

Environment Canada

ISO 26000 Social Responsibility: Contributing to Sustainability

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November 23, 2010

Objective

1. Why ISO 26000?
2. Contributing to Sustainable Development
3. Using ISO 26000

Bob White

1. Canadian Industry Member of ISO 26000 International Working Group
2. President, BRI International Inc. since 1985
 - Implementing Risk Management and Governance Systems for sustainability
3. Capacity Building/ Training management consultants in:
 - Brazil, Canada, China, Costa Rica, Jamaica, India, Mexico and USA
 - E.g. CII Centre of Excellence for Sustainable Development in India
4. Teaching Ethics and Sustainability in Canada and Mexico
5. Member:
 - Canadian Climate Change Adaptation Project
 - Development and Peace and Toronto Area Interfaith Council
 - Kitpu First Nations
 - First Nations Water Commission
 - SCC's Canadian Advisory Council for Developing Country matters
 - Transparency International and
6. Professional Engineer and Certified Management Consultant

1. Why ISO 26000:2010 Social Responsibility?



Why ISO 26000 Social Responsibility?...

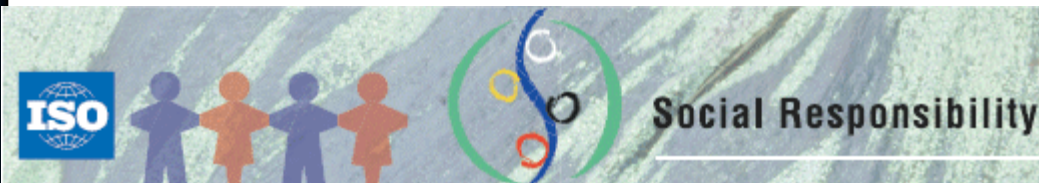
1. Social responsibility fits the ISO strategy to develop standards that are market and globally relevant and help to create a sustainable world
2. ISO developed a memorandum of understanding with the International Labour Organization (ILO), the United Nations Global Compact and the Organization for Economic Cooperation and Development (OECD)
3. Over 500 experts in SR and sustainable development from over 100 countries have contributed to the development of ISO 26000

Why ISO 26000 Social Responsibility?...

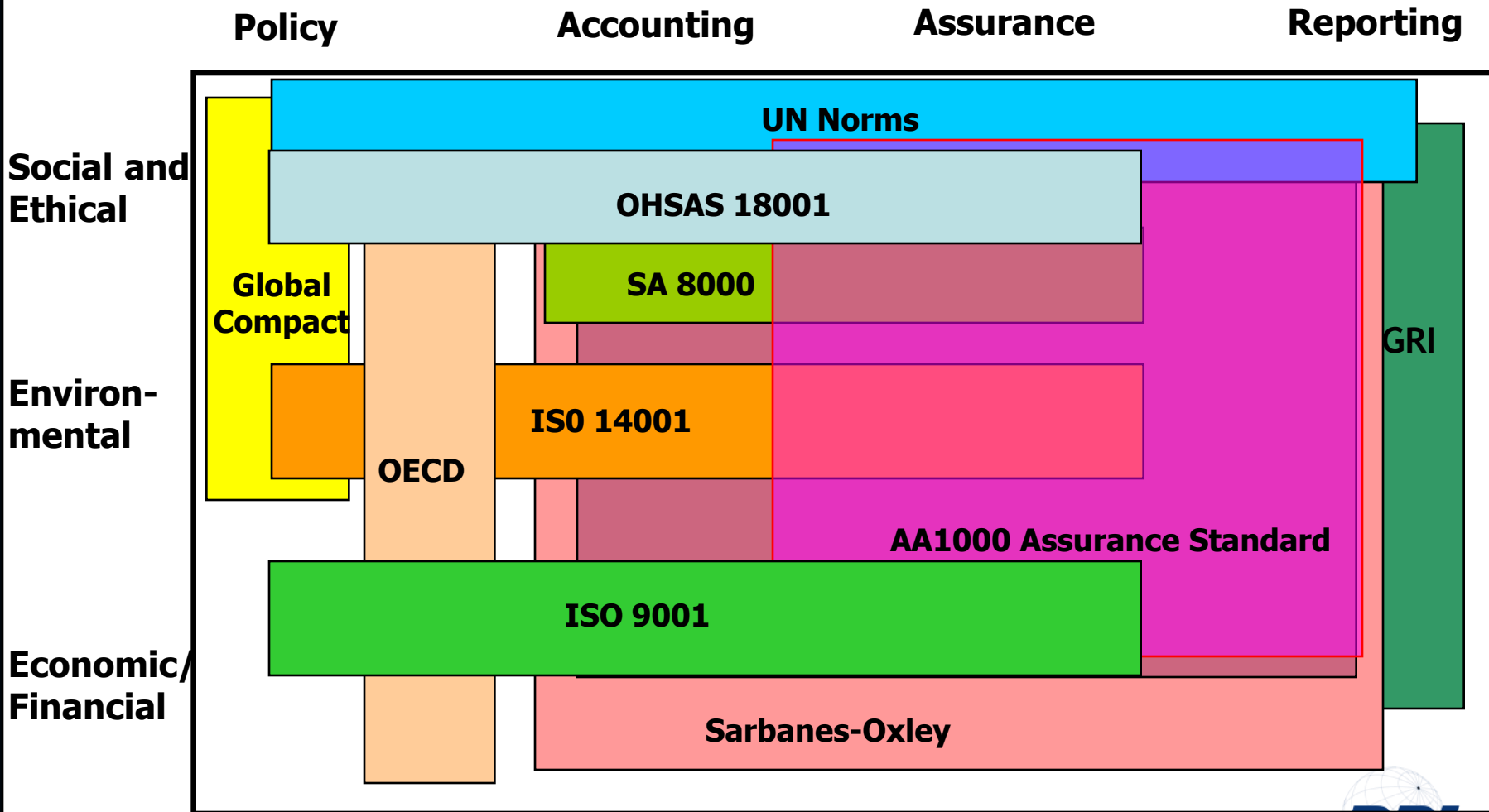
4. For the first time, the ISO used a 'balanced stakeholder approach', selecting SR experts from industry, labour, government, NGOs, consumers, researchers, academics and consultants
5. Over 175 international instruments, considered authoritative sources for the recommendations in ISO 26000 are referenced in the Bibliography, which is an integral part of this International Standard
6. These include all of the ISO Management System Standards as well as the UN Declarations and ILO codes

