consumers after products and services are bought or provided. Such mechanisms  
 2181 include warranties and guarantees, technical support regarding use, as well as provisions for return, repair  
 2182 and maintenance.

2183 Products or services that do not provide satisfactory performance, either because of flaws or breakdowns or  
 2184 as a result of misuse, may result in a violation of consumer rights as well as a waste of money, resources and  
 2185 time.



2186 Providers of products or services can increase consumer satisfaction and reduce levels of complaints by  
2187 offering high quality products and services. They should provide clear advice to consumers on appropriate use  
2188 and recourse or remedies for faulty performance. They can also monitor the effectiveness of their after-sales  
2189 services, support and dispute resolution procedures by surveys of their users <sup>[84][87]</sup>.

2190 **6.7.6.2 Related actions and/or expectations**

2191 An organization should:

- 2192 — engage in precautionary measures to prevent complaints <sup>[4]</sup> by offering consumers, including those who  
2193 obtain the products through distance selling, the option to return products within a specific time period or  
2194 obtain other appropriate remedies;
- 2195 — review complaints and improve practices in response to these complaints;
- 2196 — if relevant, offer warranties that exceed periods guaranteed by law and are appropriate for the expected  
2197 length of product life;
- 2198 — clearly communicate to consumers how they can access after-supply services and support as well as  
2199 dispute resolution and redress mechanisms <sup>[5][6]</sup>;
- 2200 — offer adequate and efficient support and advice systems;
- 2201 — offer maintenance and repair at a reasonable price and make information readily accessible on the  
2202 expected availability of spare parts for products; and
- 2203 — make use of alternative dispute resolution, conflict resolution and redress procedures that are based on  
2204 national or international standards, are free of charge or are at minimal cost to consumers <sup>[5][6]</sup>, and that  
2205 do not require consumers to waive their rights to seek legal recourse.

2206

2207

2208

**Box 11 Dispute resolution**

2209 As part of the ISO 9000 family of quality management standards, there is a set of three guidance standards  
 2210 pertaining to: customer satisfaction codes designed to decrease the likelihood of complaints arising, for  
 2211 complaints handling and for external dispute resolution in those situations where the complaints cannot be  
 2212 resolved within the organization. Taken together, the three standards provide a systematic approach to  
 2213 customer complaints prevention and handling and dispute resolution. Organizations can also use one or two  
 2214 of these standards, depending on their needs and circumstances. The guidance in these standards assists  
 2215 organizations in meeting their obligations to provide consumers with redress and give them an opportunity to  
 2216 be heard. The standards operate as follows:

2217 — ISO 10001, *Quality management - Customer satisfaction - Guidelines for codes of conduct for*  
 2218 *organizations* <sup>[4]</sup>. When organizations provide customers with up-front commitments concerning their  
 2219 products and services (codes), they decrease the likelihood of complaints arising. If complaints arise, the  
 2220 content of codes assists the parties in understanding the expectations of appropriate behaviour. The  
 2221 standard assists organizations in developing and implementing effective, fair and accurate codes of  
 2222 conduct.

2223 — ISO 10002, *Quality management - Customer satisfaction - Guidelines for complaints handling in*  
 2224 *organizations* <sup>[5]</sup>. This International Standard provides guidance on how organizations can fairly and  
 2225 effectively address complaints about their products or services. A systematic approach to complaints  
 2226 handling can play an important role in enhancing customer satisfaction.

2227 — ISO 10003, *Quality management - Customer satisfaction - Guidelines for dispute resolution external to*  
 2228 *organizations* <sup>[6]</sup>. This International Standard addresses those situations where organizations have been  
 2229 unable to resolve complaints through their internal complaints handling mechanisms. It does this by  
 2230 providing guidance concerning the development and implementation of effective external dispute  
 2231 resolution processes such as mediation, arbitration or ombuds services.

2232

2233 **6.7.7 Consumer issue 5: Consumer data protection and privacy**2234 **6.7.7.1 Description of the issue**

2235 Consumer data protection and privacy are intended to safeguard consumers' rights of privacy by limiting the  
 2236 types of information that are gathered and the ways in which such information is obtained, used and secured.

2237 Increasing use of electronic communication, including for financial transactions, as well as growth in large-  
 2238 scale databases, raises concerns about how consumer privacy can be protected, particularly with respect to  
 2239 personally identifiable information <sup>[13][83][84][85]</sup>.

2240 Organizations can help to maintain their credibility and the confidence of consumers through the use of  
 2241 rigorous systems for obtaining, using and protecting consumer data.

2242 **6.7.7.2 Related actions and/or expectations**

2243 To prevent personal data collection and processing from infringing privacy, an organization should:

2244 — limit the collection of personal data to information that is either essential for the provision of products or  
 2245 services or provided with the informed and voluntary consent of the consumer;

2246 — obtain data by lawful and fair means;

- specify the purpose for which personal data are collected, either before or at the time of data collection;
- not disclose, make available or otherwise use personal data for purposes other than those specified, including marketing, except with the informed and voluntary consent of the consumer or by the authority of law;
- provide consumers with the right to confirm whether the organization has data relating to them and to challenge this data, as defined in law. If the challenge is successful, the data should be erased, rectified, completed or amended;
- protect personal data by reasonable security safeguards;
- be open about developments, practices and policies with respect to personal data, and provide readily available ways of establishing the existence, nature and main uses of personal data; and
- disclose the identity and usual location of the person responsible for data protection in the organization (sometimes called the data controller), and hold this person accountable for complying with the above measures.

## 6.7.8 Consumer issue 6: Access to essential services

### 6.7.8.1 Description of the issue

Although the state is responsible for ensuring that the right to satisfaction of basic needs is respected, there are many locations or conditions in which the state does not or cannot ensure that this right is protected. Even where satisfaction of some basic needs is protected, the right to essential services, such as electricity, gas, water, and telephone, may not be fully protected. An organization can contribute to the fulfilment of this right<sup>[111]</sup>.

### 6.7.8.2 Related actions and/or expectations

An organization that supplies essential services should:

- not disconnect essential services for non-payment without providing the consumers with the opportunity to seek reasonable timeframes to make the payment.;
- in setting priorities and charges, offer a tariff that will provide a subsidy to those who are in need;
- operate in a transparent manner, providing information related to the setting of prices and charges;
- not resort to collective disconnection of services that penalize all consumers regardless of payment, in cases of non-payment of bills payable collectively by a group of consumers;
- manage any curtailment or interruption of supply in an equitable manner, avoiding discrimination against any groups of consumers; and
- continuously maintain and upgrade their systems to help prevent disruption of service.

## 6.7.9 Consumer issue 7: Education and awareness

### 6.7.9.1 Description of the issue

Education and awareness initiatives enable consumers to be well informed, conscious of their rights and responsibilities, more likely to assume an active role and to be able to make knowledgeable purchasing decisions and consume responsibly. Disadvantaged consumers in both rural and urban areas, including low-income consumers and those with low or non-existent literacy levels, have special needs for education and increased awareness.

2285 The aim of consumer education is not only to transfer knowledge, but also to provide practice in acting on this  
 2286 knowledge, including developing skills for assessing products and services and for making comparisons. It is  
 2287 also intended to raise awareness about the impact of consumption choices on others and on sustainable  
 2288 development<sup>[11]</sup>. Education does not exempt an organization from being responsible if a consumer is harmed  
 2289 when using products and services.

#### 2290 **6.7.9.2 Related actions and/or expectations**

2291 In educating consumers, an organization, when relevant, should address:

2292 — health and safety, including product hazards;

2293 — information on appropriate regulations, ways of obtaining redress and agencies and organizations for  
 2294 consumer protection;

2295 — product and service labelling and information provided in manuals and instructions;

2296 — information on weights and measures, prices, quality, credit conditions and availability of essential  
 2297 services;

2298 — financial and investment products;

2299 — environmental protection;

2300 — efficient use of materials, energy and water;

2301 — sustainable consumption; and

2302 — disposal of packages and products.

### 2303 **6.8 Community involvement and development**

#### 2304 **6.8.1 Overview of community involvement and development**

2305 It is widely accepted today that organizations should have a relationship with the communities in which they  
 2306 operate. This relationship may be based on community involvement to contribute to community development.  
 2307 Community involvement and development are both integral parts of broader sustainable development.  
 2308 Community involvement – either individually or through associations seeking to enhance the public good –  
 2309 helps to strengthen civil society. Organizations that engage in a respectful manner with the community and its  
 2310 institutions reflect and reinforce democratic and civic values.

2311 For the purposes of this clause, “community” generally refers to the residential or other social settlement  
 2312 located in physical proximity to the organization’s base or bases. However, in some circumstances the term  
 2313 might be defined and understood on a wider basis, for instance a virtual community concerned with a  
 2314 particular ethnic group or development issue. Relationships with the community will vary according to the  
 2315 nature, size and mission of an organization.

#### 2316 **6.8.2 Principles and considerations**

2317 Community involvement goes beyond identifying and engaging stakeholders in relation to the impacts of an  
 2318 organization’s operations; it also encompasses support of and identification with the community. Above all, it  
 2319 entails acknowledging the value of the community. An organization’s community involvement should arise out  
 2320 of recognition that the organization is a stakeholder in the community having significant common interests with  
 2321 all members of the community. Effective community involvement can increase both the quality of community  
 2322 life and the ability of the organization to achieve its own purposes (sometimes referred to as “social licence to  
 2323 operate”). Community involvement is also the key means of helping an organization to identify the ways that it  
 2324 can most effectively contribute to community development.

An organization's contribution to development helps to promote higher levels of well-being in the community. Development is the improvement in the quality of living of a population. It comprises the increase and diversification of economic activities that will better satisfy the needs of society. A balanced distribution of the outputs of economic growth is also necessary to eradicate poverty and inequalities, realize people's economic and social rights and benefit society as a whole. The social dimensions of the development process are related to the conditions that constitute the right to a decent standard of living, such as the right to health and the right to education; they also include civil and political rights manifested in democratic institutions and the rule of law <sup>[102][103]</sup>.

The Copenhagen Declaration <sup>[113]</sup> recognizes the "urgent need to address profound social challenges, especially poverty, unemployment and social exclusion". The Copenhagen Declaration and Programme of Action pledged the international community to make the conquest of poverty, the goal of productive and freely chosen employment and the fostering of social integration overriding objectives of development. The UN Millennium Declaration <sup>[109]</sup> re-emphasized that although development should be guided and driven primarily by public policies, the development process depends on the contributions of all organizations, public and private, large and small. The Millennium Declaration sets out goals by which the world's main development challenges can be met (see Box 12 for further information). Community involvement helps to contribute, at a local level, to the achievement of these goals.

**Box 12 Millennium Development Goals**

The Millennium Development Goals (MDGs) <sup>[109]</sup> are eight goals to be achieved by the year 2015 that respond to the world's main development challenges. The MDGs are drawn from the actions and targets contained in the Millennium Declaration that was adopted by 189 nations and signed by 147 heads of state and governments during the UN Millennium Summit in September 2000. The MDGs break down into 21 quantifiable targets that are measured by 59 indicators.

The eight MDGs are:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Key areas of community development to which an organization can contribute include creating employment through expanding and diversifying economic activities and technological development. It can also contribute through social investments in wealth and income creation through local economic development initiatives; expanding education and skills development programmes; cultural preservation and providing community health services.

The areas that are the most important will depend on the particular community and the unique knowledge, resources and capacity each organization brings to the community. This is why community involvement is so important. An organization may already be actively involved in the community and focused on a particular aspect of community development as part of its core mandate. For example, an NGO that promotes women's

2368 literacy can engage in partnership with various community institutions. In such cases, the organization, in  
 2369 dialogue with the community, may decide that the best way for it to contribute to community development is to  
 2370 continue to focus on its core mandate. Another organization may discover through dialogue with the  
 2371 community that it has expertise, such as knowledge of safety and health processes, from which other  
 2372 organizations in the community could greatly benefit and which could be its primary contribution. It is important  
 2373 to become involved in the community, learn about community development issues and contribute wherever  
 2374 possible.

