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TG 4, 5 and 6 Liaison Task Force: Memo-8 Liaison Key Topics

19 January 2007

This Memo – compiled by the TG leaders with consideration to the advice of the LTF – presents the ten Liaison Key Topics¹ that have been identified following a review by the TG leaders and LTF members of the consolidated comments on ISO 26000.WD2. The table below identifies the underlying question/s pertaining to each Liaison Key Topic, provides a summary of the main comments and suggestions (contained in the consolidated comments on WD2) relating to that Topic, and proposes a way forward for addressing the Topic. The summary of main comments is intended to assist those experts who have not been able to fully analyse the consolidated comments on ISO 26000.WD2. The summary is not intended to replace the full set of comments, but rather provides a synthesis of some of the main comments. A similar process of identifying key topics, summarising the main comments and providing some proposals for the way forward is being adopted by TG4, TG5 and TG6.

On the basis of the advice of LTF members, there are seen to be the following 10 Liaison Key Topics that need to be considered collectively by the experts of TGs 4, 5 and 6 before further drafting work can commence:

- 1. What are the principal objectives, and who is the identified end-user, of ISO 26000?*
- 2. Should ISO 26000 contain minimum requirements?*
- 3. How specific should the guidance in the standard be for it to be sufficiently practical?*
- 4. Is there added value for the user of ISO 26000 in having a separate section on SR principles?*
- 5. Should the concept of “organisational governance” be addressed in the standard, and if so, how?*
- 6. How should Clause 7 (Implementation) be drafted bearing in mind that this is not a Management System Standard?*
- 7. How do we ensure that there is consistent understanding and application of the concept of “stakeholder”?*
- 8. How do we address concerns relating to use of the terms “supply chain” and “sphere of influence” (and possible concerns relating to the boundaries applying to SR)?*
- 9. How will the standard address concerns relating to the perception (of some) that the current draft has an undue focus on business, and how will the standard provide advice that is specific to different types of organisations and stakeholder groups?*
- 10. How will we ensure more effective integration and better co-ordination between the various clauses of the document?*

¹ The Liaison Key Topics are those cross-cutting issues that may be addressed in two or more of the Standard Setting TGs

Question to be addressed	Synopsis of main comments and suggestions (as raised by different WG experts and contained in the consolidated comments on WD2)	Proposed way forward by the TG leaders (with consideration to advice of LTF stakeholder members)
<p>1. What are the principal objectives, and who is the identified end-user, of ISO 26000?</p> <p><i>Related questions:</i></p> <ul style="list-style-type: none"> • <i>At what point in the process should we consider the appropriate length of the document?</i> • <i>How do we ensure that the standard is written with clear and simple language, and in an appropriate tone?</i> 	<p>The numerous comments raised on WD2 suggest that there may be different understanding between and within stakeholder groups regarding the purpose and intended end-user of the ISO 26000. Related comments of some include:</p> <ul style="list-style-type: none"> • The text is seen to be too long to be useful for many targeted end-users • In places the text is not sufficiently clear and simple • There is a need to articulate the benefits of using the standard • The text has a predominant focus on one particular stakeholder group (this issue is addressed further in Topic 7 below) <p>Differing approaches to this issue have been suggested:</p> <ul style="list-style-type: none"> • Some recommend setting specific page lengths for each Clause, and for the document as a whole, in the belief that taking this decision now will assist further drafting • Many others, however, believe that specifying specific page limits at this stage would hinder further drafting efforts, and suggest that it would be more appropriate to proceed with the revisions and discuss the length later • Many believe that the process of addressing the comments relating to the Liaison Key Topics, and the TG-specific comments, will result in a reduction in the current length • Some have also suggested considering: <ul style="list-style-type: none"> – providing a guidance note on using this document – use of separate appendices and/or posting material on an ISO SR website (although others have raised the concern that this may be counter to the NWIP requirement that the WG produce only one document). 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> • A statement will be issued by the WG Chairs and the Convenors of TG 4, 5 and 6, clarifying the leadership's current view on the elements relating to the principal objectives and identified "end-user" of ISO 26000; this clarification will be based on what is outlined in the NWIP and other relevant documents and with consideration to the experts' comments on WD.2 on this subject. • Elements from this statement will be included in a revised Scope (Clause 1) and Introduction (Clause 0) with the aim of providing a clear basis for guiding the development of the standard. Specific provision will be made in the Introduction for an articulation of the possible benefits for organisations of using this standard. • As regards the length of the document, the current priority will be to focus on meeting the objectives and intended end-user of the Standard (as outlined above). In addition, and with due consideration to the mandate that only one document be produced, the feasibility and merit will be assessed of: <ul style="list-style-type: none"> – providing a guidance note for using ISO 26000 – using appendices • Regarding the tone, the document will seek to: <ul style="list-style-type: none"> – be easy to read and understand by non-specialists – use objective language that, when appropriate and possible, is framed in a positive manner

