



**Organization of American States  
Regional Workshop on CSR  
in the Extractive and Tourism Industries**

# **Stakeholder Engagement and Implementing a Process for CSR**

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Representing Mexico and Canada  
on ISO 26000 Social Responsibility  
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**BRI**  
INTERNATIONAL INC

UNIVERSIDAD  
AUTONOMA  
METROPOLITANA



Casa abierta al tiempo

**Azcapotzalco**

## Objective a)

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- To share a step-by-step approach to implementing a process to integrate CSR throughout an organization based on guidance provided in ISO26000 Social Responsibility

## **Objective b)**

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- To understand the importance of identifying and engaging stakeholders
- To provide information on stakeholder identification, prioritization and engagement
- To learn the need for assessment, prior evaluation and the importance of linkages to the stakeholders through the supply chain mechanisms and sphere of influence

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- CSR professor at MSc on Organizational Administration, UIA, León.
- Mexican delegate to ISO 26000 Working Group; cofounder of ISO 26000 Education Network
- National Researcher. Cultural Studies: Gender, languages and sustainability.
- Advisor to: Red indígena de turismo alternativo [www.rita.org](http://www.rita.org); Grupo Erandi de Michoacán; Coordinadora Guerrerense de mujeres indígenas; Coordinadora de la Alianza de Mujeres Indígenas de Centroamérica y México.

## **Bob White MBA, BAsC, P.Eng., CMC**

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1. President, BRI International Inc. since 1985
  - Implementing CSR and training Management Consultants in Brazil, Canada, China, Costa Rica, Guyana, Jamaica, India, Mexico and USA
  - Advisor to Canadian Manufacturers and Exporters, Brazil Federation of Industry and Confederation of Indian Industries
2. Standardization: ISO 26000 Representative and Safe Drinking Water
3. Teaching in Canada, India, Mexico and India
  - Ethics, CSR, Sustainability and GHG Emissions Reduction
4. Indigenous peoples
  - KITPU First Nations
  - First Nations Water Commission Steering Committee
5. Professional Engineer and Certified Management Consultant

# 1. An Introduction to ISO 26000 Social Responsibility



# ISO 26000 Social Responsibility

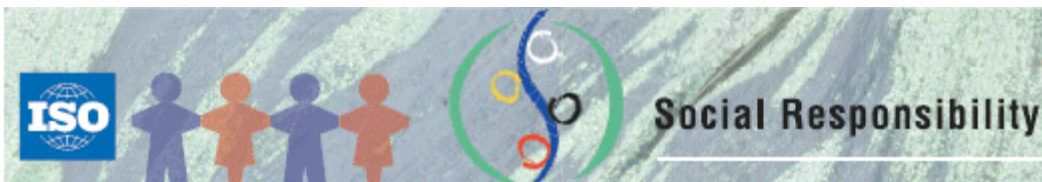
1. Since 2004, 435 CSR experts from 91 countries have been developing practical guidance related to:
  - Operationalizing Social Responsibility
  - Identifying and engaging with stakeholders, and
  - Enhancing credibility of reports and claims about SR
2. Emphasize performance and improvement
3. Be consistent with international SR treaties and conventions and existing ISO standards
4. Leverage trust with ISO, ILO, OECD and UNGC



“Dumb-down  
SR”

# Who can develop ISO 26000?

- Experts and observers from 6 stakeholder categories:
  - Consumer
  - Government
  - Industry
  - Labor
  - NGOs
  - SSRO: Service, support, research and others.
- The membership in the ISO Working Group on SR is made up of experts from ISO members (National Standards Bodies) and from Liaison organizations. Membership is limited to a maximum of 6 experts and 6 observers per NSB and 2 experts and 2 observers per Liaison organisation
- Any relevant international organization can submit a request for a liaison. (max. 2 representatives/org)
- Other existing ISO Committees can indicate up to 2 representatives per committee