2375 Organizations are frequently invited by authorities or other organizations to get involved in efforts to overcome  
 2376 problems and challenges that communities face. Organizations may even take the lead through specific  
 2377 programmes in support of communities, contributing with resources and knowledge. An organization's  
 2378 contribution to community development has better results when implemented through consultation with local  
 2379 communities to ensure that their priorities are taken into account. The contribution should also be carried out  
 2380 in a manner that shows respect for the community members' right to make decisions regarding the life of their  
 2381 community. The greater the extent to which activities are carried out in partnership with communities, the  
 2382 greater the likelihood that they will serve their development purpose and remain sustainable.

2383 Aligning the organization's involvement in the community with local and/or national policy priorities maximizes  
 2384 development outcomes. This approach is also important to achieve the mutual benefits of a shared vision and  
 2385 common understanding of development priorities and partnerships and to promote sustainable outcomes of  
 2386 interventions.

2387 Community development is much more than just philanthropy, and should not be used as a substitute for  
 2388 participating in other socially responsible ways. It is not an isolated gift to the community, rather it is an  
 2389 ongoing relationship between the organization and the community in which it is operating.

2390 The organization's core operations that provide unintentional benefit to the local community may be  
 2391 considered as a contribution to community development. By integrating the concept of community involvement  
 2392 into the organization's day-to-day activities, the organization can maximize the benefits of those activities and  
 2393 sustainable development within the community. An organization can use its inherent skills base for community  
 2394 involvement at relatively little additional cost (see Box 13).

2395

### 2396 **Box 13 Contributing to community development through an organization's core activities**

2397 Some examples of ways in which an organization's core activities can contribute to community development  
 2398 are:

2399 — maximizing opportunities for the organization to contribute what otherwise would not be possible (for  
 2400 example, training in modern farming techniques);

2401 — engaging the community at the planning stage before building an access road for the organization to  
 2402 identify how the plan could be modified to also meet the needs of the community (for example, providing  
 2403 access by local farmers);

2404 — use by trade unions of their membership networks to disseminate information about good health practices  
 2405 to the broader community; and

2406 — a water intensive industry building a water purification plant for its own needs could also provide clean  
 2407 water to the local community.

2408

### 6.8.3 Community involvement and development issue 1: Community involvement

#### 6.8.3.1 Description of the issue

Community involvement is an organization's proactive outreach to the community. It is an approach aimed at problem solving, fostering partnerships with local organizations and stakeholders and aspiring to be a good organizational citizen of the community. Organizations contribute to their communities through their participation in, and support for, civil institutions and through involvement in networks of groups and individuals that constitute civil society.

Community involvement also is an important first step and has continuing value for organizations to familiarize themselves with community needs and priorities, so that the organization's developmental efforts are compatible with those of the community. Structures to help organizations become involved could include, for example, relevant forums established by local authorities and residents' associations in a transparent manner.

Organizations often join associations with others to defend and advance their own interests. However, these associations should represent their members' interests on the basis of respecting the rights of other groups and individuals to do the same, and they should always operate in a way that increases respect for the rule of law and for democratic processes.

Through its community involvement activities an organization can engage with a wide range of individuals or groups. Some traditional or indigenous communities, neighbourhood associations or internet networks express themselves without constituting a formal "organization". An organization should respect the cultural, social and political rights of such groups, but avoid becoming complicit in wrongful acts, as might be the case if such groups intend to evade socially useful payments (for example, taxes or appropriate wages) or to conceal illegal activities. An organization should be aware that there are many types of groups with varying levels of formality and should ensure that its community involvement serves to promote respect for the rule of law and democracy.

#### 6.8.3.2 Expectations and/ or related actions

An organization should:

- contribute to democratic processes through appropriate and transparent participation in the political process that respects the rights and views of others to express and defend their interests, including policy formulation and the establishment, implementation, monitoring and evaluation of development programmes;
- maintain transparent relationships with local government officials and political representatives, free from bribery or improper influence;
- systematically consult representative community groups in determining priorities for social investment and community development activities, and recognize the rights of community members to decide about the life of their community and, in so doing, to maximize their own capabilities, resources and opportunities;
- conduct all activities in a manner that does not violate the spirit or content of the law;
- participate in local associations, as appropriate, with the objective of contributing to the public good and the development objectives of communities; and
- consult marginalized, unrepresented and underrepresented groups in a community and involve them in a way that helps to expand their options and secure their rights.

2448 **6.8.4 Community involvement and development issue 2: Education and culture**

2449 **6.8.4.1 Description of the issue**

2450 Education is a foundation for all social and economic development. Culture is an important component of a  
 2451 community and society's identity. The promotion of education and promotion and preservation of culture has a  
 2452 positive impact on social cohesion and development <sup>[107]</sup>.

2453 **6.8.4.2 Expectations and/ or related actions**

2454 An organization may contribute in the following ways:

2455 — promote and support education at all levels, and engage in actions to improve the quality of education,  
 2456 promote local knowledge and eradicate illiteracy;

2457 — encourage the enrolment of children in formal education, and contribute to the elimination of barriers to  
 2458 children obtaining an education, such as child labour <sup>[93]</sup>;

2459 — promote cultural activities, respect and value the local cultures and cultural traditions, while respecting the  
 2460 principles of human rights. Actions to support cultural activities that strengthen the identity of historically  
 2461 disadvantaged groups are especially important as a means of combating discrimination;

2462 — help conserve and protect cultural heritage, especially where the organization's operations have an  
 2463 impact on it <sup>[98]</sup>; and

2464 — promote the use of the knowledge systems of indigenous and traditional communities <sup>[38]</sup>.

2465 **6.8.5 Community involvement and development issue 3: Employment creation and skills development**

2466 **6.8.5.1 Description of the issue**

2467 Employment is an internationally recognized goal related to economic development. By creating employment,  
 2468 all organizations, both large and small, can make an important contribution to reducing poverty and promoting  
 2469 economic development. In the course of creating employment, issues referred to in 6.3 on human rights and  
 2470 6.4 on labour practices should apply. Organizations can also advocate the framework conditions that are  
 2471 necessary to create employment, such as the rule of law, political stability and economic freedom.

2472 Skills development is an essential component of employment promotion and of assisting people to secure  
 2473 decent and productive jobs, and is vital to economic and social development.

2474 **6.8.5.2 Expectations and/ or related actions**

2475 An organization may contribute in the following ways

2476 — consider the impact of its investment decisions on employment creation, and, where economically viable,  
 2477 make direct investments that promote poverty alleviation through employment creation;

2478 — consider the impact of technology choice on employment, and, where economically viable on a longer  
 2479 term basis, select technologies that maximize employment opportunities;

2480 — consider the impact of outsourcing on employment creation, both within the organization making the  
 2481 decision and within external organizations affected by such decisions;

2482 — consider more generally the economic and social impact of entering or leaving a community;

2483 — consider giving preference to local suppliers of products and services and contributing to local supplier  
 2484 development where possible and practicable;



- 2485 — consider participating in local and national skills development programmes, including apprenticeship  
2486 programmes; programmes focused on particular disadvantaged groups; life-long learning programmes;  
2487 and skills recognition and certification schemes;
- 2488 — if there are no existing skills development programmes in the community, consider helping to develop  
2489 such programmes in partnership with others in the community; and
- 2490 — consider becoming involved in helping to promote the framework conditions that are necessary in order to  
2491 create employment.

## 2492 **6.8.6 Community involvement and development issue 4: Technology development and access**

### 2493 **6.8.6.1 Description of the issue**

2494 To help advance economic and social development, countries need, among other things, access to modern  
2495 technology. Organizations can contribute to the development of the communities in which they operate by  
2496 applying specialized knowledge, skills and technology in such a way as to promote human resource  
2497 development and technology diffusion.

2498 Information and communication technologies characterize much of contemporary life and are a valuable basis  
2499 for many economic activities. An organization can contribute to improved access to these technologies  
2500 through training, partnerships and other actions.

### 2501 **6.8.6.2 Expectations and/ or related actions**

2502 An organization may contribute to the technological development of the community in the following ways:

- 2503 — consider contributing to development of low cost social technologies that are easily replicable and have a  
2504 high social impact on poverty and hunger eradication;
- 2505 — consider, where economically feasible, developing potential local knowledge and technologies while  
2506 respecting the community's rights to that knowledge or technology;
- 2507 — consider engaging in partnerships with local organizations (for example universities or research  
2508 laboratories), including scientific and technological development with partners from the local community  
2509 employing local people in this work<sup>[84]</sup>; and
- 2510 — adopt practices that allow technology transfer and diffusion, where economically feasible. Where  
2511 applicable, the organization should set reasonable terms and conditions for licences or technology  
2512 transfer so as to contribute to local development.

## 2513 **6.8.7 Community involvement and development issue 5: Wealth and income creation**

### 2514 **6.8.7.1 Description of the issue**

2515 Competitive and diverse enterprises and cooperatives are the main engine of wealth creation in any  
2516 community. Entrepreneurship programmes and cooperatives targeting women are particularly important as it  
2517 is widely recognized that the empowerment of women contributes greatly to the well-being of society.

2518 Wealth and income creation also depend on a fair distribution of the benefits of economic activity (for  
2519 example, through taxes, wages and profits). Complying with tax obligations is essential for helping  
2520 governments to generate revenues to address critical development issues. Income from taxes provides the  
2521 means for a community's authorities to manage and develop infrastructure, and provides social goods, such  
2522 as educational and health services and social grants for those in need. All these actions directly or indirectly  
2523 help increase income.

2524 The conduct of economic activities within an appropriate legal framework is crucial for society. An organization  
2525 that undertakes activities outside the legal framework to avoid compliance with laws and regulations, or

2526 payment of taxes, undermines the rule of law and competes unfairly with organizations that comply with laws  
 2527 and regulations. An organization should respect relevant legal frameworks and avoid engaging in, or  
 2528 benefiting from, economic activities that are conducted in a way that evades or obstructs the content and  
 2529 purpose of laws and regulations.

2530 It is understood, however, that in some circumstances failure to operate within the intended legal framework is  
 2531 a consequence of poverty or developmental conditions. In these circumstances, an organization that is  
 2532 involved with groups operating outside the legal framework should aim to alleviate poverty and promote  
 2533 development. The organization should also seek to create opportunities that will enable these groups to  
 2534 achieve greater, and ultimately full, compliance with the law. When dealing with groups or individuals  
 2535 operating outside the appropriate legal framework, an organization should also consider guidance in 6.8.3.

2536 In situations where there is a widespread view that the legal framework should be changed, an organization  
 2537 may consider seeking changes through the appropriate political process, but should be mindful of the need to  
 2538 respect the rule of law and the principles and expectations of social responsibility.

### 2539 **6.8.7.2 Expectations and/ or related actions**

2540 An organization should:

2541 — fulfil its tax responsibilities and provide authorities with the necessary information to correctly determine  
 2542 taxes due <sup>[84]</sup>;

2543 — engage in economic activities, to the greatest extent possible, with organizations that operate within the  
 2544 appropriate legal and institutional framework;

2545 — engage in economic activities with organizations that, owing to low levels of development, have difficulty  
 2546 meeting the legal requirements only where:

2547 — the purpose is to address extreme poverty; or

2548 — there is a reasonable expectation that the supplier is consistently moving to conduct its activities  
 2549 within the appropriate legal and institutional framework;

2550 — assist organizations to operate within the appropriate legal framework;

2551 — endeavour to use natural resources in a sustainable way that helps to alleviate poverty <sup>[107]</sup>;

2552 — subject to prevailing laws and regulations, seek to obtain prior informed consent of the local community  
 2553 for the use of local natural resources and respect the traditional use of natural resources by local  
 2554 populations, in particular indigenous people and traditional communities <sup>[38]</sup>;

2555 — consider contributing to programmes that provide access to food and other essential products for  
 2556 vulnerable groups and low income people, taking into account the importance of contributing to their  
 2557 increased capabilities, resources and opportunities. Special attention should be given to child nutrition;

2558 — consider contributing to programmes that support community members, especially women, in establishing  
 2559 businesses and cooperatives, in improving productivity and in encouraging the efficient use of available  
 2560 resources; and

2561 — consider supporting entrepreneurs that bring needed products and services to the community, which can  
 2562 also generate local employment.