<p>2. Should ISO 26000 contain minimum requirements?</p> <p><i>Related questions:</i></p> <ul style="list-style-type: none"> • <i>If there are minimally acceptable levels of social responsibility over and above legal compliance, what will be the basis for defining these levels?</i> • <i>Should respect for “international norms of behaviour” take precedence over respect for “societal, environmental and legal diversity”? If so, what criteria do we use to select these norms?</i> • <i>Should the guidance be written so that organizations are expected to implement SR practices for all seven core issues in Clause 6 to be deemed socially responsible?</i> • <i>Should provision be made for “options” that organisations can choose to adopt?</i> 	<p>There are some strongly differing views on this question.</p> <ul style="list-style-type: none"> • Some are against the use of minimum requirements in the standard, suggesting that this is contrary to the TMB SAG recommendations and the NWIP. They suggest: <ul style="list-style-type: none"> – the standard must not by its contents, application or approach have the effect of extending the scope of legislation or regulation in any jurisdiction; – application of the guidance must be completely voluntary, at the discretion of the user and in accordance with the nature of each organisation; • Others maintain that there are certain core fundamentals that may be seen as constituting “minimum requirements”; these requirements may relate both to process-based and performance-based issues. Caution is expressed against organisations being able to pick and choose certain options from a “tool box”, and deem this sufficient to be socially responsible <p>Differing approaches to this issue have been suggested:</p> <ul style="list-style-type: none"> • Many suggest that, beyond legal requirements, it should be expected that organisations strive to live up to international norms • Some suggest that organisations should not be required to address all core issues (Clause 6) if they are not relevant to that organisation’s activities • Some suggest deleting reference in Scope (Clause 1) to “...all main issues should be addressed.” • Others suggest that the standard should not providing a series of options, but rather provide guidance on a “package” of what constitutes good practice SR 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> • In “assisting organisations in addressing their social responsibilities” (NWIP), ISO 2600 will provide guidance and clear recommendations on the scope of what constitutes SR behaviour and on identifying the issues that need to be addressed in implementing SR. In some instances this may necessarily include a normative description as to what is seen to constitute baseline aspects relating to performance and process issues. • In doing so, organisations should be expected to identify and address those issues that are material and appropriate to their activities. As part of the process of identifying material issues, consideration should be given to: <ul style="list-style-type: none"> – Legal compliance as a minimum – Encouraging adherence to relevant international norms of behaviour – Generally accepted principles of socially responsible behaviour – Understanding the expectations of relevant stakeholders (using the definition of stakeholder and the process of prioritisation provided in the standard; see Topic 7 below) • Provision will be made in the standard for providing guidance on international norms of behaviour that should be considered by organisations; these will be identified on the basis of ‘authoritative international instruments’ that have broad acceptance by sovereign governments, and will be limited to certain UN instruments (such as, for example, the ILO Conventions) and recognised principles of international law • References to relevant UN instruments (e.g. the Universal Declaration of Human Rights) will not be included as Normative Reference, but as a separate specific category (e.g. “informative guidance references”) • ISO 26000 shall not use language such as “shall” or “ensure” unless this is deemed absolutely necessary for specific purposes (and on the advice of the ISO Central Secretariat), without detracting from the elements contained in the WG/TG leadership statement relating to the MSS issue (see LKT6). • The standard will aim to provide guidance on a consolidated “package” of good practice (as opposed to a series of options) in terms of identifying and addressing the expectations of society regarding the social responsibility behaviour of organisations
<p>3. How specific should the guidance in the standard be for it to be sufficiently practical?</p> <p><i>Related questions:</i></p> <ul style="list-style-type: none"> • <i>On what aspects should guidance be provided?</i> 	<p>Differing opinions have been expressed:</p> <ul style="list-style-type: none"> • Some have raised concerns with ISO 26000 relying solely on generic examples, suggesting that: <ul style="list-style-type: none"> – This may result in a lowest common denominator approach, providing guidance that is always applicable to all organisations – Generic guidance may be so abstract as to be of 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> • The focus throughout the standard will be on providing guidance that is applicable to all organisations (on the basis outlined in the WG/TG Leadership statement on LKT1), including guidance that may be applicable to a specific SR issue. In those instances where it is seen to be necessary for the objectives of the standard to be effectively fulfilled, then guidance will be provided that is specific to certain organisations. Where such specific guidance is provided, it will be clearly indicated to which organisations it



