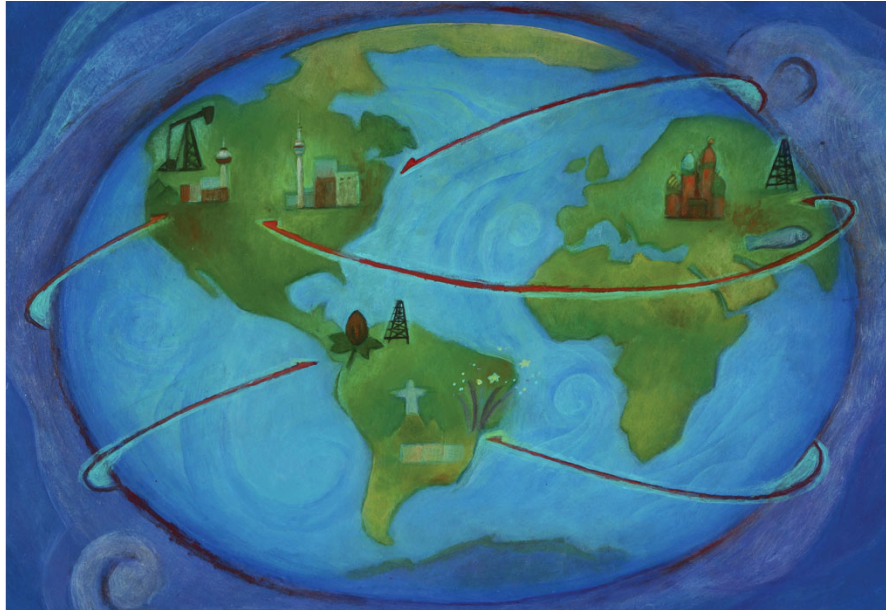


# ISO 26000 Guidance on Social Responsibility



Elisabeth DeMarco

Janne Duncan

# Overview

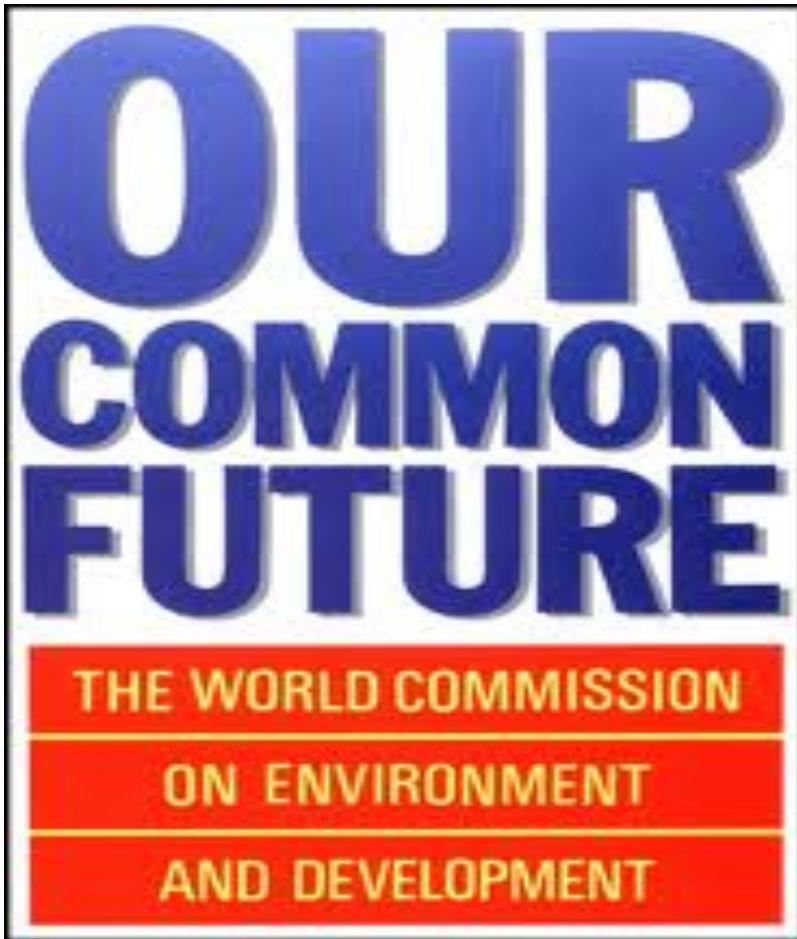
- The Context: Evolution of CSR
- The ISO 26000 Standard
  - General principles
  - Specific considerations