**6.8.8 Community involvement and development issue 6: Health**

**6.8.8.1 Description of the issue**

Health is an essential element of life in society and is a recognized human right. Threats to public health can have severe impacts on communities and can hamper their development. Thus, all organizations, both large and small, should contribute, within their means, to the promotion of health through preventing, or, if necessary, mitigating any damage to the community (see also 6.5 and 6.7.4). They should also contribute where possible to improve access to health services. Even in communities where it is a role of the state to provide a public health system, all organizations can consider contributing to health in those communities. A high level of health in the community reduces the burden on the public sector and contributes to a good economic and social environment for all organizations.

**6.8.8.2 Expectations and/ or related actions**

An organization may contribute in the following ways:

- consider promoting good health by, for example, contributing to access to medicines and vaccination and by encouraging healthy lifestyles, including exercise and good nutrition, and by discouraging the consumption of unhealthy substances;
- help raise awareness about major diseases and their prevention, such as, according to local circumstances and priorities, HIV/AIDS, cancer, heart diseases, malaria and tuberculosis;
- support access to essential health care services and to clean water and appropriate sanitation as a means of preventing illness; and
- seek to minimize or eliminate the negative health impacts of any production processes, products or services provided by the organization.

**6.8.9 Community involvement and development issue 7: Social investment**

**6.8.9.1 Description of the issue**

Social investment takes place when organizations invest their resources in infrastructure and other programmes aimed at improving social aspects of community life, such as sanitation, safe drinking water, health, housing and food security. Social investment is a means by which organizations can contribute to the development of the communities in which they operate. In general, social investments are activities not associated with or designed directly to enhance an organization’s core operational activities. However, social investments are generally designed to sustain and enhance an organization’s relationships with its communities.

In identifying opportunities for social investment, an organization should align its contribution with the needs and priorities of the communities in which the organization operates. Information sharing, consultation and negotiation are useful tools for a participative approach to identifying and implementing social investments (see 6.8.2).

**6.8.9.2 Expectations and/ or related actions**

An organization should:

- consider, where feasible, undertaking social investments in the community or communities in which it operates. Types of social investments include projects related to education, training, culture, health care, income generation, infrastructure development, improving access to information or any other activity likely to promote economic or social development;
- look for areas where the organization’s core competencies can be used for capacity building in the community, thereby improving its own expertise, as well as contributing more efficiently;

- 2605 — recognize that social investments do not preclude other social actions and philanthropy (for example,  
2606 grants, volunteering and donations). These actions should, however, be aligned with the organization's  
2607 overall capacity-building aims. They should focus on giving resources to the community through  
2608 programmes or projects for long-term development;
- 2609 — promote social investment projects that are viable in the long-term and contribute to sustainable  
2610 development, by involving the community in their design and implementation. Community involvement will  
2611 help projects to survive and prosper when the organization is no longer involved;
- 2612 — take into account the promotion of community development in planning social investment projects. All  
2613 actions should broaden the opportunities for citizens, for example by increasing local procurement and  
2614 any outsourcing to support local development;
- 2615 — consider how to contribute to the community by taking account of priorities set by local and national  
2616 policymakers. This might improve the effects of their social investments and their sustainability;
- 2617 — avoid actions that perpetuate a community's dependence on the organization's philanthropic activities,  
2618 on-going presence or support; and
- 2619 — assess existing community-related initiatives, provide feedback on their success and suitability and  
2620 identify where improvements might be made.

## 2621 **7 Guidance on integrating social responsibility throughout an organization**

### 2622 **7.1 General**

2623 Previous clauses of this International Standard have identified the principles, core subjects and issues of  
2624 social responsibility. This clause provides guidance on putting social responsibility into practice in an  
2625 organization. In most cases, organizations can build on the existing systems, policies, structures and networks  
2626 of the organization to put social responsibility into practice, although some activities are likely to be conducted  
2627 in new ways, or with consideration for a broader range of issues.

2628 Some organizations may already have well-developed techniques for introducing new approaches into their  
2629 activities, as well as effective systems for communication and internal review. Others may have less well-  
2630 developed systems for organizational governance or other aspects of social responsibility. The following  
2631 guidance is intended to help all organizations, whatever their starting point, integrate social responsibility into  
2632 the way they operate.

### 2633 **7.2 The relationship of the organization's characteristics to social responsibility**

2634 To provide an informed basis for integrating social responsibility throughout the organization, it is useful for the  
2635 organization to analyze how its key characteristics relate to social responsibility. This analysis will also help in  
2636 identifying the organization's relevant core subjects, issues of social responsibility and stakeholders.

2637 The analysis should include, where appropriate, factors such as:

- 2638 — locations in which the organization operates, including:
- 2639 — the nature of the legal framework in these locations, considering, for example, whether there is a  
2640 strong legal framework that regulates many of the activities related to social responsibility; and
  - 2641 — social, environmental and economic characteristics of the areas of operation;
  - 2642 — the organization's type, purpose, nature of operations and size;
  - 2643 — characteristics of the organization's workforce or employees;

- 2644 — sector organizations in which the organization participates, including:
- 2645 — the activities related to social responsibility undertaken by these organizations; and
- 2646 — the codes or other requirements related to social responsibility imposed by these organizations;
- 2647 — concerns of internal and external stakeholders relevant to social responsibility;
- 2648 — structures for and nature of decision making in the organization; and
- 2649 — the organization's supply chains and its sphere of influence.

2650 It is important for the organization to understand its characteristics and the context in which it operates. It is  
2651 also important for the organization to be aware of the current attitudes, level of commitment to and  
2652 understanding of social responsibility by its leadership. The organization's understanding of the principles,  
2653 subjects and benefits of social responsibility will greatly assist the integration of social responsibility  
2654 throughout the organization and its sphere of influence.

### 2655 **7.3 Understanding the social responsibility of the organization**

#### 2656 **7.3.1 Determining relevance and significance of core subjects to the organization**

##### 2657 **7.3.1.1 Determining relevance**

2658 All the core subjects, but not all issues, have relevance for every organization. The degree of relevance and  
2659 the significance of the core subject vary, depending on the nature, size and location of the organization.

2660 In an initial review of the relevance of the core subjects and issues, there could be benefit in taking a very  
2661 broad view of possible relevance. It will be relatively easy later to narrow down the list of relevant issues to  
2662 those of greatest significance. To start the identification process, an organization should, where appropriate:

- 2663 — list the full range of its activities;
- 2664 — identify the activities of the organization itself and the activities of the organizations within its sphere of  
2665 influence. The activities of suppliers and contractors can have an impact on the social responsibility of the  
2666 organization;
- 2667 — determine which core subjects and issues might arise when the organization and others within the value  
2668 chain carry out these activities;
- 2669 — examine the range of ways in which the organization's decisions and activities can cause impacts on  
2670 sustainable development, including health and the welfare of society;
- 2671 — identify the societal expectations of responsible behaviour concerning these impacts; and
- 2672 — include core subjects and issues that relate to day-to-day activities as well as those that arise only  
2673 occasionally under very specific circumstances. As an example, organizations do not construct or lease  
2674 new buildings for their offices or facilities very often, but when they do, the issues of energy and water  
2675 efficiency (see 6.5) and access for people with disabilities (see 6.3 and 6.4) are likely to be important  
2676 aspects of social responsibility to be considered.

2677 Although the organization itself may understand societal expectations of its social responsibility (see 5.2.3),  
2678 the organization should consider involving stakeholders in this process to broaden the perspective on the core  
2679 subjects and issues. It is important to recognize, though, that issues may be significant even if stakeholders  
2680 fail to identify them.

2681 An organization is likely to discover that more core subjects and issues are relevant than it had previously  
2682 thought. An organization that operates only in one location in an area with strong laws on such issues as

2683 human rights, consumer protection and the environment may mistakenly assume that all the relevant aspects  
 2684 of such issues are covered by law, and that these core subjects are probably irrelevant. But careful review of  
 2685 the core subjects and issues in Clause 6 is likely to reveal relevant issues that are not legally regulated or for  
 2686 which regulations are not adequately enforced.

2687 Even for subjects or issues covered by applicable law, responding to the spirit of the law may in some cases  
 2688 involve action beyond simple compliance. As an example, although some environmental regulations limit  
 2689 emissions of air or water pollutants to specific amounts or levels, a socially responsible organization is likely to  
 2690 strive for using best practice to reduce its emissions of those pollutants or to change the processes it uses so  
 2691 as to completely eliminate such emissions.

### 2692 7.3.1.2 Determining significance

2693 Once an organization has identified the broad range of issues relevant to its actions, it can look carefully at  
 2694 those issues identified and develop a set of criteria for deciding on the core subjects and issues that have the  
 2695 greatest significance for the organization. Possible criteria should include:

2696 — the extent of the impact of the issue on sustainable development, including health and the welfare of  
 2697 society;

2698 — the potential effect of taking action or failing to take action on the issue;

2699 — the level of stakeholder concern about the issue;

2700 — the potential effect of the related action on the issue compared to the resources and effort required to  
 2701 implement the action;

2702 — the ease of controlling threats or taking advantage of opportunities for contributing to sustainable  
 2703 development, including health and the welfare of society;

2704 — the current performance of the organization compared to existing regulations, international standards,  
 2705 international norms of behaviour, the state-of-the-art and best practice; and

2706 — the performance of peer organizations.

### 2707 7.3.2 An organization's sphere of influence

#### 2708 7.3.2.1 Assessing the organization's sphere of influence

2709 In addition to being responsible for its own activities, there are situations where an organization has the ability  
 2710 to influence the decisions or behaviour of those with whom it has a relationship (see 5.2.3). The ability to  
 2711 influence another organization ranges from having no influence, to having limited influence, to having very  
 2712 significant influence. Influence will depend on a number of factors, including physical proximity, scope of the  
 2713 relationship and length of the relationship. In promoting social responsibility, there will be situations where an  
 2714 organization's ability to positively influence others will be accompanied by a responsibility to exercise this  
 2715 influence.

2716 An organization derives influence from sources such as:

2717 — **ownership and governance** This includes the nature and extent of ownership or representation on the  
 2718 governing body of the associated organization.

2719 — **economic relationship** This includes influence based on the level of economic dependency involved: the  
 2720 greater the interest or dependency, the greater the influence.

2721 — **legal authority** This is based on, for example, provisions in legally-binding contracts or the existence of  
 2722 a legal mandate granting the organization the ability to enforce certain behaviours on others.

2723 — **political authority** This is affected by the nature of the political and institutional relationship.

2724 — **public opinion** This includes the ability of the organization to influence public opinion and the impact of  
2725 public opinion on those it is trying to influence.

### 2726 7.3.2.2 Exercising influence

2727 An organization can exercise its influence with others either to enhance positive impacts on sustainable  
2728 development, including health and the welfare of society, or to minimize negative impacts. Where appropriate  
2729 and advisable, an organization should seek involvement of government or governmental institutions in  
2730 exercising such influence.

2731 A high level of influence is generally likely to correspond to a high level of responsibility to exercise that  
2732 influence. An organization's responsibility to exercise influence on another is, however, also related to the  
2733 possible impacts of the latter's activities. The greater the potential for negative impacts, the higher the level of  
2734 responsibility to exercise influence to minimize those impacts. Due diligence should be exercised when  
2735 assessing such impacts.