## Why do we need a standard on Ethics?

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- Who is not ethical?
- Timeless and universal?
- ‘Do to others what you want them to do to you and do not do to others what you would not want them to do to you’

# **(Corporate) Social Responsibility**

## **(ISO/DIS 26000 Social Responsibility)**

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‘Accepting responsibility for the **impacts** of decisions and activities on society and the environment, through transparent and **ethical** behaviour that:

- is consistent with sustainable development, and the 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’

## **Sustainable Development**

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‘Development that meets the needs of the present without compromising the ability of future generations to meet their own needs’

*The UN Brundtland Commission*

“In our every deliberation, we must consider the impact of our decisions on the next seven generations”

*Great Law of the Iroquois Confederacy*

*Pacha mama: Awaken the Dreamer*

“20 % for change”

# Indigenous Peoples in ISO 26000

## (Reference # in Bibliography)

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- 40: International Labour Organization (ILO): Indigenous and Tribal Peoples Convention (No. 169). 1989
- 99: United Nations (UN): Convention on the Rights of the Child. 1989
- 112: UN): Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August - 4 September 2002. 2002
- 115: UN: United Nations Declaration on the Rights of Indigenous Peoples. 2007
- 121: UN Educational, Scientific and Cultural Organization (UNESCO): Declaration against the intentional destruction of cultural heritage. 2003
- 123: UN Educational, Scientific and Cultural Organization (UNESCO): Convention for the Safeguarding of the Intangible Cultural Heritage
- 124: UN Educational, Scientific and Cultural Organization (UNESCO): Convention on the Protection and Promotion of the Diversity of Cultural Expressions

## Indigenous Peoples in ISO 26000

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### 6.3.4 Human rights issue 2: Human rights risk situations

#### 6.3.4.1 Description of the issues

- There are certain circumstances and environments where organizations are more likely to face challenges and dilemmas relating to human rights and the risk of human rights abuse may be exacerbated.
- These include proximity of operations to communities of **indigenous peoples** [40]

# Indigenous Peoples in ISO 26000

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## 6.3.7 Human rights issue 5: Discrimination and vulnerable groups

- **Indigenous peoples** enjoy collective rights, and individuals belonging to indigenous peoples share universal human rights, in particular the right to equal treatment and opportunity.
- The collective rights include: self determination (which means the right to determine their identity, their political status and the way they want to develop); access to and management of traditional land, water and resources

# Indigenous Peoples in ISO 26000

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## 6.6.7 Fair operating practices issue 5: Respect for property rights

- Property rights cover both physical property and intellectual property and include interest in land, and other physical assets, copyrights, patents, funds, moral rights and other rights.
- They may also encompass a consideration of broader property claims, such as traditional knowledge of specific groups, such as **indigenous peoples**, or the intellectual property of employees or others.

# Indigenous Peoples in ISO 26000

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## 6.8.3 Community involvement and development issue 1: Community involvement

- Some traditional or **indigenous communities** express themselves without constituting a formal “organization”
- An organization should consult and accommodate **indigenous and local communities** on the terms and conditions of development that affect them.
- Consultation should occur prior to development and should be based on complete, accurate and accessible information



# Indigenous Peoples in ISO 26000

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## 6.8.4 Community involvement and development issue 2: Education and culture

- Education and culture are foundations for social and economic development and part of community identity.
- Preservation and promotion of culture and promotion of education compatible with respect for human rights have positive impacts on social cohesion and development[112].

# Indigenous Peoples in ISO 26000

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An organization should:

1. Promote and support education at all levels, and engage in actions to improve the quality of and access to education, promote local knowledge and eradicate illiteracy;
2. In particular, promote learning opportunities for vulnerable or discriminated groups;
3. Encourage the enrolment of children in formal education, and contribute to the elimination of barriers to children obtaining an education (such as child labour) [99];

## Indigenous Peoples in ISO 26000

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4. Promote cultural activities, respect and value the local cultures and cultural traditions, consistent with the principle of respect for human rights;
5. Consider facilitating human rights education and awareness raising;
6. Help conserve and protect cultural heritage, especially where the organization's operations have an impact on it [121][123][124]; and
7. Promote the use of traditional knowledge and technologies of **indigenous communities** [40].

