

**A BACKGROUND PAPER TO THE INTERNATIONAL ORGANIZATION FOR  
STANDARDIZATION'S (ISO) STRATEGIC ADVISORY GROUP ON  
CORPORATE SOCIAL RESPONSIBILITY**

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This newsletter has been produced through a collaboration of IISD, IIED, AICC, RIDES, DA and IUCN. It intends to build understanding of the implications of ISO engagement in the CSR agenda. The lead contributor is Tom Rotherham, IISD, who is a member of the ISO Strategic Advisory Group on CSR. The views expressed in this newsletter are those of the individual authors. This newsletter had been made possible thanks to generous contributions by CIDA and DFID.

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## BACKGROUND: THE ISO ADVISORY GROUP ON CSR

The ISO Strategic Advisory Group (SAG) on Corporate Social Responsibility was established at the ISO General Assembly in September 2002, by resolution of the ISO Council.<sup>1</sup> The membership of the SAG was finalized in mid-December 2002.<sup>2</sup> Its first meeting will take place on January 15-16, 2003, in Toronto, Canada. Its mandate is set out in the text of the decision:

### ISO COUNCIL RESOLUTION 27/2002

Council,

- **notes** that corporate social responsibility is nowadays a topic of great concern to many around the world;
- **congratulates** and thanks COPOLCO for the very efficient and constructive way in which it has followed up Council Resolution 18/2001;
- **further notes** the growing number of initiatives on the subject of corporate social responsibility;
- **decides** that the subject of CSR be further progressed within ISO;
- **asks** the Technical Management Board (TMB) to set up a high-level advisory group on corporate social responsibility, representing all parties interested in the subject, to determine whether ISO should proceed with the development of ISO deliverables in the field of CSR and, if so, to determine the scope of the work and type of deliverable, taking into account the report prepared by COPOLCO and the comments made at the Council meeting; and
- **further asks** the TMB to report to Council on the outcome of its work no later than at the March 2003 Council meeting and, if agreement is reached to develop an ISO deliverable, to follow the normal ISO consensus process within the member bodies.

This document intends to give an overview of how this decision came about, and what the future holds for this group. The paper is written for the wide variety of CSR stakeholders who are not familiar with ISO but who are concerned with CSR issues and interested in following ISO's work on this subject.

It is important to note that no decision has as yet been made on whether ISO should develop CSR standards. That said, given the evolution of the issue, it probably safe to say that momentum could likely carry ISO into this area of standardization.

<sup>1</sup> The ISO Council is ISO's governing body. It is composed of the officers and 18 elected member bodies, and is responsible for, among other things, making decisions on:

- new member application;
- work programs of policy development committee (e.g., COPOLCO);
- authority and scope of work of the secretary general and rules for conducting the affairs of ISO; and
- reports and recommendations of the technical management board.

The Council meets throughout the year and reports to the ISO General Assembly once per year.

<sup>2</sup> For the membership list of the CSR Group, see Annex A.

## **ISO'S WORK ON ENVIRONMENTAL MANAGEMENT STANDARDS**

ISO's present work on CSR standards has evolved directly out of its previous work on environmental management standards and tools, which dates back to 1993 with the formation of ISO Technical Committee 207 (TC207). TC207 was created as part of ISO's response to the 1992 Rio Earth Summit. In a very similar process to the present ISO SAG on CSR, TC207 was created upon the advice of a Strategic Advisory Group on the Environment (SAGE), which was set up by the ISO Technical Management Board<sup>3</sup> (TMB) to consider how ISO could contribute to the pursuit of sustainable development. The TMB is ISO's Executive Council, and makes decisions on new areas of standardization. This SAGE involved over 200 stakeholders and was convened over the course of two years: one year prior to the Rio Earth Summit and one year after it, and concluding in 1993 with the creation of TC207.

Over the past 10 years, TC207 has developed over 15 environmental management standards and technical reports. The most well known of these are the ISO 14001 environmental management system (EMS) standard; the ISO 14020 series of environmental labelling standards; and the ISO 14040 series on Life-Cycle Assessment.<sup>4</sup> Over 30,000 companies have obtained certification to ISO 14001, with an estimated 10 times that number using ISO 14001 for guidance without seeking formal certification. The initial idea to bring CSR standards into ISO grew out of an appreciation for the value of the ISO 14001 standard.