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# The Evolution of CSR



- 1983/87 Brundtland Commission and Report
- 1992/97 UNFCCC/Kyoto
- 2000/01 Enron/WorldCom
- Mid 2000s increased globalization and outsourcing – scrutiny of extractive industries
- Shareholder activism
- CSR and profitability
  - Proliferation of CSR branding
  - Introduction of ABC laws

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# Pillars of Sustainable Development Underlying CSR

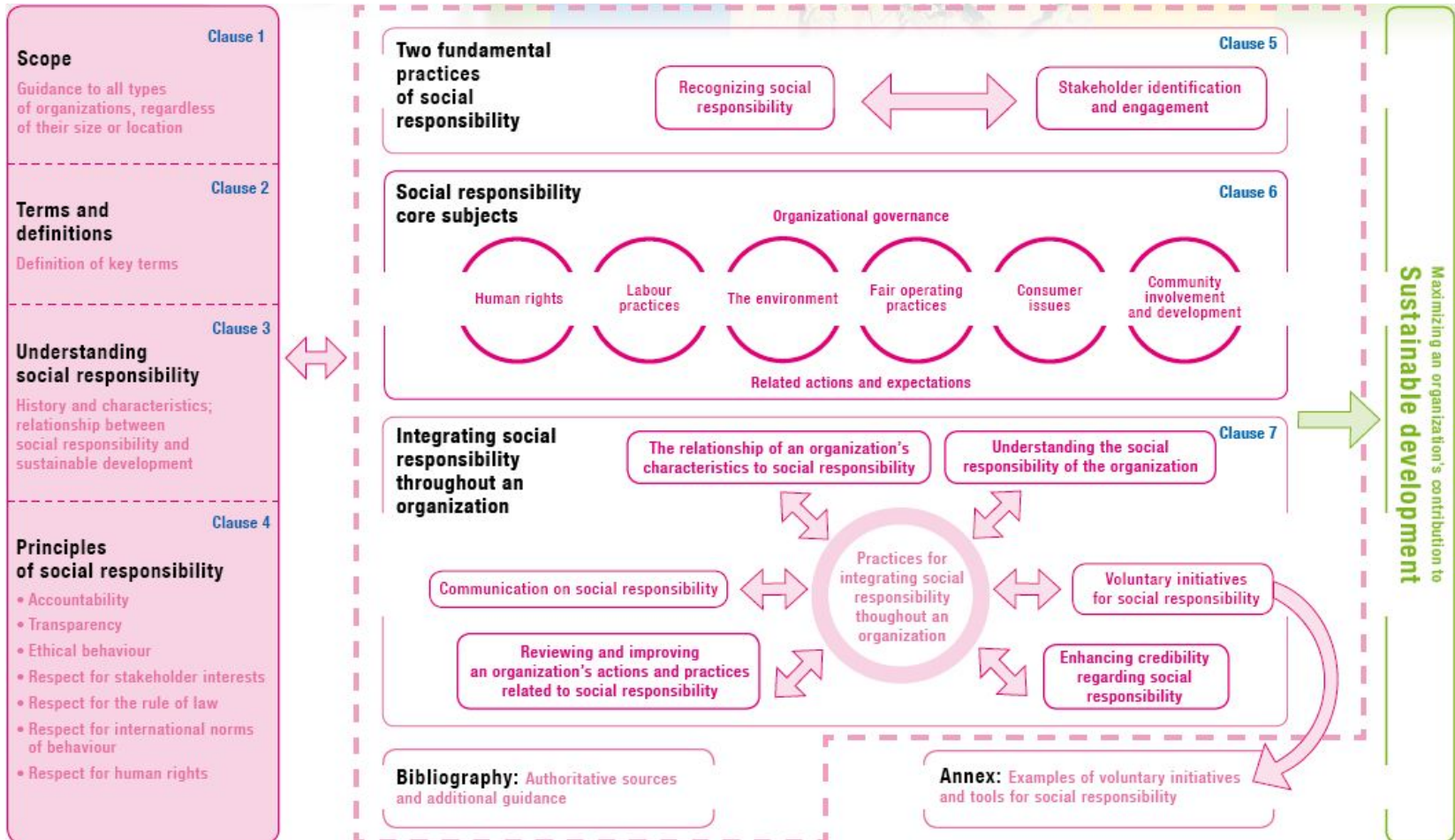


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# OVERVIEW OF ISO 26000



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# ISO 26000 - Principles of Social Responsibility