2736 Methods of exercising influence include:

- 2737 — setting contractual provisions and/or incentives;
- 2738 — sharing knowledge and information;
- 2739 — conducting joint projects to improve social responsibility;
- 2740 — undertaking responsible lobbying and using media relations;
- 2741 — promoting good practices; and
- 2742 — forming partnerships with sector associations, organizations and others.

2743 The exercise of an organization's influence should always be guided by the ethical behaviour and other social  
2744 responsibility principles and practices. When exerting its influence, an organization should first consider  
2745 engaging in dialogue aimed at improving socially responsible awareness and behaviour. If dialogue is not  
2746 effective, alternative actions should be considered, including changing the nature of the relationship.

2747 In circumstances where an organization has a very high level of influence with others, this may carry a  
2748 responsibility to act that is similar to the responsibility that exists in those situations where the organization  
2749 has actual control.

### 2750 7.3.3 Establishing priorities for addressing core subjects and issues

2751 An organization should determine priorities for action based on its plans for integrating social responsibility  
2752 throughout the organization and its daily practices. Priorities are likely to vary over time. An organization  
2753 should involve stakeholders in the identification of priorities.

2754 High priority should be given to issues and actions that have significant implications for sustainable  
2755 development or health and the welfare of society. An organization may also assign a high priority to actions  
2756 that could have a major effect on the organization's social responsibility.

2757 — high priority based on significance for sustainable development, including health and the welfare of  
2758 society, should be given to issues and actions that relate to:

- 2759 — compliance with law and international norms of behaviour;
- 2760 — potential violations of human rights;

- 2761 — practices that could endanger life or health;
- 2762 — practices that could seriously affect the environment; and
- 2763 — issues where the organization's performance is well below best practice;
- 2764 — high priority because of the effect the actions or issues could have on the organization's socially  
2765 responsibility could be assigned to actions that:
  - 2766 — will take a long time to become fully effective;
  - 2767 — are of immediate concern to stakeholders;
  - 2768 — may significantly improve the ability of the organization to meet important objectives;
  - 2769 — have significant cost implications if not addressed quickly; and
  - 2770 — can be implemented quickly and easily and will therefore be useful in increasing awareness of and  
2771 motivation for action on social responsibility within the organization.

2772 The order of priorities will vary among organizations.

2773 In addition to setting priorities for immediate action, an organization can establish priorities for consideration of  
2774 core subjects and issues that are relevant to activities that an organization expects to carry out in the future,  
2775 such as building construction, employing new staff, hiring contractors or conducting fund-raising activities. The  
2776 priority considerations will then form part of the planning for these future activities.

2777 The priorities should be reviewed and updated at periodic intervals that are appropriate for the organization.

## 2778 **7.4 Practices for integrating social responsibility throughout the organization**

### 2779 **7.4.1 Building social responsibility into the organization's systems and procedures**

2780 An important and effective means of integrating social responsibility throughout the organization is through the  
2781 organization's governance, the system by which its decisions are made and implemented in pursuit of its  
2782 objectives.

2783 An organization should conscientiously and methodically manage its impacts associated with each core  
2784 subject and review those of its supply chain, so as to minimize the risk of social and environmental harm. In  
2785 other words, it should exercise due diligence in conducting its activities. When making decisions, including  
2786 with respect to new activities, an organization should consider the likely impacts of these decisions on others.  
2787 In doing so an organization should consider the best ways of minimizing the harmful impacts of its activities  
2788 and of increasing the beneficial impacts of its behaviour on society and the environment. The resources and  
2789 planning required for this purpose should be taken into account when decisions are made.

2790 An organization should confirm that the principles of accountability, transparency, the rule of law and ethical  
2791 behaviour are applied in its governance and reflected in its structure. Organizations should review procedures  
2792 and processes at appropriate intervals to make sure that they take the social responsibility of the organization  
2793 into account.

2794 Some useful procedures may include:

- 2795 — applying established management practices to addressing the organization's social responsibility;
- 2796 — identifying the ways in which the principles of social responsibility and the core subjects and issues apply  
2797 to the various parts of the organization;



- 2798 — translating the priorities for action on core subjects and issues into manageable organizational objectives,  
2799 with strategies, processes and timelines;
- 2800 — setting specific short-term targets to translate objectives into their practical application at each level of the  
2801 organization;
- 2802 — determining and allocating sufficient resources to allow targets to be met;
- 2803 — if appropriate to the size and nature of the organization, establishing departments or groups within the  
2804 organization to review and revise operating procedures so that they are consistent with the principles and  
2805 core subjects of social responsibility;
- 2806 — taking account of social responsibility when conducting operations, including investment, for the  
2807 organization;
- 2808 — incorporating social responsibility into purchasing practices; and
- 2809 — building social responsibility issues into human resources management.

2810 The existing values and culture of the organization can have a significant effect on the ease and pace with  
2811 which social responsibility can be fully integrated throughout the organization. For some organizations, where  
2812 the values and culture are already closely aligned to those of social responsibility, the process of integration  
2813 may be quite straightforward. In others, some parts of the organization may not recognize the benefits of  
2814 social responsibility and may be resistant to change. Systematic efforts over an extended period may be  
2815 involved in integrating a socially responsible approach in these areas.

2816 It is also important to recognize that the process of integrating social responsibility throughout an organization  
2817 does not occur all at once or at the same pace for all core subjects and issues. A plan for addressing some  
2818 social responsibility issues in the short term and some over a period of time should be realistic and should  
2819 take into account the capabilities of the organization, the resources available and the priority of the issues  
2820 (see 7.3.3).

#### 2821 **7.4.2 Setting the direction of the organization towards social responsibility**

2822 The statements and actions of the organization's leadership and the organization's purpose, aspirations,  
2823 values, ethics and strategy set the directions for the organization. To make social responsibility an important  
2824 and effective part of the functioning of the organization, it should be reflected in these aspects of the  
2825 organization.

2826 An organization should set its direction by making social responsibility an integral part of its policies,  
2827 strategies, structures and operations. Some of the ways it can do this include:

- 2828 — incorporating in its purpose or in a mission statement specific, clear and concise references to important  
2829 aspects of social responsibility, including the principles and issues of social responsibility that help  
2830 determine the way the organization operates;
- 2831 — including in the organization's aspirations or vision statement reference to the way in which it intends  
2832 social responsibility to influence its actions;
- 2833 — adopting written codes of conduct or ethics that specify the organization's commitment to social  
2834 responsibility by translating the principles and values into statements on appropriate behaviour. Such  
2835 codes should be based on the principles of social responsibility in Clause 4;
- 2836 — including social responsibility as a key element of the organization's strategy, through its integration into  
2837 systems, policies, processes and decision-making behaviour; and
- 2838 — translating the priorities for action on core subjects and issues into manageable organizational objectives.  
2839 Objectives should be specific and measurable or verifiable. Stakeholder input can be valuable in assisting

2840 this process. The details of achieving the objectives, including responsibilities, timelines, budgets and the  
 2841 effect on other activities of the organization, should be an important element in establishing the objectives  
 2842 and the strategies for their achievement.

### 2843 **7.4.3 Raising awareness and building competency for social responsibility**

2844 Building social responsibility into every aspect of an organization involves commitment and understanding at  
 2845 all levels of the organization. In the early stages of an organization's efforts related to social responsibility, the  
 2846 focus of awareness building should be on increasing understanding of the aspects of social responsibility,  
 2847 including principles, core subjects and issues.

2848 The commitment and understanding should start at the top of the organization. Understanding of the benefits  
 2849 of social responsibility for the organization can play a major role in building the commitment of the  
 2850 organization's leadership. Efforts should therefore be made to provide the organization's leadership with a  
 2851 thorough understanding of the implications and benefits of social responsibility.

2852 Some employees and some parts of an organization will be more interested and receptive to taking action on  
 2853 social responsibility. Organizations may find it useful to focus initial efforts on such receptive areas to  
 2854 demonstrate what social responsibility means in practice. No single formula for bringing about change is  
 2855 applicable to all organizations.

2856 Creating a culture of social responsibility within an organization may take a substantial amount of time, but  
 2857 proceeding systematically and working from existing values and cultures have been effective in many  
 2858 organizations.

2859 Building the competency for implementing practices of social responsibility may involve strengthening or  
 2860 developing skills in some areas of activity such as stakeholder engagement, and in improving knowledge and  
 2861 understanding of the application of the core subjects. Efforts should take advantage of the existing knowledge  
 2862 and skills of people within the organization. Where appropriate, it should also include building competency and  
 2863 training of female and male managers and workers in the value chain. Specific training may be useful for  
 2864 some issues.

2865 To effectively integrate social responsibility, the organization may identify a need for changes in decision-  
 2866 making processes and governance that would promote greater freedom, authority and motivation to suggest  
 2867 new approaches and ideas. An organization may also find that it requires better tools for monitoring and  
 2868 measuring some aspects of its performance.

## 2869 **7.5 Communication on social responsibility**

### 2870 **7.5.1 The role of communication in social responsibility**

2871 Many practices related to social responsibility will involve some form of internal and external communication.  
 2872 Internal audiences might include employees, suppliers and members, while external audiences might include  
 2873 shareholders, customers and the media. Communication can serve many different functions in social  
 2874 responsibility including:

- 2875 — demonstrating accountability and transparency;
- 2876 — addressing legal and other requirements for the disclosure of information related to social responsibility;
- 2877 — showing how the organization is meeting its commitments on social responsibility and responding to the  
 2878 expectations of stakeholders and of society in general;
- 2879 — raising awareness both within and outside the organization on its strategies and objectives, plans,  
 2880 performance and challenges for social responsibility;
- 2881 — providing information about the impacts of the organization's operations, products, services and other  
 2882 activities;

- 2883 — helping to engage and motivate employees and others to support the organization's activities in social  
2884 responsibility;
- 2885 — facilitating benchmarking among peer organizations, which can stimulate improvements in performance  
2886 on social responsibility;
- 2887 — helping to engage and create dialogue with stakeholders; and
- 2888 — enhancing an organization's reputation for responsible action, openness, integrity and accountability, to  
2889 strengthen stakeholder trust in the organization.

## 2890 7.5.2 Characteristics of information relating to social responsibility

2891 Information relating to social responsibility should be:

- 2892 — **understandable** Information should be provided with regard for the knowledge and the cultural, social,  
2893 educational and economic background of those who will be involved in the communication. Both the  
2894 language used, and the manner in which the material is presented, including how it is organized, should  
2895 be accessible for the stakeholders intended to receive the information.
- 2896 — **responsive** Information should be responsive to stakeholder concerns.
- 2897 — **accurate** Information should be factually correct and should provide sufficient detail to be useful and  
2898 appropriate for its purpose.
- 2899 — **balanced** Information should be balanced and fair and should not omit relevant negative information  
2900 concerning the impacts of the organization's activities.
- 2901 — **timely** Out of date information can be misleading. An understanding of the period of time covered will  
2902 allow stakeholders to compare the performance of the organization with its earlier performance and even  
2903 with the performance of other organizations.
- 2904 — **available** Information on specific issues should be available to the potentially affected stakeholders.

## 2905 7.5.3 Communicating about the organization's performance on social responsibility

### 2906 7.5.3.1 Planning communication

2907 In planning its communication, the organization should consider the purpose, audience, content, extent,  
2908 timing, sequence, type and form of communication. It generally should also identify the people who will  
2909 conduct the communication and determine what internal and external personnel and other resources are  
2910 needed. In planning its communication, the organization should consider the following factors:

- 2911 — the cultural, social, educational and economic background of those stakeholders who make up the  
2912 primary audience for the communication;
- 2913 — the necessity to communicate regularly or on an *ad hoc* basis;
- 2914 — the budget and other resource limits; and
- 2915 — the value of using multiple forms of communication.