## **THE SHIFT TOWARDS CSR STANDARDS**

Each ISO TC can only work on standards that fall within its specifically defined scope. The work of TC207 is: *Standardization in the field of environmental management tools and systems, excluding test methods for pollutants, setting limit values and environmental performance levels and standardization of products.*

This scope was defined in the context of the Rio Earth Summit, when sustainable development was largely defined in terms of environmental management. This scope does not include CSR standardization. Since that time, the concept of sustainable development has matured to incorporate other issues, such as social equity, labour rights, human rights, stakeholder relations and others. This shift was clearly illustrated by the 2002 World Summit on Sustainable Development (WSSD)—an event that was attended by acting ISO Secretary General, Christian Favre. Importantly, the WSSD Plan of Implementation makes explicit mention of ISO in the context of its recommendations to governments on enhancing corporate environmental and social responsibility and accountability.<sup>5</sup>

Two separate initiatives within ISO were started in the lead-up to the WSSD, and both will have an influence on ISO's future work on CSR standards.

### **The COPOLCO Initiative**

First, and most importantly, ISO's Consumer Policy Committee (COPOLCO) began to research, through a series of workshops and outreach activities, the feasibility of developing

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<sup>3</sup> The TMB is ISO's Executive Council, made up of some permanent and some rotating representatives of national standards bodies. For information on the TMB, see clause 1.1 of the ISO Directives. The ISO Directives are available at: [http://www.tc67.addr.com/docs/ISO\\_Dir\\_1.pdf](http://www.tc67.addr.com/docs/ISO_Dir_1.pdf)

<sup>4</sup> More information on these standards, and on the work of TC207, can be obtained at: [www.tc207.org](http://www.tc207.org)

<sup>5</sup> WSSD Plan of Implementation, paragraph 17 (a) "Encourage industry to improve social and environmental performance through voluntary initiatives, including environmental management systems, codes of conduct, certification and public reporting on environmental and social issues, taking into account such initiatives as the International Organization for Standardization (ISO) standards and Global Reporting Initiative guidelines on sustainability reporting, bearing in mind principle 11 of the Rio Declaration on Environment and Development;"

ISO CSR standards.<sup>6</sup> This initiative was also informed, and perhaps catalyzed, by the British Standards Institution's (BSI) Sigma Project; by the drafting of a national standard on CSR by the Standards Institution of Israel; and by both the U.S. Ethical Officers Association's discussions on a Business Conduct Standard, which has ties to the American National Standards Institute (ANSI), and a guideline document on Ethics Compliance developed by Reitaku University, in Japan.<sup>7</sup>

Like the present ISO SAG on CSR, the COPOLCO Initiative was also undertaken at the request of the ISO Council, which asked COPOLCO in early 2001 to consider the viability of international CSR standards. In response, COPOLCO decided to create a working group to prepare a report on the subject. The final report was submitted by COPOLCO to ISO Council in late summer 2002, after a draft report had been reviewed at an international workshop in Trinidad. The final report recommended that ISO initiate work on CSR standards, but highlighted several areas where additional work should be done first. It was on the basis of this report—and to address the need for additional work—that ISO Council created the SAG on CSR.

The COPOLCO final report is a lengthy document of 84 pages that presents a comprehensive overview of the issues from a consumer perspective. The report concludes that, “from a consumer perspective, ISO CR management system standards (MSS) are both desirable and feasible.” Also, it states that, “based on its research and analysis, the Working Group also takes the position that ISO CR MSSs are desirable and feasible from a business, worker, citizen, community, and governmental perspective.” It does, however, highlight the need for “more direct canvassing by ISO affiliated bodies or through ISO-affiliated processes of these non-consumer perspectives.” This is one of the tasks of the SAG on CSR.

The COPOLCO report outlines a number of other such areas deserving additional consideration, including the scope of such a standard; the type of ISO deliverable; the development process for such CSR standards; and others. Many of these issues will also be addressed by the SAG on CSR; some may only be considered within a possible future technical committee, once a decision to develop such standards has been made.