## **ISO 26000 in use**

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### **Education:**

- Universities/ Colleges: ISO 26000 in courses: 'Responsible Education Network'

### **Industry:**

- Canadian Electricity Association: Sustainability
- Mining: Responsible Exploration, Stakeholder Engagement and Reporting
- Vancouver Olympic Games 2010: Sustainable Event standard
- Group Process: Genomma Lab, U. Anáhuac, UAM, U. Iberoamericano, Unions

# Responsible Competitiveness

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- When deployed strategically, **SR can** enhance innovation, productivity and competitiveness and **attract investors**
- Investors are receptive to sustainability because boardroom commitment **helps build a framework for robust corporate governance** that has proven to be a legitimate framework for exploiting new opportunities for innovation and productivity while identifying and **managing costs and risks**

# Responsible Competitiveness

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- Goldman Sachs, June 2007 study of energy, mining, steel, food, beverages and media sectors found that **leaders in implementing environmental, social and governance policies** designed to create sustained competitive advantage had **outperformed the overall stock market by 25%** since August 2005
- Within their own sectors, 72 per cent of these leading companies outperformed their peers over the same period

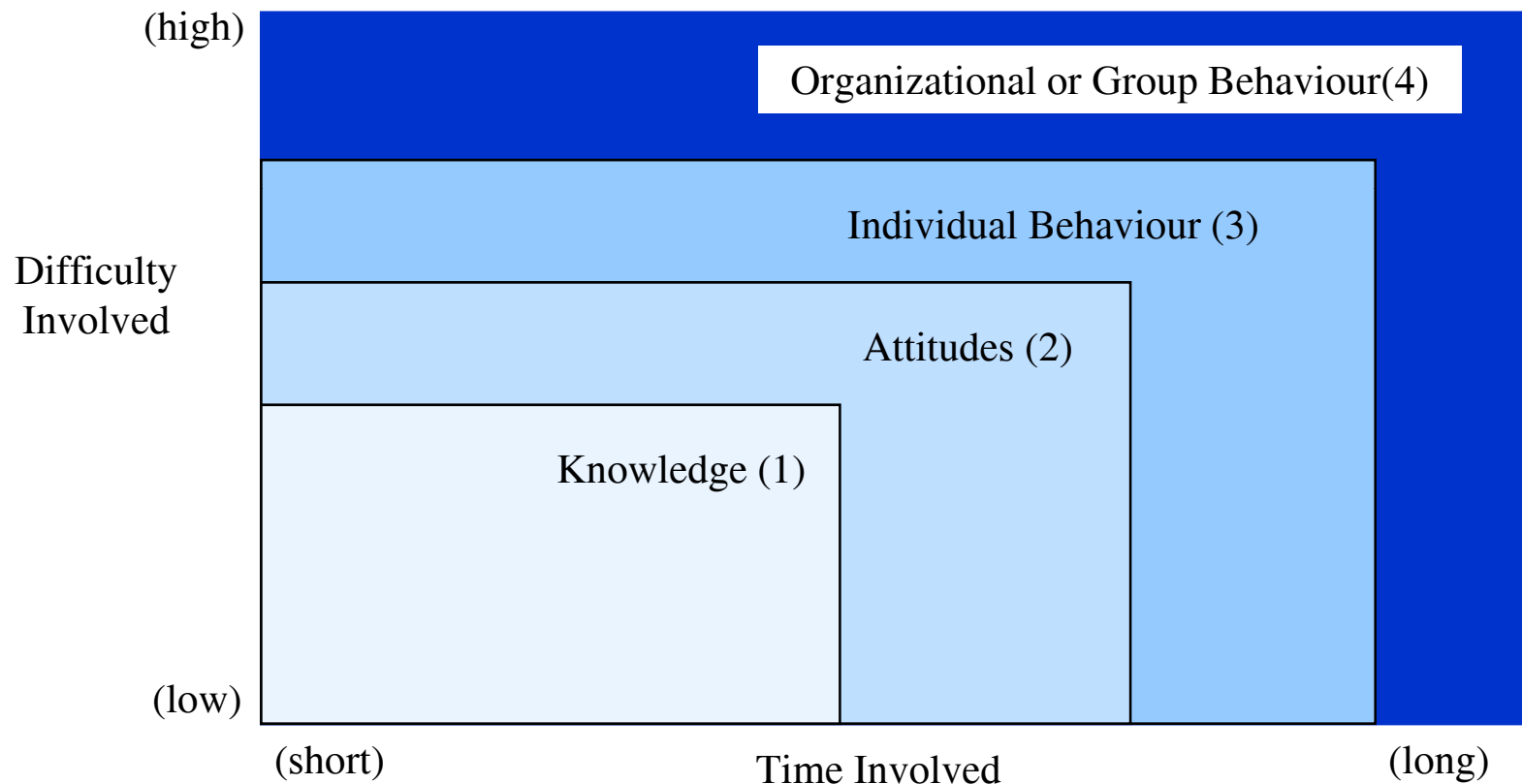
# Responsible Competitiveness

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- ISO 26000 recommends that organizations say:
  - “YOUR ORGANIZATION” has used ISO 26000 as a guide to integrate social responsibility into our values and practices

# Changing Behaviour

Time span and level of difficulty involved for various levels of change



Source: P. Hearsey and K.H. Blanchard;  
*Management of organizational behaviour* (Englewood Cliffs, New Jersey, Prentice-Hall, 1972), p.160.