### 2916 7.5.3.2 Types of communication on social responsibility

2917 There are many different forms of communication related to social responsibility. Some examples include:

- 2918 — communication to the organization's management and employees to raise general awareness about  
2919 social responsibility and related activities;
- 2920 — communication with stakeholders concerning claims about the social responsibility of activities, products  
2921 and services. These claims should be verified through internal review and assurance. For enhanced  
2922 credibility, these claims should be verified by external assurance;
- 2923 — communication to suppliers about procurement requirements related to social responsibility;
- 2924 — communication to the public about emergencies that have implications for social responsibility. Prior to  
2925 emergencies, communication should aim to increase awareness and preparedness. During emergencies,  
2926 it should keep stakeholders informed and provide information on appropriate actions;
- 2927 — communication with stakeholders on specific issues or projects of social responsibility;
- 2928 — product-related communication, such as product labelling, product information and other consumer  
2929 information;
- 2930 — articles on aspects of social responsibility in magazines or newsletters aimed at peer organizations;
- 2931 — advertisements or other public statements to promote some aspect of social responsibility, for example  
2932 energy efficiency or water conservation; and
- 2933 — submissions to government bodies or public inquiries.

2934 There are many different forms and media that may be used for communication. These include reports,  
2935 newsletters, magazines, posters, advertising, letters, voicemail, live performance, video, websites, podcasts  
2936 (website audio broadcast), blogs (website discussion forums), product inserts and labels. It is also possible to  
2937 communicate through the media using press releases, interviews, editorials and articles.

2938

2939

#### **Box 14 Reporting on social responsibility**

2940 An organization should, at appropriate intervals, report about its performance on social responsibility to  
2941 affected stakeholders. A growing number of organizations report to their stakeholders on a periodic basis  
2942 about their performance on social responsibility.

2943 Publication of a social responsibility report can be a valuable aspect of an organization's activities on social  
2944 responsibility. In preparing a social responsibility report, an organization should take account of the following  
2945 considerations:

2946 — The scope and scale of an organization's report should be appropriate for the size and nature of the  
2947 organization.

2948 — The level of detail can reflect the extent of the organization's experience with such reporting. In some  
2949 cases, organizations initiate their efforts with limited reports covering only a few key subjects, and in  
2950 subsequent years, expand coverage as they gain experience and have sufficient data on which to base  
2951 the broader report scope.

2952 — The report should describe how the organization decided upon the issues to be covered in the report.

2953 — The report should include information about an organization's objectives and performance on the core  
2954 subjects and relevant and significant issues of social responsibility.

2955 — The report should present the organization's operational performance, products and services in a broader  
2956 sustainability context.

— The report should provide a fair and complete picture of the organization's social responsibility performance, including achievements and shortfalls and ways in which the shortfalls will be addressed.

— A report can be produced in a variety of forms, depending on the nature of the organization and on the needs of its stakeholders. These may include electronic posting of a report, web-based interactive versions or hard copies. It may also be a stand-alone document or part of an organization's annual report.

— A report may cover the activities of an organization as a whole or activities at a particular location or site. Community groups often consider smaller, location-specific reports more useful than an organization-wide report.

Additional information on reporting on social responsibility can be obtained from the initiatives and tools on reporting – at global, national and/or sector-specific level – in Annex A (see also 7.8 for guidance on assessing initiatives).

**7.5.4 Stakeholder dialogue on communication about social responsibility**

Through dialogue with its stakeholders, an organization can benefit from receiving direct information about stakeholders' views. An organization should seek dialogue with its stakeholders to:

- assess the adequacy and effectiveness of the content, media, frequency and scope of communication, so that it can be improved as needed;
- set priorities for the content of future communication;
- secure external verification of reported information from stakeholders, if this approach to verification is used; and
- identify best practice.

**7.6 Enhancing credibility regarding social responsibility**

**7.6.1 Methods of enhancing credibility**

There are various ways in which an organization establishes its credibility. One is stakeholder engagement. Dialogue with stakeholders is one means of increasing confidence that the interests and intentions of all participants are understood. This dialogue can build trust, and hence enhance credibility. Dialogue provides a means of correcting wrong impressions. Stakeholder engagement can be a basis for involving stakeholders in the verification of an organization's claims concerning its performance. Arrangement can be made for stakeholders to periodically review or otherwise monitor aspects of an organization's performance.

Credibility with respect to certain issues can sometimes be enhanced through participation in specific certification schemes. Initiatives have been developed to certify product safety or to certify processes or products with respect to their environmental impact, labour practices and other aspects of social responsibility. Such schemes should be independent and credible in themselves. In some situations, organizations involve independent parties in their activities to provide credibility. An example of this is the creation of advisory committees or review committees consisting of persons who are selected because they will be considered credible.

Organizations sometimes join associations of peer organizations to establish or promote socially responsible behaviour within their area of activity or within their respective communities.

## 2995 **7.6.2 Resolving conflicts or disagreements between the organization and stakeholders**

2996 In the course of its activities on social responsibility, an organization may encounter conflicts or disagreements  
 2997 with individual stakeholders or with groups of stakeholders. Specific examples of types of conflicts and  
 2998 mechanisms for addressing them are covered in the context of human rights (see 6.3.7) and consumer issues  
 2999 (see 6.7.6). Formal methods for resolving conflicts or disagreements also usually form part of labour  
 3000 agreements.

3001 Organizations should develop mechanisms for resolving conflicts or disagreements with stakeholders that are  
 3002 appropriate to the type of conflict or disagreement and relevant for the affected stakeholders. Such  
 3003 mechanisms may include:

3004 — direct discussions with affected stakeholders;

3005 — provision of written information to address misunderstandings;

3006 — forums in which stakeholders and the organization can present their points of view and look for solutions;

3007 — formal complaints handling procedures;

3008 — mediation and/or arbitration procedures; and

3009 — other forms of procedures for resolving grievances.

3010 Organizations should make available to stakeholders detailed information on the procedures available for  
 3011 resolving conflicts and disagreements. More specific information on procedures relevant to human rights and  
 3012 consumer issues are described under those core subjects. The procedures available for resolution of all types  
 3013 of disagreements and conflicts should be accessible to stakeholders, equitable and transparent.

## 3014 **7.6.3 Enhancing the credibility of communication about social responsibility**

3015 Some organizations take measures to enhance the credibility of their reports and claims about social  
 3016 responsibility. The credibility of social responsibility reports is usually enhanced by making the reports  
 3017 comparable over time and with reports produced by peer organizations, recognizing that the nature of the  
 3018 report will depend on the type, size and capacity of the organization. Providing a brief explanation of why  
 3019 omitted topics are not covered can also be used to show that the organization has made an effort to cover all  
 3020 significant matters.

3021 Some organizations undertake efforts to show that preparation of the report has involved use of rigorous and  
 3022 responsible procedures. To promote confidence in the data and information provided in a social responsibility  
 3023 report, some organizations undertake a process of verification, in which the data and information are traced  
 3024 back to a reliable source to check the accuracy of that data and information. An individual or individuals  
 3025 independent of the process of report preparation, either within the organization or external to it, usually  
 3026 undertake the verification process. Often a statement attesting to the verification is published as part of the  
 3027 report.

3028 Some organizations undertake processes for their social responsibility reports that involve a determination  
 3029 that the report reflects the relevant and significant issues for the organization, that it is responsive to the needs  
 3030 of stakeholders, and that it provides complete coverage of the issues addressed. Use of stakeholder groups to  
 3031 provide such reviews is becoming more widespread as organizations recognize the value of stakeholder input  
 3032 to improvement of their social responsibility and reporting practices.

3033 Another way of enhancing credibility is to take extra steps to be transparent. Credibility will be increased by  
 3034 providing information of a kind and in a form that can be easily checked by others. For instance, instead of just  
 3035 reporting statistics concerning performance, an organization can also make available details on the sources of  
 3036 the information and the processes used to develop the statistics. In some cases, an organization can increase  
 3037 the credibility of claims it makes about the value chain by revealing the places where it conducts its activities.

3038 As a further means of adding credibility to their reports, some organizations report their conformance to the  
3039 reporting requirements of an external organization.

3040 Many organizations issue claims about environmental or social aspects of a product or the organization that  
3041 produced it. To enhance the credibility of their claims, some organizations obtain eco-labels, certification or  
3042 other form of recognition from bodies that use life cycle assessments, reviews or other criteria-based systems  
3043 for evaluation.

## 3044 **7.7 Reviewing and improving the organization's actions and practices related to social** 3045 **responsibility**

### 3046 **7.7.1 General**

3047 Effective performance on social responsibility, as on most major initiatives of an organization, depends in part  
3048 on careful oversight, evaluation and review of the activities undertaken, progress made, achievement of  
3049 identified objectives, resources used and other aspects of the organization's efforts. Organizations can often  
3050 obtain insights into their programs by benchmarking them against the activities of other organizations. Such  
3051 benchmarking may be focused on actions related to specific core subjects or on broader approaches to  
3052 integrating social responsibility throughout the organization.

3053 Ongoing monitoring or observation of activities related to social responsibility is primarily aimed at making  
3054 sure that activities are proceeding as intended, identifying any crisis or out-of-the ordinary occurrences, and  
3055 for making minor modifications to the way things are done.

3056 Periodic reviews of performance are used to determine progress on social responsibility, help keep  
3057 programmes well focused, identify areas in need of change and contribute to improved performance.  
3058 Stakeholders can play an important role in reviewing an organization's performance on social responsibility.

3059 In addition to reviewing existing activities, organizations also should keep abreast of changing conditions or  
3060 expectations, legal or regulatory developments affecting social responsibility and new opportunities for  
3061 enhancing its efforts on social responsibility. This clause identifies some techniques organizations can use for  
3062 monitoring, reviewing and improving their performance on social responsibility.

### 3063 **7.7.2 Monitoring activities on social responsibility**

3064 To have confidence in the effectiveness and efficiency with which social responsibility is being put into  
3065 practice by all parts of an organization, it is important to monitor ongoing performance on the activities related  
3066 to core subjects and issues. The extent of this effort will obviously vary with the scope of the core subjects  
3067 covered, the size and nature of the organization and other factors.

3068 When deciding on the activities to be monitored, the organization should focus on those that are significant  
3069 and seek to make the results of the monitoring easy to understand, reliable and timely, and responsive to  
3070 stakeholders' concerns. As in any other type of performance management, the manner in which monitoring of  
3071 performance is done and the nature and extent of feedback can have a significant impact on the level of  
3072 cooperation of workers in maintaining high standards and bringing about improvement.

3073 There are many different methods that can be used to monitor performance on social responsibility, including  
3074 periodic reviews, benchmarking and obtaining feedback from stakeholders.

3075 One of the more common methods is measurement against indicators. An indicator is a measurement of a  
3076 specific aspect of performance; it is used to monitor or evaluate the achievement of project objectives over  
3077 time. Indicators are often used when it is too difficult or expensive to monitor every activity that makes up a  
3078 programme for social responsibility. Indicators should be valid, informative, practical, credible and reliable.  
3079 Extensive additional detail on selecting and using indicators is available in many references on social  
3080 responsibility and sustainability (see Annex A for examples).

3081 Although indicators that yield quantitative results are relatively straightforward to use, they are not appropriate  
3082 for all aspects of social responsibility. In the area of human rights, for example, women's and men's views

3083 about whether they are being fairly treated can be more meaningful than some quantitative indicators on  
 3084 discrimination. Beyond this, it is important to recognize that social responsibility is about more than specific  
 3085 achievements in measurable activities, such as reducing pollution and responding to complaints. As social  
 3086 responsibility is based on values, application of principles of social responsibility, and attitudes, monitoring  
 3087 involves more subjective approaches such as interviewing, observing and other techniques for evaluating  
 3088 behaviour and commitments.

### 3089 **7.7.3 Reviewing the organization's progress and performance on social responsibility**

3090 In addition to its day-to-day oversight and monitoring of the activities related to social responsibility,  
 3091 organizations should carry out periodic reviews to determine how they are performing against their targets and  
 3092 objectives for social responsibility and to identify potential changes in the programmes and procedures.