An additional reason for the creation of the SAG on CSR is to give ISO's national standards bodies additional time to reach consensus on the need for such standards. As stated in the COPOLCO final report, “the report (...) has been written from a decidedly consumer perspective”; ISO's traditional constituents are industry groups, some of whom advocate directly to ISO, other of which participate actively in the policy development in ISO's national standards body members. There is no question that this initiative has some important opponents.<sup>8</sup>

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<sup>6</sup> This initiative is described in detail in the ISO COPOLCO Final Report: The Desirability and Feasibility of ISO Corporate Social Responsibility Standards, available at: [http://europa.eu.int/comm/employment\\_social/soc-dial/csr/isoreport.pdf](http://europa.eu.int/comm/employment_social/soc-dial/csr/isoreport.pdf). For more information on COPOLCO visit: <http://www.iso.ch/iso/en/comms-markets/consumers/iso+theconsumer-03.html>.

<sup>7</sup> Information on the BSI-Sigma Project is available at: <http://www.projectsigma.com/SIGMAProject/>; a copy of the draft Israeli CSR standard is available upon request from [trotherham@iisd.ca](mailto:trotherham@iisd.ca); the Japanese standard was developed by the Business and Ethics Compliance Research Centre, Reitaku University, and is available at: [http://ecs2000.reitaku-u.ac.jp/e-index/ecs2000\\_english.PDF](http://ecs2000.reitaku-u.ac.jp/e-index/ecs2000_english.PDF); information on the Ethical Officers Association work is available at: [http://www.eoa.org/BCMS/bcms\\_cont.html](http://www.eoa.org/BCMS/bcms_cont.html).

<sup>8</sup> It has been suggested by sources that a variety of NSBs have expressed reservations about the development of ISO CSR standards. Also, one of the most influential industry associations in ISO, the Industry Cooperation on Standards and Conformity Assessment (ICSCA), has for years called attention to the danger of proliferating management system standards. More information on the ICSCA is at: <http://www.icsc.org.au>.

## **The TC207 Future Vision Task Force and NGO Task Group**

Although of far less significance than the COPOLCO Initiative and final report—particularly in terms of scope and justification for possible future CSR standards—TC207 may also have an influence on the future work on CSR standards. In particular, work being undertaken in TC207 at the moment may have important implications on the governance of the standardization process.

In July 2002, TC207 initiated a review of its strategic plan, including its scope.<sup>9</sup> This strategic planning and review process is being undertaken by the TC207 Future Vision Task Force (FVTF).<sup>10</sup> The FVTF started by identifying trends that will affect environmental management standardization over the coming 5–10 years. Two of these are particularly relevant to the work on CSR: the growing diversity of stakeholders with an interest in international standardization; and the trend towards more holistic management approaches to pursuing sustainable development. These are, of course, inter-related.

As a result, one of the main issues that the FVTF has addressed is whether to change the scope of TC207 to include possible work on CSR standards. This discussion was taking place at the same time as the COPOLCO process, which TC207 was surprisingly not closely involved with. The COPOLCO process did not assess who in ISO should undertake the work—only what work should be undertaken. But the TC207 FVTF's discussion on a new scope was pre-empted by the ISO Council decision to create this SAG on CSR—the decision on who in ISO undertakes CSR standardization is now out of TC207's hands.<sup>11</sup> However, there are some indications that—if ISO were to develop CSR standards—some TC207 members would like to have control of this work.

The FVTF is also addressing the governance structure and procedures in TC207. This arises largely due to the recognition that, if TC207 is to have effective control in the future over strategic planning and implementation, then it needs greater centralization of control. An additional catalyst for this is the FVTF's recognition that there is a need to ensure that TC207 is ready to deal with the growing number and diversity of stakeholders that are now interested in international environmental standardization. As a result, the FVTF is likely to produce recommendations to amend or refine the process and structure of the standardization work in TC207.<sup>12</sup>

These discussions are happening at the same time as another TC207 body, the NGO Task Group, is also working on a paper that outlines the limits to effective stakeholder participation in TC207. Many of the recommendations that may arise from this work will be the same as are made by the FVTF.<sup>13</sup> The work of the NGOTG is significant as well because it addresses directly one of the important trends identified by the FVTF: the increased diversity of stakeholders interested in international standardization. Even if TC207 does not adopt the recommendations of these groups, the information is sure to enter into discussions in the SAG

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<sup>9</sup> See page 2 for TC207's scope.

