











International Organisation of Employers
Organisation Internationale des Employeurs
Organización Internacional de Empleadores
The Global Voice of Business

Dr Zhang Xiaogang (President) and Mr Sergio Mujica (Secretary-General) International Organization for Standardization (ISO) ISO Central Secretariat BIBC II, Chemin de Blandonnet 8 CP 401, 1214 Vernier, Geneva, Switzerland

05 September 2017

Dear Dr Zhang and Mr Mujica,

<u>Letter from six business organisations on a proposal to create a new ISO Technical Committee on Social Responsibility and the TMB's upcoming decision to whether to revise or confirm ISO 26000.</u>

We, the undersigned business organisations, are writing to voice our serious concerns about two ISO developments on social responsibility: (1) a proposal to create a new ISO Technical Committee on Social Responsibility; and (2) the possibility that the Technical Management Board (TMB) will revise ISO 26000: 2010 at its September meeting.

While we value the role of ISO and its members in contributing to sustainable development and responsible business behaviour, we strongly feel that these two proposals will have adverse effects and not serve our common goal of encouraging social responsibility.

This letter follows a similar communication sent by the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) earlier in August. We share the concerns outlined in that letter and below we highlight our specific objections.

We request that you kindly inform all voting ISO members around the world about our position on both proposals.

Proposal for a new ISO Technical Committee on Social Responsibility

We believe that this broad proposal (TS/P267), submitted by the Swedish ISO member SIS, will not advance the field of social responsibility and, instead, it will create divergence with existing authoritative standards, as well as confusion among business.

Our concerns on the proposal's scope, ambition, usefulness and likely outcomes mirror those outlined in the joint IOE/ITUC letter and we strongly encourage ISO members to vote against it by

the deadline of 10 October 2017. In particular, we would like to draw your attention to the following points:

- We are strongly opposed to any steps being taken towards standardization and certification
 in the areas covered in the proposal (ie: social responsibility, human rights, fair operating
 practices, consumer issues, sustainable consumption, and company involvement and
 development). This proposal seriously risks doing just that, as well as creating other
 unhelpful and burdensome work. Any move towards certification, in particular, would create
 divergence with existing standards and seriously undermine efforts to ensure a coherent
 approach on social responsibility.
- It is critical to note the opposition expressed by various stakeholders, including trade unions and civil society, to the privatisation of social standards, which this proposal would likely lead to. The authority of international standards and guidelines such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises lies in the fact that they are government-backed, have been developed in truly multi-stakeholder processes and that they are free to use and access. By contrast, ISO's products carry a financial charge and they are subject to copyright protections. Also, ISO has limited experience in engaging properly with relevant stakeholders including civil society organisations, trade unions, national human rights institutions, Governments and even business associations such as ourselves.
- From a practical perspective, we are concerned about the likely volume of work that the
 Technical Committee would produce. Many companies are already actively implementing
 existing standards and guidance, both in their own operations and supply chains, through a
 number of initiatives and activities. Engaging in this proposal would require shifting limited
 resources away from such efforts. This is especially problematic given the deep concern
 about the merits of this proposal.
- We have also observed that ISO members have been largely absent from most international
 policy discussions and activities on social responsibility, such as human rights. As others have
 stated, ISO does not have the mandate, membership, necessary expertise or the confidence
 of external stakeholders to address, decipher and align tools and definitions in social fields.
 Instead of helping to push the field of social responsibility forward, this proposal will
 undermine it and detract attention away from current implementation efforts of respected
 standards.

In conclusion, we strongly oppose this proposal for its misguided and unhelpful nature and we urge ISO members to vote against it.

ISO 26000 - TMB decision in September

We would also like to strongly advocate for maintaining ISO 26000: 2010 as its stands and we urge the Technical Management Board (TMB) to "confirm" the guidance when it makes its final decision in September.

ISO 26000 plays a useful role in guiding organisations on social responsibility. While it has its shortcomings – such as its misuse for certification, its length and complexity and its orientation towards larger organisations – revising the guidance, however, is not the answer to addressing these weaknesses.

Any revision of ISO 26000 would break the previous hard-won consensus and greatly jeopardise the guidance's standing, impact and coherence with other tools. In particular:

- The vote by ISO national members earlier this year was weak and inconclusive. We
 understand that there were only 12 votes to "revise" ISO 26000 (just 7 percent of the 163
 members), compared with 11 votes to "confirm" it, as well as 4 abstentions. This is not, in
 our view, a mandate to revise the guidance, even a "light revision" as some have suggested.
- The guidance is currently in line with authoritative standards including the UN Guiding Principles on Business and Human Rights and we are not aware of there being business demand to revise ISO 26000.
- Given the very recent development of IWA 26: 2017 to help organisations use ISO 26000 in their existing management systems, we do not see any need to make changes to the guidance.
- We are very concerned that revising ISO 26000 could precipitate a substance change to the
 guidance especially given the parallel proposal for a Technical Committee so that it
 becomes standardized, certifiable, subject to audit, and/or used for regulatory or
 contractual purposes. This is not appropriate in the field of social responsibility.
- In practical terms, revising ISO 26000 would result in the creation of a new Committee. We
 are very concerned that such a body would not be properly structured or sufficiently multistakeholder in character and that it would lead to many costly meetings, resource-intensive
 work, and ultimately a poor outcome.

Therefore, revising ISO 26000 risks being a distraction from existing efforts to improve company performance and it risks creating divergence with recognised standards. A revision would not advance the field of social responsibility and we strongly urge the TMB to "confirm" ISO 26000. Instead, we would like to suggest that the TMB improve the governance of the current Post Publication Organisation (PPO) for ISO 26000. If the PPO were to be properly structured as a truly multi-stakeholder initiative with a clear mandate, then the full potential of the guidance could be realised.

In sum, ISO can play an important role in helping companies and other organisations to act responsibly. However, these two developments seriously risk undermining the field of social responsibility.

We thank you for your attention on these matters and we ask that you kindly keep us informed on both initiatives and any future ISO work on social responsibility.

Yours sincerely,

Bernhard Welschke

Secretary General

Business at OECD (BIAC)

Janland Weldhe

Vivian Alman

Viviane Schiavi

Senior Policy Manager

International Chamber of Commerce (ICC)

Rob Lederer

Executive Director

Electronic Industry Citizenship Coalition (EICC)

Christian Ewert

Director General

Foreign Trade Association (FTA)

Tom Butler

CEO

International Council on Mining and Metals (ICMM)

Linda Kromjong

Secretary-General

International Organisation of Employers (IOE)