	<p>limited value</p> <ul style="list-style-type: none"> Others have expressed concerns regarding the use of specific guidance, suggesting that: <ul style="list-style-type: none"> This would result in increased length of document and in examples that are not applicable to all organisations Some of these examples could be quickly outdated Process-specific examples could be seen as constituting “requirements” <p>Differing approaches to this issue have been suggested:</p> <ul style="list-style-type: none"> Focus only on providing generic guidance Include specific examples in certain instances, clearly indicating to which organisations this guidance applies Consider including specific guidance and examples in an informative annex or an ISO SR website (noting concerns that such examples should not refer to specific organisations/initiatives by name) 	<p>applies. If appropriate, this specific guidance may be included in a separate appendix to the standard; any examples will not refer to particular organisations or initiatives by name.</p> <ul style="list-style-type: none"> Any use of examples and options cannot replace normative wording.
<p>4. Is there added value for the user of ISO 26000 in having a separate section on SR principles?</p> <p><i>Related questions:</i></p> <ul style="list-style-type: none"> If yes, what should remain in this section? If not, what parts of the current section should be retained and where should they be managed? 	<p>Differing opinions have been expressed:</p> <ul style="list-style-type: none"> Some experts feel that the most effective way for understanding principles is to place them in the context of specific issues and activities and hence address them only in Clauses 6 (and possibly 7), and that Clause 5 be deleted Others feel strongly that a separate section should be retained as it will add significant value in highlighting certain core over-arching principles Most experts suggest that if a separate section on SR principles is to be retained then it should be simplified, removing the distinction between three different types of principles and only containing reference to a core set of general principles 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> Agreement be reached on the definition of principles for use in this standard For the purposes of further drafting, Clause 5 should initially be retained, but be simplified to focus only on a concise list of core principles with the necessary elaboration for each Once initial agreement has been reached on such a list, a decision can then be taken on the added value of the section Further discussion will take place in TG 5 regarding the nature of the possible integration of so-called “substantive” principles in Clause 6
<p>5. Should the concept of “organisational governance” be addressed in the standard, and if so, how?</p> <p><i>Related questions:</i></p>	<p>Differing positions have been expressed on whether and how organizational governance (OG) should be addressed in ISO 26000.</p> <ul style="list-style-type: none"> Core to these differences is a different perception of the nature of the relationship between OG and SR: <ul style="list-style-type: none"> Some suggest that OG is the overall system by which organizations are directed and controlled 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> Provision will be made for the subject of organisational governance in the standard in the belief that an organisation with organisational governance measures in place will not necessarily be a socially responsible organisation: <ul style="list-style-type: none"> effective governance, based on SR-related objectives and principles, is necessary for an organisation to be able to implement SR OG is a core issue on its own, requiring specific SR principles and