<sup>10</sup> The documents produced by the FVTF are still restricted to internal use; IISD is a member of the FVTF and so has access to the information and discussions. For a general overview of the work of the FVTF, please contact trotherham@iisd.ca.

<sup>11</sup> It should be noted, however, that the chair of TC207, Dan Gagnier, Sr. VP External Relations, Alcan, is also the chair of the SAG on CSR.

<sup>12</sup> The recommendations are expected to meet with stiff resistance from some TC207 members, who have spent 10 years working according to one set of rules and may not see the need for or value of changes. This is understandable. A new TC set up to work on CSR standards is less likely to feel as threatened by new procedures and governance mechanisms.

<sup>13</sup> This NGOTG paper is not publicly available at the moment. For more information on the TC207 NGO Task Group, including a Guide to NGO involvement in ISO, either contact trotherham@iisd.ca or see <http://www.ecologia.org/iso14000/initiative/taskgroup.html>.

on CSR, which has already identified as an agenda item the governance and process of any future work on CSR standards.

## **THE STRATEGIC ADVISORY GROUP ON CSR**

The ISO SAG on CSR is composed of 18 members.<sup>14</sup> It is being chaired by Dan Gagnier, Sr. VP, Corporate and External Affairs, Alcan Inc., and also chair of TC207. ISO Central Secretariat in Geneva is providing the Secretariat for the group. Under the ISO Directives, which set out ISO operating procedures,<sup>15</sup> the group is classified as an Ad Hoc Advisory Group to the ISO Technical Management Board (TMB).<sup>16</sup> These groups are formed quite frequently to advise on specific issues. As mentioned, this is analogous to the SAGE that deliberated during the time of the Rio Earth Summit and led to the creation of TC207. The TMB is the ISO Executive Council that is responsible for adopting new work items—hence this SAG on CSR has a more direct line to the ISO decision-making apparatus than did the COPOLCO working group.

### **Framework for discussion in the group**

The SAG on CSR has a fixed mandate and has been given a deadline of February 26, 2003, by which time it is to report to the TMB, who will in turn submit the report to ISO Council. Although there have been a series of e-mail discussions in the group leading up to the first meeting, which will take place on January 15–16, 2003, in Toronto, Canada,<sup>17</sup> no substantive decisions have yet been made. Many of the messages so far have presented opening thoughts and statements of position. An almost universal comment has been that the group is likely to need more time to deliberate. While individuals' comments are non-attributable according to the understanding of the group members, the following summary outlines the main issues discussed to date. This information is presented in bullet form within the format of the agenda points for the first meeting:

#### **ANNOTATED AGENDA - First meeting ISO CSR group**

1. Opening of the meeting
2. Adoption of the agenda
3. Review of the terms of reference of the group  
Including discussion on:
  - What can be achieved in the timeframe (6 weeks);
  - How the work fits in to the context of the ISO decision-making process;
  - The future of this group and its membership.
4. CSR  
Including discussion on:
  - The definition and scope of the term CSR—perhaps need for another term;
  - Existence of measurement indicators/matrices for measuring CSR performance;
  - Differences between application/expectations in different countries or sectors;
  - Sources of information/guidance on CSR.

<sup>14</sup> For a tentative list of the members, see Annex A.

<sup>15</sup> The ISO Directives are available at [http://www.tc67.addr.com/docs/ISO\\_Dir\\_1.pdf](http://www.tc67.addr.com/docs/ISO_Dir_1.pdf).

<sup>16</sup> For information on Ad Hoc Advisory Groups to the TMB, see clause 1.2 of the ISO Directives.

<sup>17</sup> IISD will be present at this meeting.