## **2. Integrating SR Throughout Your Organization Based on ISO 26000**



## ISO 26000 and Responsible Competitiveness

# CSR Implementation Phases

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

Integrating Social Responsibility Throughout the Organization		Module
1.	Forming the SR Leadership Team (7.1 & 3)	1
2.	Understanding the relationship of the organization's characteristics to SR (7.2 & 4) <ul style="list-style-type: none"><li>• The Principles of social Responsibility</li><li>• Making the business case for ethical and socially responsible behaviour</li></ul>	1
3.	Understanding the social responsibility of the organization (7.3 & 6) <ul style="list-style-type: none"><li>• Identifying impacts and issues of activities and decisions on Core Subjects of SR</li><li>• Identifying and Engaging Stakeholders</li><li>• Sustainability indicators in Accountability Framework (GRI)</li></ul>	2
4.	Identifying practices for integrating social responsibility throughout the organization (7.4) <ul style="list-style-type: none"><li>• Implementing an Integrated Governance and Risk Management System (e.g.: ISO 9001)</li><li>• Embedding SR into Vision, Mission, Strategy and operations</li></ul>	3
5.	Communication on social responsibility (7.5) <ul style="list-style-type: none"><li>• Developing and implementing a SR Communication Plan</li><li>• Sustainability reporting (GRI, IFC)</li><li>• Stakeholder dialogue</li></ul>	4
6.	Enhancing credibility regarding social responsibility (7.6) <ul style="list-style-type: none"><li>• Evaluation and Verification of reports and claims about SR (AA1000 AS)</li><li>• Resolving conflicts with stakeholders</li></ul>	5
7.	Reviewing and improving the organization's actions and practices related to social responsibility (7.7) <ul style="list-style-type: none"><li>• Process for ongoing monitoring, review and continual improvement</li></ul>	6
8.	Adopting voluntary initiatives on social responsibility (7.8 & Annex) <ul style="list-style-type: none"><li>• Assessing and choosing Voluntary Initiatives (e.g.: Global Compact)</li></ul>	6