Why ISO 26000 Social Responsibility?

7. ISO 26000 provides practical guidance on:
 - Operationalizing Social Responsibility
 - Identifying and engaging with stakeholders, and
 - Enhancing credibility of reports and claims about SR
8. It emphasizes performance and improvement
9. It is consistent with international Social Responsibility treaties and conventions and existing ISO standards



Corporate Social Responsibility and Sustainability: Complex



ISO 26000 Self Declaration

- ISO 26000 recommends that organizations say:
 - The Canadian Electricity Association has used ISO 26000 as a guide to integrate social responsibility into our values and practices

Verification vs Certification...

1. ISO 26000 Social Responsibility is '***neither intended nor appropriate for certification purposes***'
2. However, it provides guidance for organizations required to provide significant stakeholders with 'verification' of its claims about social responsibility
3. Clause '**7.5.3**' on communication with stakeholders concerning claims about Social Responsibility says that '***the organization's activities can be verified through internal review and assurance or verified by external assurance***'

"Dumb-down"

Verification vs Certification...

4. Clause ***‘7.6.2 Enhancing the credibility of reports and claims about social responsibility’*** describes the many ways organizations can enhance the credibility of their reports and claims including:
- *‘using a rigorous and responsible process of verification by an individual or individuals independent of the process of report preparation, either within the organization or external to it such as stakeholder groups,*
 - *to undertake the verification process and publishing a statement attesting to the verification as part of the report’*

Verification vs Certification

6. The verification process could also include reporting conformance to the reporting guidelines of an external organization such as those outlined in the Annex to ISO 26000
7. Annex A contains a non-exhaustive list of voluntary initiatives and tools for social responsibility by the ISO 26000 working group experts using a specific set of criteria that are described in Annex A
8. Two of the many initiatives in Annex A that can be used to enhance creditability are ***the Global Reporting Initiative (GRI) Sustainability Reporting Framework and AA1000 Assurance Standard (2008)***


ISO 26000:2010 in Use

1. Canadian Electricity Association: Sustainability
2. Vancouver Olympic Games 2010: CSA Z2010 Sustainable Event standard
3. Responsible Exploration and Mining: DeBeers Canada
4. Canadian Climate Change Adaptation Project
5. Socially Responsible Investing (SRI)
6. Universities: Canada: Ryerson, Toronto, Waterloo, Mexico: Autonoma Metropolitana, Iberoamericana, Guanajuato: 'Responsible Education'
7. Seneca College: 46 graduate students assisting 46 companies using ISO 26000

Canadian Electricity Association (CEA)



Be Recognized as a Leader in **Sustainable Electricity**

The New Sustainability Seal of Approval

 Sustainable Electricity Company™

Use and display the **Sustainable Electricity Company™** brand to demonstrate YOUR commitment to environmental, social and economic practices.