5. Should ISO consider producing ISO deliverables in the field of CSR?  
Including discussion on:
  - Review of the COPOLCO report;
  - Value to the marketplace;
  - Impact on the marketplace;
  - Justification in accordance with Annex C<sup>18</sup> and/or Guide 72<sup>19</sup>;
  - Relationship between ISO deliverables and other publication concerning CSR.
6. What should be the scope of work?  
Including discussion on:
  - Single deliverable or multiple deliverables;
  - Subjects to be covered (e.g., specific subjects or all triple-bottom-line issues).
  - Topics to be excluded (e.g., performance criteria).
  - Types of organizations to be covered (e.g., private industry or all employers).
  - General approaches (e.g., MSS – Justification in accordance with Guide 72)
  - Type of ISO deliverables needed for the market place (e.g., terminology; guidance).
7. What should be the type of deliverable?  
Including discussion on:
  - Overview of the different types of ISO deliverables<sup>20</sup>;
  - Assessment of which ISO deliverables are suitable for the needs identified in item 5;
  - Implications of different deliverables.
8. International workshop  
Including discussion on:
  - Whether to organize the workshop;
  - Scale and scope of the workshop;
  - Timing of the workshop in the overall decision-making process.
9. How should ISO proceed with development of such deliverable(s)?  
Including discussion on:
  - Establishment of new TC or workshop or allocation to existing TC;
  - The design and governance of the standard-setting process;
  - Criteria for success and credibility.
10. Next meeting  
Including discussion on:
  - Work to be undertaken before next meeting;
  - Issues to be addressed at the next meeting;
  - Dates.
11. Any other business

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<sup>18</sup> Annex C of the ISO Directives outlines the procedure for justifying new areas of standardization work.

<sup>19</sup> Guide 72 is a guide for carrying out a justification study for new management system standards (MSS). It was developed to try to prevent unnecessary proliferation of MSSs. Guide 72 will effectively be the format for the final report that is submitted to the ISO TMB (whether this is submitted by the CSR Group or another group is unclear). ISO sells Guide 72 for US\$60. It is available at <http://www.iso.ch/iso/en/CatalogueDetailPage.CatalogueDetail?CSNUMBER=34142>. For an executive summary please contact [trotherham@iisd.ca](mailto:trotherham@iisd.ca).

<sup>20</sup> For background on the different types of ISO deliverables please see clause 3 of the ISO Directives and “You know ISO... but what are PAS, TS and ITA?,” available at <http://www.iso.ch/iso/en/stdsdevelopment/whowhenhow/proc/deliverables/pasetc.html?printable=true>.

## **An overview of specific comments made in early discussions**

### **The ISO internal decision-making process - the role of the SAG on CSR**

From the beginning, there has been a degree of confusion regarding how the group's work will feed into the overall ISO internal decision-making process. Most members' comments have noted that the timeline for the SAG—six weeks between the first meeting and the deadline for its report—is wholly insufficient to deal with all of the relevant issues. In response to inquiries from the SAG members, the ISO Central Secretariat clarified that this may be just an initial phase of a longer decision-making process that could take up to 18 months. At the end of any decision-making process, it will be for the TMB to recommend, and ISO Council to decide, if ISO will develop CSR standards.

Although the ISO Directives—which establish the ISO rules of procedure—do set general procedures for the approval of new work items,<sup>21</sup> there are still some questions remaining on the process. Also, given the particular nature of CSR standards, it is expected that ISO will make greater efforts to ensure transparency and inclusiveness in the decision-making process, including with external parties. This is an issue that will be discussed at the first meeting. To date, all that is known is that:

- the SAG on CSR will meet at least twice before February 26, 2003, when it will submit its report to the ISO TMB;
- there is likely to be a multi-stakeholder workshop held sometime in 2003–04 to give a greater diversity of stakeholders an opportunity to comment on the issues; and
- any final decision to initiate the development of standards will be made by the TMB following a vote by all ISO members, and only if:
  - 2/3 of the voting members approve; and
  - at least five members express a desire to be actively involved.

**Likely Outcome:** It is expected that the CSR Group will submit an interim report to the TMB at the end of February that will recommend a continuation of their deliberations. The ISO Council meeting, due to be held in Geneva on March 13, 2003, will likely then review the interim report, note the recommendations for a revised schedule and approve a slightly modified version of it. If this happens, it is likely that the group will remain as the central planning body for the life of the internal ISO decision-making process. It is unclear if there would be an opportunity to adding more stakeholders to the group, although if the process were extended there would then certainly be greater possibility for targeted outreach.

### **A presumption that ISO will develop a CSR MSS standard**

Many of the members have noted that the tone of the early discussions, and even the agenda for the first meeting, seem to be structured around a presumption that ISO will develop CSR standards in the future. This is complicated by the fact that an ISO body, COPOLCO, has already undertaken a research initiative that involved significant outreach and investigation and that concluded that ISO should embark on this area of standardization. Not only is there an implication that ISO will develop some kind of CSR standard, but there is also a significant amount of bias towards the development of another MSS. Industry groups, who are finding themselves inundated MSSs for quality, environment, and occupational health and safety, can be expected to object to this presumption.