<ul style="list-style-type: none"> Should organisational governance be referenced as a distinct core issue in Clause 6, or is it an overarching issue that needs to be addressed elsewhere in the document? 	<p>and thus includes SR as one of several aspects; while others suggest that OG is a subset of SR</p> <ul style="list-style-type: none"> Concerns have been expressed regarding an inconsistent approach in WD2 on the treatment of OG: it is suggested e.g. that Clause 4.1.8 views OG as the overarching system of organizational control, of which SR forms a part; while in Clause 6, OG is seen to suggest that OG is a subset of SR. <p>Differing approaches to this issue have been suggested:</p> <ul style="list-style-type: none"> Some support deleting OG from Clause 6, noting that: <ul style="list-style-type: none"> SR is a sub-set of OG and should only be referenced in discussions pertaining to SR context (Clause 4) OG is already heavily regulated, often in different ways Others support including OG in Clause 6, noting that: <ul style="list-style-type: none"> There cannot be SR in an organisation unless it includes provision for SR within its OG practices Some have highlighted that the appropriate form of OG will depend on the nature and purpose of the organisation; guidance that that may be appropriate to some organisations may be inappropriate for others 	<p>activities to be considered in its implementation</p> <ul style="list-style-type: none"> Organisational governance will be retained in clause 6 in as much as there are seen to be issues related to OG for which an organisation has to be accountable for it to be socially responsible. This does not mean that the standard will include details on the nature of specific organisational governance practices, as it is recognised that these may differ significantly depending on the nature and purpose of the organisation and the jurisdiction in which the organisation is operating. This issue is being addressed further by TG5 and will be addressed by the TG5 experts. Provision will also be made for the issue of organisational governance in Clause 4, which provides clarity on the context of SR. The nature of this provision will be clarified on the basis of further discussions within TG4. On the basis of the nature of the comments on this issue, and acknowledging the interrelationship on this issues between TGs 4 and 5, it is recognised that will be benefit in further discussion on this issue in Sydney; it is suggested that a smaller group of experts, with representatives from the both affected TGs, examine this issue further for broader consideration.
<p>6. How should Clause 7 (Implementation) be drafted bearing in mind that this is not a Management System Standard (MSS)?</p>	<p>Various comments have been raised on Clause 7 that have a bearing on the work of the other TGs:</p> <ul style="list-style-type: none"> Some have expressed concern that Clause 7 too closely resembles an MSS; an analysis has shown e.g. that Clause 7 has all of the six elements as required by ISO Guide 72 to be an MSS. (It is noted that four of the six elements of Guide 72 are explicitly mentioned in NWIP) Concern has also been expressed that there is currently an insufficient link between Clause 7 and the issues identified in Clause 6, and that the current approach might not encourage sufficient integration of SR within existing organisational activities <p>Differing approaches to this issue have been suggested:</p> <ul style="list-style-type: none"> Many have suggested seeking closer integration 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> A statement will be issued by the WG Chairs and the Convenors of TG 4, 5 and 6, clarifying the leadership's current view on the elements relating to the issue of the MSS; this clarification will be based on what is outlined in the NWIP and other relevant documents and with consideration to the experts comments on WD.2 on this subject. Although this is not an MSS, it is recognised that some MSS language and concepts can be used if this is deemed necessary and useful in adding clarity, particularly as regards the implementation of the substantive issues The standard will focus on performance aspects, and will include guidance in Clause 7 relating specifically to the implementation of the Clause 6 issues. TG6 drafting work will continue, and a subsequent assessment will be undertaken later by the WG as to whether the document is deemed too close to an MSS (drawing e.g. on the criteria in Guide 72)