3093 These reviews typically involve the comparison of performance across social responsibility core subjects with  
 3094 results from earlier reviews, to determine progress and measure achievement against objectives. They should  
 3095 also include examination of less easily measured aspects of performance, such as attitudes to social  
 3096 responsibility, integration of social responsibility throughout the organization and adherence to principles,  
 3097 value statements and practices.

3098 The role of stakeholders can be a valuable part of such reviews. Stakeholder information notifies an  
 3099 organization not only how stakeholders perceive specific achievements of its social responsibility programme,  
 3100 but also how they view the organization's overall efforts on social responsibility. Stakeholders can also keep  
 3101 an organization attuned to changes in expectations and attitudes in the broader community.

3102 Types of questions that could be asked during periodic reviews include:

- 3103 — Were objectives achieved as envisioned?
- 3104 — Did the strategies and processes suit the objectives?
- 3105 — What worked and why? What did not work and why?
- 3106 — Were the objectives appropriate?
- 3107 — What could have been done better?

3108 Based on the results of its reviews, an organization should identify changes to its programmes that would  
 3109 remedy any deficiencies and bring about improved performance on social responsibility.

### 3110 **7.7.4 Enhancing the reliability of data and information collection and management**

3111 Organizations that are accountable for the provision of performance data to government, non-governmental  
 3112 organizations, other organizations or the public or for maintaining databases containing sensitive information  
 3113 can increase their confidence in their data collection and management systems by detailed reviews of the  
 3114 systems. The aim of such reviews may be to:

- 3115 — increase the organization's confidence that the data it provides to others is accurate;
- 3116 — improve the credibility of data and information; and
- 3117 — confirm the reliability of systems for protecting the security and privacy of data.

3118 Such detailed reviews may be prompted by legal or other requirements for release of data on emissions of  
 3119 greenhouse gases or pollutants, requirements for provision of programme data to funding bodies or oversight  
 3120 departments, conditions of environmental licences or permits and concerns about protection of private  
 3121 information, such as financial or medical data or personal details.



As part of such reviews, independent people or groups, either internal or external to the organization, should examine the ways in which data is collected, recorded or stored, handled and used by the organization. The reviews can help identify vulnerabilities in data collection and management systems that would allow the data to become contaminated by errors or would permit access by unauthorized individuals. The results of the reviews can help the organization strengthen and improve its systems.

#### 7.7.5 Improving performance

On the basis of periodic reviews, or at other appropriate intervals, an organization should consider ways in which it could improve its performance on social responsibility. The results of reviews should be used to help bring about continual improvement in the organization's social responsibility. Improvements could involve modification of targets and objectives to reflect changing conditions or aspiration for greater achievement. The scope of activities and programmes related to social responsibility could be broadened. The provision of additional or different resources for activities related to social responsibility might be an issue to consider. Improvements could also include programmes or activities to take advantage of newly identified opportunities.

Stakeholder views expressed during reviews may assist the organization in the identification of new opportunities and changed expectations to be taken into account in improving performance of its activities on social responsibility.

To encourage the realization of organizational goals and objectives, some organizations build achievement of specific objectives of social responsibility into the annual or periodic performance reviews of senior executives and managers. Such steps emphasize that the organization's action on social responsibility is intended to be a serious commitment.

### 7.8 Voluntary initiatives on social responsibility

Many organizations have developed voluntary initiatives intended to help other organizations seeking to become more socially responsible. In some cases, the initiative is in fact an organization formed to expressly address various aspects of social responsibility. The result is that there is a wide variety of initiatives available to organizations interested in social responsibility (including by joining or supporting other organizations).

Some of these initiatives address aspects of one or more core subjects or issues; others address various ways that social responsibility can be integrated into an organization's activities and decisions. Some initiatives create or promote specific tools or practical guides that can be used by organizations in integrating social responsibility throughout their organizations. Some initiatives develop or promote minimum expectations concerning social responsibility. These expectations can take the many forms, including codes of conduct, recommendations, guidelines, declarations of principles and value statements.

Participation in an initiative or the use of an initiative's tools, by itself, is not a reliable indicator of the social responsibility of an organization. In evaluating initiatives, an organization should be aware that not every initiative is well regarded or credible in the eyes of stakeholders. An organization should also determine whether the initiative will help it to address its social responsibility, and whether the initiative is mainly a form of public relations or a means of protecting the reputation of members or participating organizations. Social responsibility should not be treated only as a form of risk management. A particularly important consideration when evaluating an initiative on social responsibility is whether it unilaterally reinterprets already established and recognized expectations of responsible behaviour.

Effective engagement with stakeholders and multi-stakeholder systems of governance and development are key characteristics distinguishing some initiatives from others, recognizing that initiatives developed for a single sector or type of organization may have single-stakeholder governance structures.

An organization may find it useful to participate in, or use tools of, one or more social responsibility initiatives. Participation should lead in one way or another to concrete action within the organization, such as obtaining support or learning from others. Participation can be especially valuable when an organization starts using or drawing upon tools or practical guidance that accompany the initiative. Organizations may use initiatives to seek some form of recognition, such as a certificate or label. Some initiatives are broadly recognized as a credible basis for public recognition of performance or compliance regarding specific practices or on specific

- 3170 issues. Practical guidance provided by these initiatives can vary from self-assessment tools to third party  
3171 verification.
- 3172 In considering the value of an initiative, an organization should consider whether it helps the organization in  
3173 addressing a particular core subject or issue, and whether it provides important information or tools that help  
3174 integrate social responsibility throughout the organization. A key consideration will be whether the initiative is  
3175 designed for that particular type of organization. Organizations should also consider whether an initiative helps  
3176 the organization to reach specific stakeholder groups, whether it is locally or regionally relevant, or whether it  
3177 has global scope and applies to all types of organizations.
- 3178 In determining whether to participate in or use an initiative, an organization should gather information about  
3179 the initiative, including, whether it provides guidance concerning core subjects or issues, best practice,  
3180 practical implementation tools or verification information.
- 3181 The following factors should be considered when choosing an initiative:
- 3182 — whether the initiative is consistent with the principles mentioned in Clause 4;
  - 3183 — whether the initiative provides valuable and practical guidance for the organization on its areas of interest;
  - 3184 — the kind of organization or organizations that developed and govern the initiative, such as government,  
3185 NGO, labour, private sector or academic;
  - 3186 — the reputation of the organization or organizations that developed and govern the initiative, considering  
3187 their credibility and integrity;
  - 3188 — the nature of the process for developing and governing the initiative, for example, whether the initiative is  
3189 developed through and/or governed by a multi-stakeholder, transparent, open, and accessible process,  
3190 with developed and developing country participants; and
  - 3191 — the accessibility of the initiative, for example, whether the organization must sign a contract to participate  
3192 or whether there are costs to join the initiative.
- 3193 In considering these and other factors, an organization should be cautious in how they interpret the  
3194 results. For example, the widespread acceptance of an initiative may be an indication of its relevance and  
3195 value; it might, however also be an indication that the initiative has less stringent requirements. By contrast, a  
3196 less widespread initiative may be more innovative or challenging. Additionally, a freely available initiative may  
3197 seem attractive, but an initiative available at a price may be kept up-to-date, and thus be more valuable in the  
3198 long-term.
- 3199 It is important to periodically review the value and relevance of the initiatives.
- 3200 Annex A contains a non-exhaustive list of voluntary initiatives and tools relating to social responsibility. The  
3201 inclusion of an initiative does not constitute an endorsement of that initiative or of any organizations that may  
3202 be joining that initiative or using its tools.

## Annex A (informative)

### Voluntary initiatives and tools for social responsibility

*Note: The Tables in this Annex are based on information supplied by many different experts who are part of the ISO Working Group on Social Responsibility. As a result of the varied nature of these submissions, editing was undertaken of these submissions with the aim of ensuring consistency. As part of this editing, some information about some of these initiatives and tools had to be omitted, including some information that the Working Group experts had agreed should preferably be included. To address these concerns, and to provide for additional examples of initiatives and tools that are not currently mentioned, further work will be undertaken on this Annex during the commenting period on the Committee Draft. Experts are invited to submit specific proposals for improving this Annex.*

#### A.1 Introduction

This Annex provides a non-exhaustive list of voluntary initiatives and tools for social responsibility. The aim of this Annex is to provide examples of the types of such initiatives and tools that exist, and to draw attention to the additional guidance that may be available on the subjects, issues, practices or integration aspects considered in this International Standard. This Annex serves as a source of further information for users, helping them to compare what is being done in other sectors and in different parts of the world.

For the purposes of this International Standard, an initiative for social responsibility refers to an “organization, programme or activity expressly devoted to making progress towards meeting a particular aim relating to social responsibility” (2.9). A tool for social responsibility refers to a system, methodology or similar means that relates to a specific initiative for social responsibility, and that is designed to assist organizations in meeting a particular aim relating to social responsibility.

The Annex is divided into two tables, distinguishing between those initiatives and tools that apply to all economic sectors (“cross-sectoral”) and those that apply only to specific public or private sectors (“sectoral”).

For each initiative or tool, the organization or organizations that launched the initiative or tool is identified, and information is provided on the ISO 26000 core subjects or practices for integrating social responsibility to which it relates. A relevant Internet address is provided, with a brief description of the intended purposes and potential users of the initiative or tool, and with details on whether membership is a requirement for using the initiative or tool.

The information in this Annex was provided by experts who participated in the drafting of this International Standard. This information reflects the situation at the time of drafting, and will be reviewed by ISO if and when the International Standard is revised. Recognizing that the information in the Annex is not exhaustive, and that social responsibility is a continuously developing field, organizations considering the possible use of initiatives or tools are advised to also seek updated information from further sources on initiatives relevant to their country, region or sector.

The selection of each initiative and tool in this Annex was guided by the following criteria:

- it has international application and/or was developed by an ISO member body;
- it addresses aspects of one or more core subjects and/or the integration of social responsibility throughout an organization; and
- it was not developed expressly as a business, or for use by a single organization or group.

In determining whether to use any of these initiatives or tools, an organization should bear in mind the considerations provided in 7.8. It is not necessary for an organization to participate in an initiative or to use a tool for it to be socially responsible.

3245 The fact that an initiative or tool is mentioned in this Annex does not imply any form of endorsement by ISO of  
 3246 that initiative or tool. Furthermore, important characteristics relating to the initiative that cannot be objectively  
 3247 measured within the scope of this International Standard, such as its effectiveness, credibility, legitimacy and  
 3248 representativeness, are not considered here. Such characteristics should be assessed directly by those  
 3249 considering use of that initiative or tool.