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<sup>21</sup> For more information on the establishment of new technical committees (i.e., new areas of work), see clause 1.5 of the ISO Directives, available at [http://www.tc67.addr.com/docs/ISO\\_Dir\\_1.pdf](http://www.tc67.addr.com/docs/ISO_Dir_1.pdf).

**Likely Outcome:** Although it has been stated time and again that no decision has yet been made on the issue, it is unclear how a group of 18 people can justifiably overturn the COPOLCO report after just eight weeks of deliberations. If the decision-making process is extended, as suggested above is likely, then the chances that the COPOLCO report can be overturned increase, but only marginally. As a result, barring unforeseen circumstances, it is likely that ISO will develop some kind of document on CSR at some point in the future. The bigger question is on what kind of document might be developed. There is a lot of momentum building up on both sides of the MSS debate. There has yet to be a good assessment of alternative approaches.

### **CSR measurement indicators**

It has been noted that it is very difficult to develop a standard unless there are metrics that can be used to determine in a consistent fashion whether the standard has been complied with. That is, there is a need for measurement indicators. In the case of CSR, this will require first a clear definition of the term and the limit of its scope. Although it is often just three lines long, the scope given a TC defines the limit of any future work on the subject. If TC207 is any indication, any ISO work on CSR will lead to the creation of more standards than originally presumed.

Defining the scope of the “term” CSR is one thing; determining the scope of a CSR standard is another. It is only possible to include in a standard requirements that can be consistently verified. So, an assessment of the scope of an ISO CSR standard will require an assessment of the quantity and quality of the indicators for each of the elements included in the definition. Discussion so far has identified only the likelihood of major differences in how different stakeholders define CSR, and the kinds of measurement indicators they think are appropriate. It is likely that this will be the main area of debate in the SAG because it will define the scope of any future ISO CSR standard(s). The work of the Global Reporting Initiative (GRI) on indicators will be important to this area of work, particularly since GRI is represented on the SAG.

**Likely Outcome:** uncertain. The COPOLCO report puts some pressure on the Group to approve of the development of a Management System Standard (MSS) along the lines of ISO 14001. But this would then present the problem facing all MSSs: to what level of detail do you go? It is likely to be considered inappropriate to create a long list of all the issues that might fall under “CSR” and that a company should address. Companies are wary that, even if they are not intended as such, auditors tend to treat lists as comprehensive, rather than indicative. It is hard to say how this would be resolved in the context of a CSR MSS. Some have suggested (including IISD) that it might be appropriate to focus first on the essential process of CSR: transparency and stakeholder involvement in decision-making. This would not, then, be likely to be considered a “CSR” standard, and it would certainly leave many holes unfilled, so it perhaps not an adequate solution either.

When it comes to indicators, perhaps no single group has done more than the Global Reporting Initiative (GRI) to develop a widely accepted set of indicators. GRI is represented on the SAG and so it will be interesting to see how this plays out. Although ISO is generally protective of its status as a leading forum for the development of standards, many in the business community look at GRI and CSR management system standards as being complementary tools.

### **Getting buy-in from all stakeholders**

NGOs and consumer groups are not the only ones that need to be convinced of the value of an ISO CSR standard, or set of standards. It is clear from some members’ comments that there is a strong feeling that some elements of business also remain to be convinced. Although they

are not represented in the SAG, it is worth recalling the position of the Industry Cooperation on Standards and Conformity Assessment (ICSCA) association, which is made up of representatives of many multi-nationals, and which is generally opposed to new MSSs.

**Likely outcome:** Although it is not the SAG's mandate to convince external groups of the value of an ISO standard on CSR, it is certainly an issue that will need to be considered. Perhaps the most logical place for it to be addressed is in terms of the design of the internal ISO decision-making process: making sure that it is transparent, not rushed and provides adequate and consistent opportunities for external input. In recognition of the importance of multi-stakeholder acceptance of a possible future ISO CSR standard, any process will be designed to ensure the maximum involvement of all types of external stakeholders. An important part of this process is likely to be the proposed multi-stakeholder meeting, tentatively considered for 2003–04.