Sustainability is a critical issue for the electricity industry in Canada and around the world. Companies and the communities they serve are increasingly and acutely aware of the need for and benefit of responsible corporate behavior and sustainable development practices. The Canadian Electricity Association (CEA) encourages all utilities and their partners to adopt, use and adhere to the new **Sustainable Electricity Company™** brand as a tangible and visible demonstration of their commitment to sustainability.

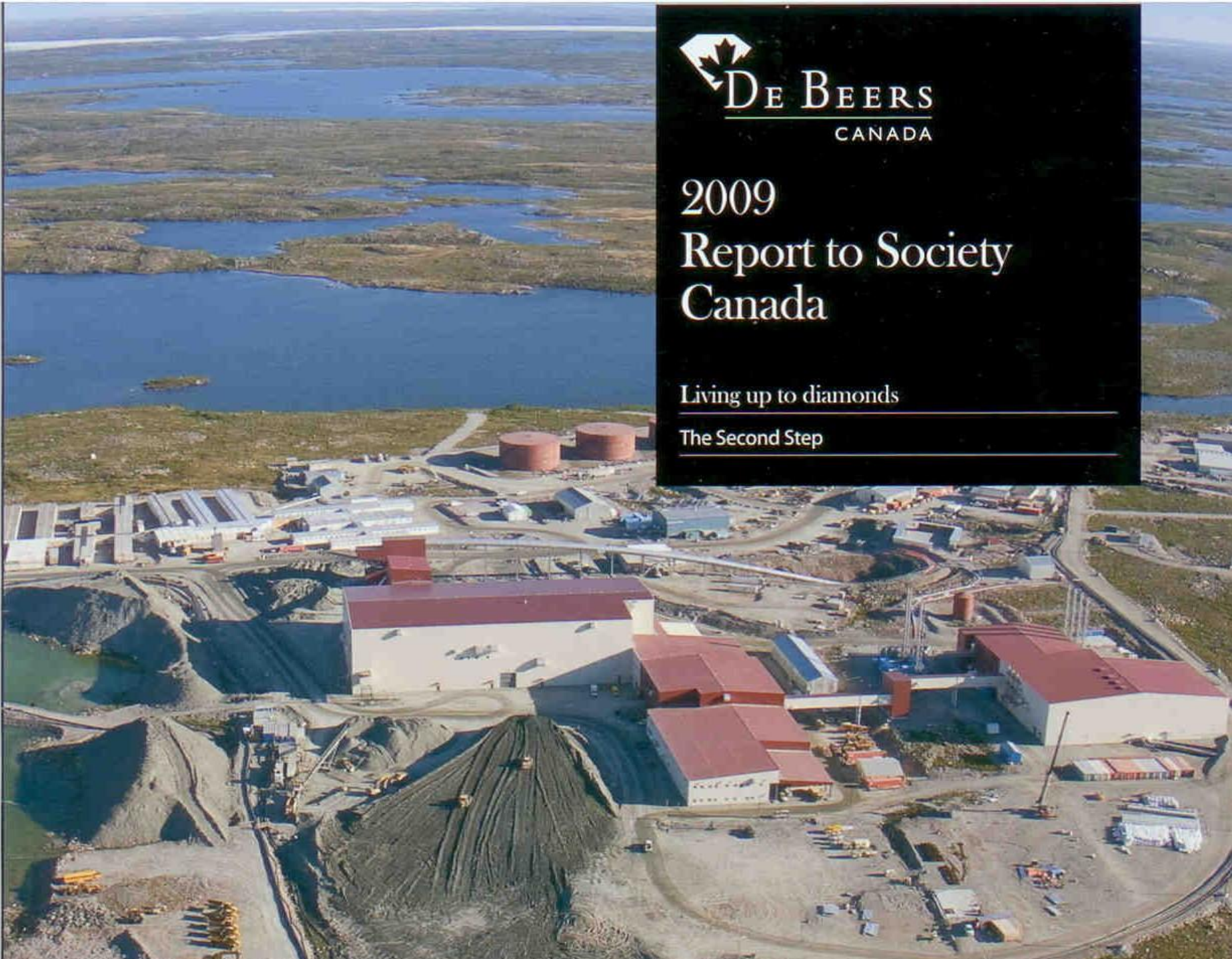
- “CEA Six Steps to become a Sustainable Electricity company” February 2011
1. Commitment to Sustainable Development
 2. ISO 14001 EMS or equivalent
 3. ISO 26000 Significance Test (verification)
 4. Governance framework
 5. Reporting Transparency
 6. Verification of Criteria Implementation