	<p>between Clauses 6 and 7, and that guidance on implementation should be provided for the specific issues in Clause 6</p> <ul style="list-style-type: none"> • Some have suggested removing MSS-like language from the standard, and specifically restating that this is not an MSS, identifying other resources where MSS guidance may be obtained • Some have suggested deleting Clause 7 entirely, ensuring that Clause 6 contains specific guidance on what should be done to address each SR issue and how this might be dealt with in practice, including guidance on how performance against objectives should be determined 	
<p>7. How do we ensure that there is consistent understanding and application of the concept of “stakeholder”?</p> <ul style="list-style-type: none"> • <i>Note: Currently, stakeholder is defined as: “individual or group of individuals affected by, or who can affect, the organization”</i> 	<p>Many experts are concerned that:</p> <ul style="list-style-type: none"> • the current definition is too broad to be useful • it is unrelated to social responsibility • WD2 doesn't allow for appropriate prioritization of stakeholders. <p>Various approaches to this issue have been suggested:</p> <ul style="list-style-type: none"> • It has been suggested that criteria be used to define stakeholders, for example that: <ul style="list-style-type: none"> – the stakeholder has an interest that is consistent with the broader interests of society – there be a specific relationship between the stakeholder and the organisation 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> • Clarity to be provided on this issue through the provision of: <ul style="list-style-type: none"> – a more precise definition of stakeholder and the stakeholder concept based on agreed criteria – a clearly defined approach for stakeholder identification and prioritisation – guidance on the decision-making principles that should inform when and how to engage with stakeholders – clarity on the process for responding to stakeholders
<p>8. How do we address concerns relating to use of the terms “supply chain” and “sphere of influence” (and possible concerns relating to the boundaries applying to SR)?</p>	<p>There are concerns both the terms “supply chain” and “sphere of influence” have connotations that cause problems:</p> <ul style="list-style-type: none"> • “Supply chain” is perceived by some as being to limited commercial activities • “Sphere of influence” has raised concern due to its specific use in largely in the context of human rights; some have noted that this issue is currently under review by the UN 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> • Guidance be provided on the process to be used by an organisation for identifying and setting the boundaries of its social responsibility, with particular reference to those organisations over which it has control and/or significant influence both upstream and downstream of its core activities
<p>9. How will the standard address concerns relating to the perception (of some) that the current draft has an undue focus on business, and how will</p>	<p>Differing opinions have been expressed:</p> <ul style="list-style-type: none"> • Many of the comments on WD2 suggest that <ul style="list-style-type: none"> – there is an undue focus on business/industry – there are unduly negative references to corporations in Clause 4 (Context) • Others suggest that 	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none"> • The standard will emphasise that all organisations have social responsibilities, while recognising the background for highlighting the SR activities of companies • Where necessary, the different implications of SR for different organisational types (e.g. public or private sector) will be identified in relevant sections of



<p>the standard provide advice that is to different types of organisations and stakeholder groups?</p>	<p>– The focus on business is a natural consequence of the state-of-the-art SR practices being developed in the business sector, and the specific concerns that many have regarding the SR impacts of large business organisations</p>	<p>the document</p> <ul style="list-style-type: none">• This question should be revisited once significant further progress has been made with drafting; thereafter possible concerns relating to the nature of the focus of the document can be addressed
<p>10. How will we ensure more effective integration and better co-ordination between the various clauses of the document?</p>	<p>The concern has been raised that:</p> <ul style="list-style-type: none">• WD2 was written by three different TGs working independently and at the same time, and that as a result the standard needs better integration among TGs 4, 5, and 6, and Clauses 5, 6, and 7.	<p>With consideration to the advice of the LTF, the TG leaders propose that:</p> <ul style="list-style-type: none">• This will be addressed in terms of a revised approach regarding the process, a key element of which will include provision for closer integration between Clauses 5, 6, and 7 and the possibility of a change in structure and/or mandate of the LTF• Elements of this approach will be agreed at Sydney where the development of a drafting plan for WD3 will be discussed.