- **Generally:** maximize contribution to sustainable development
  - **Accountability:** accountable for impacts on society, economy and environment
  - **Transparency:** transparent in decisions and activities that impact society and environment
  - **Ethical Behaviour:** behave ethically\* (ABC)
  - **Respect for Stakeholder Interests:** respect, consider and respond to interests of stakeholders
  - **Respect for the Rule of Law:** respect for rule of law mandatory (ABC)
  - **Respect for International Norms of Behaviour:** respect international norms of behaviour, while adhering to respect for rule of law\*
  - **Respect for Human Rights:** respect human rights and recognize both importance and universality

# Gender Equality and Social Responsibility

- Organizations should review their decisions and activities to eliminate gender bias and promote gender equality
  - Equal pay for equal work
  - Consideration of differential impacts
  - Bringing down barriers to advancement and opportunity

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# Organizational Governance

Decision-making processes and structures should enable organizations to:

- adhere to the guiding principles of SD and SR
- address the needs of its stakeholders
- track decision making, implementation, and accountability
- incorporate the goals of SR in its purchasing, hiring, procurement, and investment decisions
- periodically review and evaluate the governance processes of the organization

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# Stakeholder Input

- Stakeholder identification and engagement are central to addressing an organization's social responsibility
- Identification of the relevant stakeholders:
  - legal obligations
  - negatively or positively affected
  - historical involvement
  - consent requirements
- Organizations should develop mechanism for resolving conflicts with stakeholders and such procedures should be equitable and transparent

# Human Rights Protection - Due Diligence

- **Due Diligence:** to respect human rights, organizations have a responsibility to exercise due diligence to identify, prevent and address actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships
- **Risk Factors:**
  - areas of conflict, political instability, or democratic collapse/absence
  - poverty, drought, famine, health challenges or natural disasters
  - extractive activities
  - proximity to indigenous peoples
  - activities involving children
  - cultures of corruption
  - informal work without legal protection
  - highly secured operations to protect premises or assets

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# Human Rights Expectations

- Organizations should avoid complicity for human rights abuses
- Level of Complicity:
  - **Direct complicity:** knowingly assists in a violation of human rights
  - **Beneficial complicity:** benefiting directly from human rights abuses committed by someone else
  - **Silent complicity:** failure by an organization to raise with the appropriate authorities the question of systematic or continuous human rights violations

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# Labour Practices

- ISO 26000 recognizes, as a minimum, the ILO labour conventions
- respect freedom of association and collective bargaining
- refraining from engaging in or benefiting from forced and/or child labour
- equal opportunities without discrimination
- decent wages, overtime pay, reasonable hours of work, weekly rest, holidays, health and safety, parental leave and ability to combine work with family responsibilities
- protection of personal data and privacy of workers
- hold affiliates, intermediaries, subcontractors to same labour standards
- for international operations, increase the employment, occupational development, and advancement of nationals in the host country including sourcing and distributing through local enterprises where practicable

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# Environmental Protection

- Principles
  - Environmental Responsibility
  - Precautionary Principle Approach
  - Environmental Risk Management
  - Polluter Pays
- Prevention of Pollution
- Sustainable Resource Use
- Climate Change
- Environmental Reporting Guidance - OSC Staff Notice 51-333 - governance structures: environmental disclosure and controls

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# Fair Operating Practices

- Anti-corruption (ABC)
- Responsible Political Involvement
- Fair Competition
- Promoting social responsibility in the value chain
- Respect for Property Rights
- No deceptive or unfair marketing practices

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# Community Involvement and Development

- An organization should consider supporting and contributing to community development by:
  - consultation and participation in local associations, partnership with NGOs
  - promoting education and training opportunities including promotion of entrepreneurship, self-reliance, and independence
  - fostering local job creation, eg. giving preference to local suppliers
  - contributing innovative and/or low cost technologies and protection of traditional knowledge and technologies
  - considering economic and social impacts of entering or leaving a community
  - promotion of health and well being, eg. access to medicine, vaccines, sanitation, raising HIV/AIDs awareness, good environmental practices, clean water
  - contributing to programs that provide essential or needed goods and services to the community

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## Conclusion

- Good CSR can significantly enhance value and provide the social license to operate that is so critical for extractive industries (Banro, IAMGold)
- Bad CSR and in particular violations of ABC laws can severely hurt profitability and negate long term brand benefits and social license to operate around the globe
- Attention and development of CSR for your organization is critical!

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