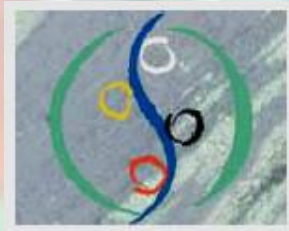
2009 Report to Society Canada

Living up to diamonds

The Second Step



2. Contributing to Sustainability: A Roadmap for Ethical and Socially Responsible Behaviour



(Corporate) Social Responsibility

(ISO 26000 Social Responsibility)

‘Responsibility of an organization for the **impacts of its decisions and activities** on society and the environment, through transparent and **ethical behaviour** that:

- contributes to sustainable development, including health and welfare of society
- takes into account the expectations of stakeholders
- is in compliance with applicable law and consistent with international norms of behaviour and
- is integrated throughout the organization and practiced in its relationships’

Implementing Sustainability: Phases

(ISO 26000 SR with experience from Canada, Brazil and India)

Integrating Social Responsibility Throughout the Organization (ISO 26000 cl.7)

1	Making the business case and forming the Social Responsibility Implementation Team
2	Understanding the relationship of the organization's characteristics to Social Responsibility
3	Understanding the social responsibility of the organization
4	Identifying practices for integrating Social Responsibility throughout the organization
5	Communication on Social Responsibility
6	Enhancing credibility regarding Social Responsibility
7	Reviewing and improving the organization's actions and practices related to Social Responsibility
8	Adopting voluntary initiatives on Social Responsibility

The 3 R's of Justifying Sustainability



RISKS

+



RESPONSIBILITIES

+

SME Companies:

**At least 66%
more profit**



REWARDS



**Large
Companies:
At least 38%
more profit**

BUSINESS CASE

Potential Improvements

REPUTATION

1	Reduced recruiting costs	-1%
2	Reduced attrition costs	-2%
3	Increased employee productivity	+6%
4	Eco-efficiencies: savings in energy, water, materials, waste handling	-10%
5	Increased revenue / market share	+5%
6	Lower insurance & borrowing costs	-5%
... yielding a profit increase of		+66%

“Waterless process”



Phase 2: Principles of Social Responsibility

(ISO 26000 cl. 4)

Are these principles known and practiced?

1. Accountability
2. Transparency
3. Ethical behaviour
4. Respect for stakeholder interests
5. Respect for the rule of law
6. Respect for international norms of behaviour
7. Respect for human rights

p4. Respect for Stakeholder Interests Summary

(cl 4.4)

An organization should identify, respect, consider and respond to the interests of its stakeholders by:

1. Recognizing and having due regard for the interests as well as their legal rights and respond to their expressed concerns
2. Recognizing that some stakeholders can significantly affect the activities of the organization
3. Assessing and taking into account their relative ability to contact, engage with and influence the organization
4. Taking into account their interests when considering the broader expectations of society and to sustainable development, as well as the nature of the stakeholders' relationship with the organization
5. Considering their views even if they have no formal role in the governance of the organization or are unaware of their interests

Phase 3: Understanding your SR (cl 7.3.2.1 Determining Relevance)

An organization should review all of the following **Core Subjects** of SR to identify which issues are relevant and:

1. Identify stakeholders
2. Identify the activities of the organization itself and of the organizations within its sphere of influence
3. Determine which core subjects and issues might arise when your organization and others within your sphere of influence carry out these activities taking into account all applicable legislation
4. Examine the ways in which your organization's decisions and activities can impact stakeholders and sustainable development

Phase 3: Core Subjects of SR to be addressed (ISO/FDIS 26000 cl. 6)

Identify the impact and issues your decisions and activities have on these **core subjects**

Include your sphere of influence



cs1. Organizational Governance Summary

(cl 6.2.1.1)

Organizational governance:

1. is the system by which all organizations make and implement decisions in pursuit of their objectives
2. can comprise both formal governance mechanisms based on defined structures and processes and informal mechanisms that emerge in connection with the organization's culture and values, often influenced by the persons who are leading the organization
3. systems 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
4. is the most crucial factor in enabling an organization to take responsibility for the impacts of its decisions and activities and to integrate social responsibility throughout the organization and its relationships

cs1. Organizational Governance Summary

(cl 6.2.1.1)

5. is both a core subject on which organizations should act and a means of increasing the organization's ability to behave in a socially responsible manner with regard to the other core subjects
6. should enable the organization to provide oversight and to put into practice the principles of SR by incorporating them into decision making and implementation
7. system should be established and reviewed by considering these principles, the practices and the core subjects and the issues of SR
8. depends on leadership for decision making and employee motivation to practice SR and to integrate it into organizational culture

cs3. Labour Practices Summary (cl 6.4)

Labour practices issues

1. Employment and employment relationships
2. Conditions of work and social protection
3. Social dialogue
4. Health and safety at work
5. Human development and training in the workplace

'Safety harness'

cs4. The Environment: Summary (cl 6.5)

- Society is facing many environmental challenges, including the depletion of natural resources, pollution, climate change, destruction of habitats, loss of species, the collapse of whole ecosystems and the degradation of urban and rural human settlements
- Organizations have an impact on the environment associated with the use of resources, the location of the activities of the organization, the generation of pollution and wastes, and the impacts of the organization's activities on natural habitats

To reduce their environmental impacts, organizations should:

1. Adopt an integrated approach that considers the economic, social, health and environmental implications of decisions and activities
2. Identify options to reduce and eliminate unsustainable volumes and patterns of production and consumption and to ensure that the resource consumption per person becomes sustainable

cs4. The Environment: Summary (cl 6.5)

3. Use the ISO14000 series when evaluating environmental performance, quantifying and reporting greenhouse gas emissions, life cycle assessment, design for the environment, environmental labeling and environmental communication
4. Prevent pollution
5. Measure, record and report on significant sources of pollution and reduction of pollution, water consumption, waste generation and energy consumption, the amounts and types of relevant and significant toxic and hazardous materials used and released, including the known human health and environmental risks of these materials for normal operations as well as accidental releases
6. Systematically identify and avoid the use of banned chemicals defined by national law or of unwanted chemicals listed in international conventions and seek to prevent use of such chemicals by organizations within its sphere of influence

cs4. The Environment: Summary (cl 6.5)

7. Implement an environmental accident prevention and preparedness programme and prepare an emergency plan covering accidents and incidents both on- and off-site
8. Identify the sources of and implement resource efficiency measures to reduce the use of energy, water and other resources
9. Measure, record and report on significant GHG emissions, progressively reduce and minimize GHG emissions within its control and encourage similar actions within its sphere of influence
10. Identify risks and integrate climate change adaptation into decision making and implement measures to respond to existing or anticipated impacts and within its sphere of influence, contribute to building capacity of stakeholders to adapt
11. Protect the environment and restore natural habitats and the various functions and services that ecosystems provide