**Table A.1 — Examples of cross-sectoral initiatives (apply to more than on sector of activity)**

ORGANIZATION INITIATIVE OR TOOL  (Listed in alphabetical order under each section by organization)	Topics covered by the initiative/tool are marked with an "X"													Additional information			
	CORE SUBJECTS						Practices for integrating social responsibility (see sub-clause titles below)										
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3	7.4	7.5		7.6	7.7	
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																	
<b>Section 1: INTERGOVERNMENTAL INITIATIVES</b>																	
UNEP Climate Neutral Network				X									X	X	X	X	Initiative open to all organizations. Provides a knowledge exchange platform to assist organizations in achieving cuts in greenhouse gas emissions. <a href="http://www.climateneutral.unep.org">www.climateneutral.unep.org</a>
UNEP Life Cycle Initiative			X	X			X	X					X	X		X	Initiative open to experts from organizations active in the terrain of life cycle management. Annual membership fee required. Seeks to develop capability in life cycle approaches. <a href="http://lcinitiative.unep.fr/">http://lcinitiative.unep.fr/</a>
UNIDO Responsible Entrepreneurs Achievement Programme	X	X	X	X			X	X		X	X	X				X	Initiative aimed at small and medium-sized enterprises. Membership not required. The initiative provides a structured framework in combination with analytical software, to gather, evaluate and report data to track progress in implementing CSR in SMEs. <a href="http://www.unido.org/realp">www.unido.org/realp</a>
United Nations Global Compact	X	X	X	X									X				Initiative developed by the United Nations Secretary General. Open to any organization, the initiative sets out ten principles in the areas of human rights, labour, environment and anti-corruption. Participants are expected to take actions in line with their commitment and communicate annually on their efforts. The UNGC has developed supporting initiatives, tools and materials on the ten principles including: <ul style="list-style-type: none"> <li>• The UN CEO Water Mandate</li> <li>• Caring for Climate: A Business Leadership Platform</li> <li>• The UN Partnership Assessment Tool</li> <li>• Operational Guide for Medium-Scale Enterprise</li> <li>• Various specific initiatives in partnership with other organizations</li> <li>• Numerous other guides and training manuals on implementing the ten principles</li> </ul> <a href="http://www.unglobalcompact.org/">www.unglobalcompact.org/</a>
UNGC, UNDP, UNITAR UN Partnership Assessment Tool							X		X				X				Self-assessment planning tool to enhance the development impact of public-private partnerships. Available free of charge. <a href="http://www.unglobalcompact.org/Issues/partnerships/pat.html">www.unglobalcompact.org/Issues/partnerships/pat.html</a>

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3251 Table A.1 (continued)

ORGANIZATION INITIATIVE OR TOOL  (Listed in alphabetical order under each section by organization)	Topics covered by the initiative/tool are marked with an "X"														Additional information	
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)								
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3	7.4	7.5	7.6		7.7
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																
<b>Section 2: MULTI-STAKEHOLDER INITIATIVES</b>																
<b>AccountAbility</b> The AA1000 Series	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Membership-based organization open to all organizations and individuals. Main area of work is assurance of sustainability responsibility reports and stakeholder engagement. It has produced three principles-based standards intended for use by any organization: <ul style="list-style-type: none"> <li>AA1000APS - provides general principles of accountability</li> <li>AA1000AS - provides the requirements for conducting sustainability assurance</li> <li>AA1000SES - provides a framework for stakeholder engagement</li> </ul> <a href="http://www.accountability21.net">www.accountability21.net</a>
<b>Amnesty International</b> Human Rights Principles for Companies		X											X		X	Membership-based organization. Its Human Rights Principles for Companies deals with the responsibilities of multinational companies to promote and protect human rights in their own operations. It includes a checklist for use by companies. Organizations are free to adopt the principles. <a href="http://www.amnesty.org">www.amnesty.org</a>
<b>Business Social Compliance Initiative (BSCI)</b>		X	X	X	X		X	X	X		X					Membership-based initiative. Membership is subject to an annual fee. Most members are retailers, industry and importing companies. Initiative includes standardized management tools aimed at promoting improved social performance in the supply chain. <a href="http://www.bsci-eu.org">www.bsci-eu.org</a>
<b>Centre for Business Ethics (ZfW)</b> Values Management System	X	X	X	X	X	X	X					X	X	X	X	German organization that seeks to promote business ethics in Germany and Europe in cooperation with other scientific and economic institutes. Freely available tool provides a governance framework on legal, economic, ecological, social issues. <a href="http://www.dnwe.de/wertemanagement.php">www.dnwe.de/wertemanagement.php</a> (German)
<b>CSR360</b> Global Partner Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Network of 100 partner organizations from 60 countries that seeks to promote social responsibility. Network is convened by UK-Based Business in the Community (BITC). It operates various programmes and initiatives. <a href="http://www.csr360.org">www.csr360.org</a>
<b>EFQM</b> Framework for CSR and Excellence Model	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Use of the EFQM Framework and Excellence Model is open to any organization. Initiative provides guidance to organizations on management elements relating to corporate social responsibility. <a href="http://www.efqm.org">www.efqm.org</a>
<b>Ethical Trading Initiative</b>		X	X					X		X	X	X	X	X	X	Membership organization open to companies, NGOs and specific trade union organisations. The purpose is for sourcing companies to work with NGOs and trade unions to learn about the best ways to implement supply chain codes of labour practice. Companies pay membership dues, adopt ETI code and observe other requirements. <a href="http://www.ethicaltrade.org/">www.ethicaltrade.org/</a>

3252 Table A.1 (continued)

ORGANIZATION INITIATIVE OR TOOL  (Listed in alphabetical order under each section by organization)	Topics covered by the initiative/tool are marked with an "X"													Additional information		
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)								
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3	7.4	7.5		7.6	7.7
<b>Practices for integrating social responsibility (sub-clause titles):</b> <u>5.2</u> Recognizing social responsibility; <u>5.3</u> Stakeholder identification and engagement; <u>7.2</u> The relationship of the organization's characteristics to social responsibility; <u>7.3</u> Understanding the social responsibility of the organization; <u>7.4</u> Practices for integrating social responsibility throughout the organization; <u>7.5</u> Communication on social responsibility; <u>7.6</u> Enhancing credibility regarding social responsibility; <u>7.7</u> Reviewing and improving the organization's actions and practices related to social responsibility.																
<b>Section 2: MULTI-STAKEHOLDER INITIATIVES</b>																
<b>European Business Ethics Network (EBEN)</b>	X	X	X	X	X	X	X	X				X			X	Membership-based organization with an annual fee, dedicated to the promotion of business ethics, broadly defined, in academia, business, public sector and civil society. <a href="http://www.eben-net.org">www.eben-net.org</a>
<b>Fair Labour Association (FLA)</b>	X	X	X					X	X			X	X	X	X	Membership-based organization open to companies involved in manufacture of products with collegiate logos. Suppliers to these companies participate in a licensing programme. The purpose is to address supply chain labour practices, mainly in the apparel sector. <a href="http://www.fairlabor.org/">www.fairlabor.org/</a>
<b>Global Leadership Network Tool for Implementation</b>		X	X	X	X		X					X				Initiative of the UNGC, AccountAbility, and Boston College Centre for Corporate Citizenship; includes an internet-based planning and assessment framework that helps companies align their social, environmental and economic performance with their core business strategy. <a href="http://www.globalleadershipnetwork.org">www.globalleadershipnetwork.org</a>
<b>Global Reporting Initiative (GRI)</b> Sustainability Reporting Guidelines	X	X	X	X	X	X	X				X		X		X	Initiative that provides guidelines and supporting tools on sustainability reporting. Its guidelines, supplements and annexes are offered free of charge on the GRI website. A nominal charge is made for other associated training materials. Its initiatives and tools include: • The Sustainability Reporting Guidelines • Various sector-specific supplement • A Boundary Technical Protocol <a href="http://www.globalreporting.org">www.globalreporting.org</a>
<b>IBLF and IFC</b> A Guide to Human Rights Impact Assessment		X	X	X	X							X				Guide to assist businesses in identifying, assessing and implementing responses to human rights challenges in new or evolving business projects. Membership not required. <a href="http://www.iblf.org/resources/general.jsp?id=123946">www.iblf.org/resources/general.jsp?id=123946</a>
<b>R-bec</b> Ethical/Legal Compliance Management System Standard												X			X	Management system standard that is free for any organization that wishes to establish, maintain, and improve its ethical and legal compliance management systems. <a href="http://r-bec.reitaku-u.ac.jp/">http://r-bec.reitaku-u.ac.jp/</a> (Japanese)
<b>Responsabilidad Social Empresarial</b> Caja de Herramientas para America Latina		X	X				X	X	X			X				A collection of tools that provides support to SMEs in Latin America in Improving their social responsibility through analysis and Training tools. <a href="http://www.produccionmaslimpia-la.net/herramientas/index.htm">www.produccionmaslimpia-la.net/herramientas/index.htm</a> (Spanish)

3253

3254 Table A.1 (continued)

ORGANIZATION INITIATIVE OR TOOL  (Listed in alphabetical order under each section by organization)	Topics covered by the initiative/tool are marked with an "X"											Additional information				
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)								
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3		7.4	7.5	7.6	7.7
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																
<b>Section 2: MULTI-STAKEHOLDER INITIATIVES</b>																
<b>Social Accountability International</b> SA8000 Standard	X	X	X		X			X	X		X	X	X	X	X	Auditable certification standard based on the International Labour Organization (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Offers three progressive levels of participation for any type of organization. Certified facilities pay fees to certification bodies to attest to compliance to SA8000.  <a href="http://www.sa-intl.org">www.sa-intl.org</a>
<b>Transparency International</b> Various tools	X				X			X						X	X	Global NGO that seeks to counter corruption. Provides different tools for companies, specific economic sectors and government agencies. Examples of tools include: <ul style="list-style-type: none"> <li>• The Integrity Pact</li> <li>• An anti-corruption handbook</li> <li>• Business principles for countering bribery</li> <li>• A corruption fighter toolkit</li> </ul> <a href="http://www.transparency.org">www.transparency.org</a>
<b>Section 3: SINGLE STAKEHOLDER INITIATIVES</b>																
<b>Caux Round Table</b> Principles for Business		X	X	X	X	X	X	X								Network of business people that seeks to promote ethical principles, collaboration and dialogue among managers, public officials and citizens. The Principles for Business provide a statement of aspirations for ethical performance.  <a href="http://www.cauxroundtable.org">www.cauxroundtable.org</a>
<b>Consumers International</b> Charter for Global Business				X	X	X					X	X		X		Global federation of consumer groups. The Charter sets out best business practices in areas of interest to consumers, modelled on existing international codes of practice.  <a href="http://www.consumersinternational.org">www.consumersinternational.org</a>
<b>CSR Europe</b>	X	X	X	X	X	X		X	X	X	X	X	X	X	X	Membership, fee-based initiative for European companies. Provides a European business network to assist member companies in integrating CSR in their corporate strategies.  <a href="http://www.csreurope.org/">www.csreurope.org/</a>
<b>Ethos Institute</b> Ethos indicators of CSR	X	X	X	X	X	X	X	X		X	X	X			X	Brazilian organization that focuses on promoting social responsibility in the business sector. It provides several CSR tools free of charge, including a set of indicators on CSR.  <a href="http://www.ethos.org.br">www.ethos.org.br</a> (Portuguese)
<b>International Chamber of Commerce (ICC)</b> Various tools and initiatives	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Global business organization that represents the interests of its members. It has produced numerous initiatives and tools relating to different aspects of social responsibility, including: <ul style="list-style-type: none"> <li>• The Consolidated ICC Code of Advertising and Marketing Communication Practice</li> <li>• The ICC Nine Steps to Responsible Business Conduct</li> <li>• The ICC Guidance on Supply Chain Responsibility</li> <li>• The ICC Guide to Responsible Sourcing</li> <li>• The ICC Business Charter for Sustainable Development</li> </ul> <a href="http://www.iccwbo.org">www.iccwbo.org</a>

3255 **Table A.1** (continued)

ORGANIZATION INITIATIVE OR TOOL  (Listed in alphabetical order under each section by organization)	Topics covered by the initiative/tool are marked with an "X"											Additional information					
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)									
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3		7.4	7.5	7.6	7.7	
<b>Practices for integrating social responsibility (sub-clause titles):</b> <u>5.2</u> Recognizing social responsibility; <u>5.3</u> Stakeholder identification and engagement; <u>7.2</u> The relationship of the organization's characteristics to social responsibility; <u>7.3</u> Understanding the social responsibility of the organization; <u>7.4</u> Practices for integrating social responsibility throughout the organization; <u>7.5</u> Communication on social responsibility; <u>7.6</u> Enhancing credibility regarding social responsibility; <u>7.7</u> Reviewing and improving the organization's actions and practices related to social responsibility.																	
<b>Section 3: SINGLE STAKEHOLDER INITIATIVES</b>																	
<b>International Road Transport Union</b> Charter for Sustainable Development				X		X							X				International representative body for the road transport industry. The Charter is an initiative aimed at promoting social responsibility in that sector. <a href="http://www.iru.org/index/en_iru_com_cas">www.iru.org/index/en_iru_com_cas</a>
<b>World Business Council for Sustainable Development (WBCSD)</b> Various initiatives and tools	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Membership-based organization oriented mainly to large companies. Aims to include representatives from all continents. Annual membership fee required. It has developed numerous initiatives and tools that are publicly available, including: <ul style="list-style-type: none"> <li>• The Global Water Tool</li> <li>• Improving Stakeholder Engagement: Measuring Impact</li> <li>• Organizational Governance: Issue Management Tool</li> <li>• Sustainable Development: A Learning Tool</li> <li>• Numerous other guidance documents, initiatives and tools on specific social and environmental issues.</li> </ul> <a href="http://www.wbcسد.org">www.wbcسد.org</a>
<b>WBCSD and World Resources Institute (WRI)</b> The Greenhouse Gas Protocol				X										X			Accounting and reporting standard for companies to report on emissions of the six greenhouse gases covered by the Kyoto Protocol of the UN Framework Convention on Climate Change. <a href="http://www.ghgprotocol.org">www.ghgprotocol.org</a>