### **Creation of a new TC, or allocation of work to an existing TC**

There are two existing TCs that could conceivably take up this work: TC207, which has developed the ISO 14001 EMS standard, and TC176, which has developed the ISO 9000 Quality Management System (QMS) standard. The mandate of either of these TCs would have to be amended if it was to take on the work. Of the two, TC207 is the one with the closer existing mandate, and the greater experience both with these types of issues and with dealing with a large number and diversity of “public-interest” stakeholders and NGOs.<sup>22</sup>

As noted earlier, TC207 has already considered the subject of CSR standards. This will both work in favour of TC207 and against it. It works in its favour because it makes it clear that TC207 is aware of these issues and the most capable of the existing TCs. It works against it because the members of the TC may have had time to develop their own opinions on a number of the important issues, thus being perhaps less likely to treat the standardization of CSR with an unbiased view. Also, it is likely that there will have to be some procedural refinements made to the ISO process for CSR standardization to ensure good governance and effective participation of all interested parties. TC207 is in the process of considering changes to its own structures and processes for similar reasons, and will likely have completed its process by the time a final decision on ISO CSR standards is made: if it does not go as far as the CSR group recommends, then it may effectively rule itself out.

**Likely outcome:** uncertain. The only thing close to a safe bet is that TC176 will not be given this mandate. Other than that, there are good arguments both for the creation of a new TC and for the revision of TC207's scope. One of the organizational questions is whether TC207 could manage a TC that could be expected to grow significantly in size. But at the moment, the mandate to develop CSR standards is probably TC207's to lose. With the chair of this CSR group also the chair of TC207, it will largely come down to how much political pressure TC207 members exert to try to get it (if they want it at all), or how concerned the TMB is that TC207 will not be able to rid itself of some of its baggage. One major test, at least in the eyes of NGOs and perhaps even developing countries, will be the outcome of TC207's structural and procedural review. If this is not seen to go far enough to create the good governance needed for CSR standardization, then TC207 may well sideline itself in the process.

### **The Role of an ISO CSR Standard**

There are a few ways to consider the role of a CSR standard. Such a document could either be a stand-alone tool (like ISO 9000/14001) or it could be used as a template for guiding the development of other diverse but harmonized tools (i.e., analogous to the ISO 14020 labelling standards—and along the lines of what has been referred to as a “common rail gauge” for CSR standards). Considering that both ISO 9000 and ISO 14001 have evolved towards

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<sup>22</sup> See earlier discussion on ISO TC207 Future Vision Task Force – page 2

sector-specific approaches—as has GRI—it seems likely that whatever the original intent, even a stand-alone ISO CSR standard will eventually be modified and refined so that it is more suitable for more specific uses. While this brings with it the danger of proliferation of standards, this seems to be—at least in the area of management system standardization—a natural progression that should be recognized explicitly from the beginning.

**Likely outcome:** uncertain. While both TC176 (ISO 9000) and TC207 (ISO 14001) have adopted sector-specific policies to guide the development of sector-specific applications of their standards, it is unclear if it would be possible to define a similar policy before any standards are actually developed and before there is any sense of how it will evolve. That said, if one of the main criteria for success and credibility is the inclusiveness of the process through which the standards are developed, it could be useful to plan in advance to avoid possible problems in the future. For example, future iterations of sector-specific CSR standards could be developed through the International Workshop Agreement (IWA) process, which has less strict development procedures so that documents can be produced faster. But a “weaker” process for developing IWAs could lead to a loss of credibility in the document, thus rendering it less effective, or even less legitimate.

## ANNEX A: MEMBERSHIP OF THE ISO CSR ADVISORY GROUP<sup>23</sup>

The CSR group is to be composed of 18 members, according to the following criteria:

- eight members, nominated by the TMB, representing the Americas (two), Africa (two), Europe (two) and Asia/Oceania (two); one of the regional representatives is to be from industry and the other from another stakeholder group;
- two representatives from ISO policy committees, one from each of the ISO Committee on Developing Countries (DEVCO) and the Committee on Consumer Policy (COPOLCO);
- one member from each of the following (eight) international organizations:
  - The International Chamber of Commerce;
  - The International Organization of Employers;
  - Consumers International;
  - The Global Reporting Initiative;
  - The International Labour Organization;
  - The International Confederation of Free Trade Unions;
  - The International Federation for the Application of Standards; and
  - The International Institute for Sustainable Development.