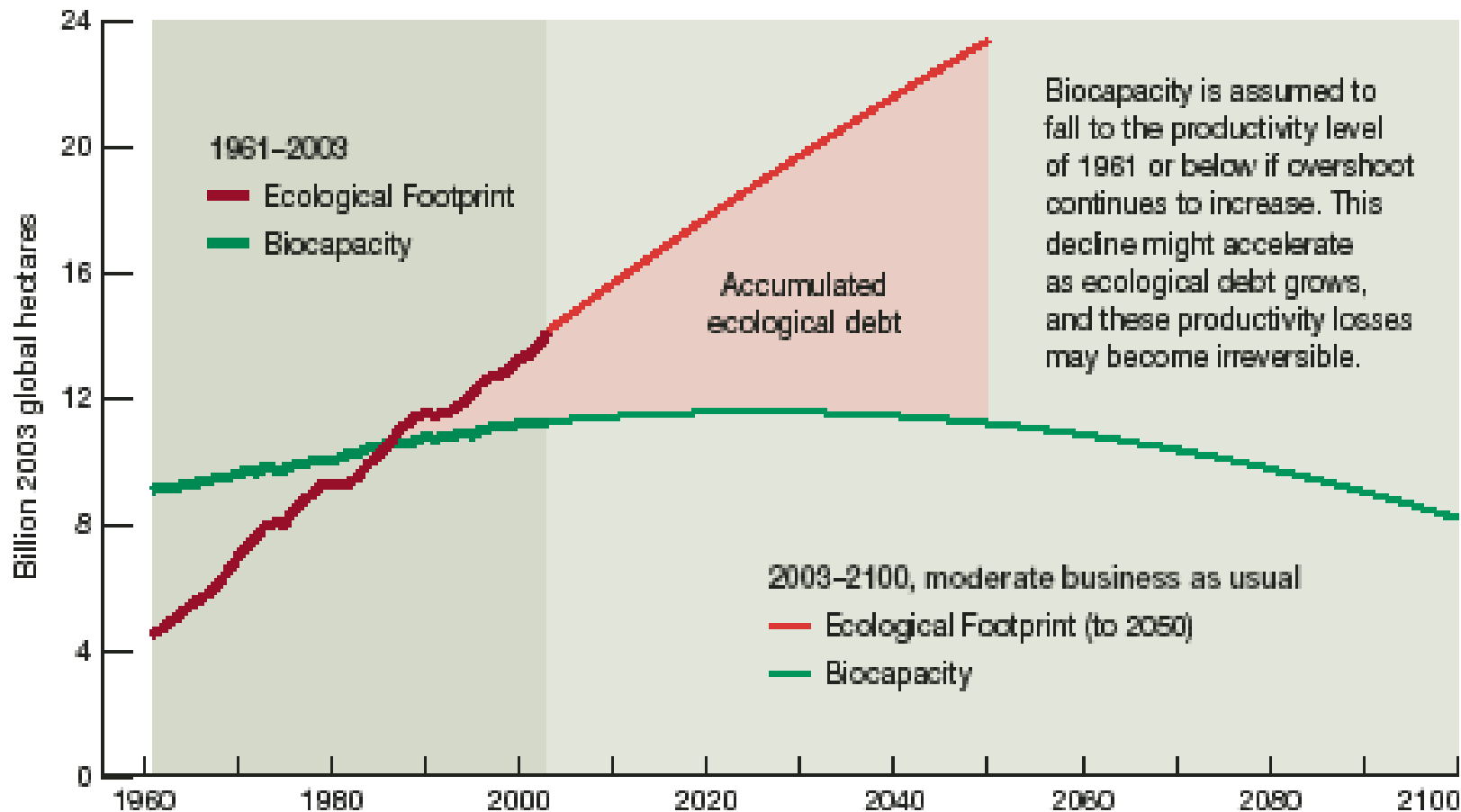
cs4. The Environment: Summary (cl 6.5)

Environmental issues:

1. Prevention of pollution
2. Sustainable resource use
3. Climate change mitigation and adaptation
4. Protection of the environment, biodiversity and restoration of natural habitats

World Wildlife Fund (WWF)

Fig. 25: BUSINESS-AS-USUAL SCENARIO AND ECOLOGICAL DEBT



ISO 26000 & Climate change

6.5.5.2.2 Climate change adaptation

Reduce vulnerability to climate change by:

- Identifying risks and integrate into decision making
- Increasing capacity of stakeholders within sphere of influence to adapt
- Avoid or minimize associated damage

CLIMATE CHANGE ADAPTATION PROJECT: CANADA

Dr. Blair W. Feltmate, Professor and Director, Sustainability Practice,
Faculty of Environment, University of Waterloo

Purpose:

1. Identify 5 key areas and courses of action that Canada must engage to limit current and future impacts to industry/disciplines that would otherwise result due to climate change (“CC”)
2. Identify 3 key areas and courses of action that Canada must engage to limit current and future property & casualty insurance costs that would otherwise result due to CC
3. Translate recommendations resulting from above into action at the Federal, Provincial, Municipal and Rural levels

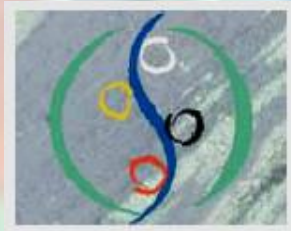
March 10, 2010

Community Involvement and Development Summary (cl 6.8)

Community involvement and development issues:

1. Community involvement
2. Education and culture
3. Employment creation and skills development
4. Technology development and access
5. Wealth and income creation
6. Health
7. Social investment

3. Change



Change

Use ISO 26000:2010 Social Responsibility in:

1. Policy:

- An instrument of Environment Canada policies?

2. Practice:

- To guide the integration of Social Responsibility throughout Environment Canada?

3. Promotion:

- Contribute to sustainable development?