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Table A.2 — Examples of sectoral initiatives (apply to a single sector of activity)

SECTOR	Topics covered by the initiative/tool are marked with an "X"											Additional information					
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)									
INITIATIVE OR TOOL  (Listed in alphabetical order under each section)	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3	7.4	7.5	7.6	7.7		
	<p><b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.</p>																
<b>Sector: AGRICULTURE</b>																	
<b>Common Code for the Coffee Community Association</b>  Code of Conduct																	Membership-based association with different criteria and membership fees for companies, NGOs and labour. Common Code for the Coffee Community (4C) comprises a code of conduct, support mechanisms and a verification system aimed at improving the social, environmental and economic conditions for the people making their living with coffee. <a href="http://www.4c-coffeeassociation.org/">www.4c-coffeeassociation.org/</a>
<b>International Cocoa Initiative</b>		X	X	X				X		X	X	X	X	X	X		Partnership of labour unions, NGOs, cocoa processors and the major chocolate brands. Initiative seeks to ensure no child is exploited and to end abusive labour practice. <a href="http://www.cocoainitiative.org">www.cocoainitiative.org</a>
<b>Sustainable Agriculture Network</b> SAN Standards	X	X	X	X	X	X	X					X				X	Membership-based organization comprising farms and producer groups that cultivate tropical export crops. Seeks to foster best management practice across agricultural value chains by encouraging farmers to comply with SAN standards and motivating traders and consumers to support sustainability. <a href="http://www.rainforest-alliance.org/agriculture.cfm?id=standards">www.rainforest-alliance.org/agriculture.cfm?id=standards</a>
<b>Sector: APPAREL</b>																	
<b>Fair Wear Foundation</b>		X	X					X		X	X	X	X	X	X		Foundation with a multi-stakeholder governance structure that focuses on good labour practices in the clothing and shoes sector. Sourcing companies become members of FWF by making an annual contribution, adopting a Code of Labour Practices and observing other requirements. <a href="http://www.fairwear.nl">www.fairwear.nl</a>
<b>Fur Free Retailer Program</b>				X		X								X			Initiative that aims to provide consumers with accurate information about a retailer's fur policy, allowing consumers to make an informed choice when shopping. The initiative aims to end the sale of fur products throughout retail establishments by offering support to those retailers who have committed in writing to a no-fur policy. <a href="http://www.information.com/ffr.php">www.information.com/ffr.php</a>

3259 Table A.2 (continued)

SECTOR	Topics covered by the initiative/tool are marked with an "X"													Additional information			
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)									
INITIATIVE OR TOOL  (Listed in alphabetical order under each section)	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3	7.4	7.5	7.6	7.7		
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																	
<b>Sector: CONSTRUCTION</b>																	
UNEP  Sustainable Buildings and Construction Initiative				X									X		X	X	Open to participation of any organization involved in the building and construction industry. Annual membership fee. Involves a common work programme to promote sustainable building and construction with a life cycle perspective. <a href="http://www.unepsbci.org">www.unepsbci.org</a>
<b>Sector: CONSUMER GOODS / RETAIL</b>																	
Business Social Compliance Initiative (BSCI)	X	X	X	X									X	X	X	X	Membership is open to retail, trading and manufacturing companies involved in the retail supply chain. Fee required. Initiative focuses on improving supply chain labour practices. <a href="http://www.bsci-eu.org">www.bsci-eu.org</a>
<b>Sector: ELECTRONICS</b>																	
Electronic Industry Citizenship Coalition The Electronic Industry Code of Conduct		X	X	X	X	X	X		X					X	X		Membership-based organization with annual fees based on company revenue and membership status. Full members required to implement a code of conduct aimed at improving conditions in the electronics supply chain. <a href="http://www.eicc.info/index.html">www.eicc.info/index.html</a>
Zentralverband der Deutschen Elektro- und Elektronikindustrie Code of Conduct on Corporate Social Responsibility	X	X	X	X	X	X	X	X						X		X	Membership-based organization. Code of Conduct provides a guideline to improve social and environmental performance in the industry. <a href="http://www.zvei.de">www.zvei.de</a> (German)

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261 Table A.2 (continued)

SECTOR	Topics covered by the initiative/tool are marked with an "X"											Additional information				
INITIATIVE OR TOOL  (Listed in alphabetical order under each section)	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)								
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3		7.4	7.5	7.6	7.7
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																
<b>Sector: EXTRACTIVE</b>																
International Petroleum Industry Environmental Conservation Association (IPIECA) Various tools and initiatives		X	X	X	X		X	X		X	X	X	X	X	X	Membership- based association open to any oil and gas producing company. It produces numerous tools available for free public use. These include: <ul style="list-style-type: none"> <li>• Human Rights Training Toolkit for the Oil and Gas Industry</li> <li>• Oil and Gas Industry Guidance on Voluntary Sustainability Reporting</li> <li>• Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions</li> <li>• A Guide to Developing Biodiversity Action Plans for the Oil and Gas Sector</li> <li>• A Roadmap to Health Impact Assessments in the Oil and Gas Industry</li> <li>• An IPIECA Guide to Social Impact Assessments for the Oil and Gas Industry</li> <li>• Guide to Operating in Areas of Conflict for the Oil &amp; Gas Industry</li> </ul> <a href="http://www.ipieca.org">www.ipieca.org</a>
The Voluntary Principles on Security and Human Rights		X	X	X								X			X	Initiated by the governments of the UK and USA, the Principles provide guidance for companies and NGOs on identifying human rights and security risk, as well as on engaging and collaborating with state and private security forces. A contribution is required for using these principles. <a href="http://www.voluntaryprinciples.org">www.voluntaryprinciples.org</a>
<b>Sector: FINANCE / INVESTMENTS</b>																
Equator Principles												X	X	X		Financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. <a href="http://www.equator-principles.com">www.equator-principles.com</a>
Guideline for ESG Reporting and Integration into Financial Analysis	X	X	X	X	X	X		X		X		X	X	X		Reporting guideline for economic, social and governance (ESG) issues and a benchmark for financial analysts on how to integrate ESG in their analyses. <a href="http://www.dvfa.de/die_dvfa/kommissionen/non_financials/dok/35683.php">www.dvfa.de/die_dvfa/kommissionen/non_financials/dok/35683.php</a> (German)
Principles for Responsible Investment (PRI)	X			X			X	X	X		X	X	X		X	Provides a framework for investors to fulfil their fiduciary (or equivalent) duties giving appropriate considerations to environmental, social and corporate governance issues. Membership required. No compulsory fee, but a suggested voluntary fee of \$10,000. <a href="http://www.unpri.org/">www.unpri.org/</a>

3262 Table A.2 (continued)

SECTOR	Topics covered by the initiative/tool are marked with an "X"													Additional information		
	CORE SUBJECTS							Practices for integrating social responsibility (see sub-clause titles below)								
INITIATIVE OR TOOL  (Listed in alphabetical order under each section)	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3	7.4	7.5	7.6	7.7	
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																
<b>Sector: FINANCE / INVESTMENTS</b>																
<b>UNEP Finance Initiative (UNEP FI)</b>	X			X								X		X	X	Open to all organizations in the finance sector. Annual membership fee. Works closely with participant organisations to develop and promote linkages between the environment, sustainability and financial performance. <a href="http://www.unepfi.org/">www.unepfi.org/</a>
<b>Sector: FISHERIES</b>																
<b>Marine Stewardship Council</b>				X	X	X							X	X	X	Certification and eco-labelling initiative for sustainable fishery practices. It includes a Code of Conduct for Responsible Fishing, a Code of Good Practice for Setting Social and Environmental Standards, and Guidelines for the Eco-labelling of Fish and Fishery Products from Marine Capture Fisheries <a href="http://www.msc.org">www.msc.org</a>
<b>Sector: INFORMATION TECHNOLOGIES</b>																
<b>UNEP and International Telecommunication Union (ITU)</b> Global e-Sustainability Initiative (GeSI)				X			X					X	X	X	X	Open to any company and related organization involved in the ICT industry. Annual membership fee. Provides guidance to improve the sustainability performance of its members. <a href="http://www.gesi.org">www.gesi.org</a>
<b>Sector: PUBLIC SERVICES</b>																
<b>United Nations Sustainable United Nations (SUN)</b>				X			X					X			X	Open to participation by all UN agencies and public organizations. No membership fees. Provides practical support to public organizations in reducing their greenhouse gas emissions and improving their sustainability. <a href="http://www.unep.fr/scp/sun/">www.unep.fr/scp/sun/</a>

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3264 **Table A.2** (continued)

SECTOR	Topics covered by the initiative/tool are marked with an "X"											Additional information				
INITIATIVE OR TOOL  (Listed in alphabetical order under each section)	CORE SUBJECTS						Practices for integrating social responsibility (see sub-clause titles below)									
	Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and dev.	5.2	5.3	7.2	7.3		7.4	7.5	7.6	7.7
<b>Practices for integrating social responsibility (sub-clause titles):</b> 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of the organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of the organization; 7.4 Practices for integrating social responsibility throughout the organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving the organization's actions and practices related to social responsibility.																
<b>Sector: TRAVEL AND TOURISM</b>																
<b>Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism</b>		X										X			X	Code of conduct committing signatories to implementing six criteria aimed at protecting children from sexual exploitation in the travel and tourism sector. <a href="http://www.thecode.org">www.thecode.org</a>
<b>Global Sustainable Tourism Criteria Partnership</b>				X			X	X				X			X	Membership is open to public and private organizations involved in travel and tourism. No membership fees. Initiative provides a set of baseline criteria for sustainable tourism operations. <a href="http://www.sustainabletourismcriteria.org">www.sustainabletourismcriteria.org</a>

3265

**Annex B**  
(informative)

**Abbreviations**

3266	
3267	
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3269	
3270	<b>APR</b> annual percentage rate
3271	<b>CH<sub>4</sub></b> methane
3272	<b>CO<sub>2</sub></b> carbon dioxide
3273	<b>GHG</b> greenhouse gas
3274	<b>HIV/AIDS</b> Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
3275	<b>ILO</b> International Labour Organization
3276	<b>MDG</b> Millennium Development Goals
3277	<b>NGO</b> non-governmental organization
3278	<b>NO<sub>x</sub></b> nitrogen oxides
3279	<b>OSH</b> occupational safety and health (also often written as <b>OHS</b> occupational health and safety)
3280	<b>PBTs</b> persistent, bioaccumulative and toxic substances
3281	<b>POPs</b> persistent organic pollutants
3282	<b>SMO</b> small and medium-sized organizations
3283	<b>SO<sub>2</sub></b> sulphur dioxide
3284	<b>VOCs</b> volatile organic compounds
3285	<b>UNFCC</b> United Nations Framework Convention on Climate Change

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## Index

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*NOTE the Editing Committee believes that an index would increase the utility of ISO 26000 and that it should be provided in the final document. This is something that could be undertaken at the end of the process.*

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