Due to the lack of volunteers from Africa and the absence of a representative from ISO DEVCO, the membership of the ISO SAG on CSR is the following:

Daniel Gagnier (Chairman)	Sr. VP, Corporate and External Affairs, Alcan Inc., Canada	
Takashi Hamasaka (Secretary)	ISO/Central Secretariat (CS) Switzerland	
Michael A. Smith	Director, Standards International Organization for Standardization Switzerland	ISO Central Secretariat
1. Richard B. Johns	Corporate Director, Risk Management Motorola Inc. USA	Americas Region
2. Leonardo Cardenas	Principal Consultores en Calidad Ambiental On behalf of: Mexican Institute of Standardization and Certification (IMNC)	Americas Region
3. Marcos B. Egydio Martins	Ecofuturo Institute São Paulo, Brazil	Americas Region
4. Guido Guertler	Director of Standards and Regulation Siemens AG Germany also: European Co-chair, Industry Cooperation on Standards and Conformity Assessment (ICSCA)	European Region
5. Lennart Piper	Environmental and Quality Specialist Swedish Industry Association	European Region
6. Frédéric Tiberghien	President Observatoire sur la Responsabilité Sociétale des Entreprises (ORSE)	European Region
7. Iwao Taka	Professor Department of International Economics Reitaku University	Asia and Oceania Region

<sup>23</sup> \*\*NB\*\* The Affiliation information in this table has been collated by the author based on Internet-based research. It may not be accurate in all cases. Changes to this table will be notified in future newsletters.

	Japan	
8. Ir Hussein Rahmat	Chairman Standards Committee for Petroleum and Gas Malaysia	Asia and Oceania Region
9. John Martin	Small Business Commissioner The Australian Competition and Consumer Commission (ACCC)	Asia and Oceania Region
10. Kernaghan Webb	Senior Legal Policy Advisor Canadian Office of Consumer Affairs Department of Industry, Canada	ISO Committee on Consumer Policy (COPOLCO)
11. John Maresca	President Business-Humanitarian Forum Association Switzerland	International Chamber of Commerce (ICC)
12. Brent Wilton	Deputy Secretary General International Organization of Employers (IOE)	International Organization of Employers (IOE)
13. Villy Dyhr	Danish Consumers Council Denmark	Consumers International
14. Allen White	Senior Consultant, ex-CEO Global Reporting Initiative	Global Reporting Initiative (GRI)
15. Hans Hofmeijer	Acting Director Multinational Enterprises Programme ILO Secretary for Global Compact International Labour Office (ILO)	International Labour Office (ILO)
16. Dwight Justice	Multinational Enterprises, International Confederation of Free Trade Unions (ICFTU)	International Confederation of Free Trade Unions (ICFTU)
17. Veit Ghiladi	Senior Manager, Standardization Daimler Chrysler AG Germany	International Federation of Standards Users (IFAN)
18. Tom Rotherham	Associate International Standards & Certification IISD	International Institute for Sustainable Development (IISD)

**ANNEX B: LIST OF ACRONYMS**

AICC – African Institute for Corporate Citizenship  
ANSI – American National Standards Institute  
BSI – British Standards Institution  
COPOLCO – ISO Committee on Consumer Policy  
CSR – Corporate Social Responsibility  
DA – Development Alternatives  
DEVCO – ISO Committee on Developing Countries  
EMS – Environmental Management System  
FVTF – ISO TC207 Future Vision Task Force: a strategic planning body  
GRI – Global Reporting Initiative  
ICSCA – Industry Cooperation on Standards and Conformity Assessment  
IIED – International Institute for Environment and Development  
IISD – International Institute for Sustainable Development  
ISO – International Organization for Standardization  
IWA – ISO International Workshop Agreement  
MSS – Management System Standard  
NGOTG – ISO TC207 Non-governmental organization task group  
QMS – Quality Management System  
RIDES - Recursos e Investigación para el Desarrollo Sustentable  
SAG – Strategic Advisory Group on CSR  
SAGE – ISO Strategic Advisory Group on the Environment  
TC176 – ISO Technical Committee #176 on Quality Management Standards  
TC207 – ISO Technical Committee #207 on Environmental Management Standards  
TMB – ISO Technical Management Board  
WSSD – World Summit on Sustainable Development