# Phase 1: Establish SR Leadership Team

**Complete a draft of Table 5: SR Leadership Team in Workbook**

	<b>Roles and responsibilities of Team members:</b>	<b>Functional Responsibilities of Team Members</b>	<b>Names and Functional Responsibility of Your SR Leadership Team</b>
1.	Providing support and oversight to ensure integration of the principles of SR into the values, vision, strategy and operations	Member of Board of Directors	
2.	Providing leadership, direction and support	President/ CEO	
3.	Providing leadership in the development and implementation of SR	SR Leader	
4.	Providing ongoing participation and support for the implementation, maintenance and improvement of SR process	SR Implementation Team: SR Leader and change agent volunteers from all functional areas	
5.	Development and implementation of SR	SR Implementation Team, Top Functional Management and non-management change agents	
6.	Developing and implementing policies and procedures for SR Framework	SR Implementation Team and representatives from all functional areas	

## **Phase 2: The Relationship of Your Organization's Characteristics to SR (cl.7.2)**

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Understand the characteristics and the context in which you operate including:

- The current attitudes, level of commitment to and **understanding of social responsibility** by your **organization's leadership**
- Your organization's **understanding of the principles**, subjects and benefits of social responsibility will greatly assist the integration of social responsibility throughout the organization and its sphere of influence

## **Activities for Phase 2: The Relationship of Your Organization's Characteristics to SR**

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1. Understand the principles of SR
2. Analyze how your Organization relates to SR
3. Create Management understanding and Commitment
4. Assess SR Process against clause 7.2 in checklist and develop implementation plan to close the gap



# Principles of Social Responsibility (SR)

(ISO/DIS 26000 cl. 4)

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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**

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An organization should identify its stakeholders and

1. Be conscious of and respect their interests
2. Recognize their legal rights and legitimate interests
3. Consider their relative capacity to contact and engage
4. Consider their interests in relation to the broader interests of society, sustainable development and you
5. Consider their views even if they have no formal role in the governance of the organization or are unaware of their interest

“See web site”

# Stakeholders

(Cl. 2)

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## **2.1.20 stakeholder:**

- individual or group that has an interest in any decision or activity of an organization

## **2.1.21 stakeholder engagement:**

- activity undertaken to create opportunities for dialogue between an organization and one or more of its stakeholders, with the aim of providing an informed basis for the organization's decisions



## Making the Business Case for SR

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A Socially Responsible organization can:

1. Increase Innovation and Sales - Top Line:
  - Consumers and investors demanding evidence of:
    - Protecting workers and the environment
    - Attract and keep best and brightest
  - Differentiation
2. Reduce Cost - Bottom Line:
  - Demonstrate financial benefit from CSR
3. Know and Manage Risk:
  - Knowledge of compliance with laws and regulations
  - Due diligence and risk management

## **Phase 3: Identify Your Organization's SR** **(cl 7.3)**

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1. List the full range of your activities and organizations within your sphere of influence
2. Determine which core subjects and issues might arise when your organization and others within your sphere of influence carry out these activities
3. Examine the ways in which your organization's decisions and activities can impact sustainable development
4. Identify societal expectations of responsible behaviour concerning these impacts
5. Include core subjects and issues that relate to day-to-day activities as well as those that arise only occasionally under very specific circumstances

# Core Subjects of SR to be addressed

(ISO/DIS 26000 cl. 6)

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

Include your sphere of influence



# Stakeholder Identification

(ISO/DIS 26000 cl. 5.3)

To identify your stakeholders, ask the following questions:

1. To whom do legal obligations exist?
2. Who might be positively or negatively affected by the organization's activities and decisions
3. Who has been involved when similar issues needed to be addressed?
4. Who can help the organization address specific impacts?
5. Who would be disadvantaged if they were excluded from the engagement?
6. Who in the value chain is affected?

“Alcan-India”

## **Stakeholder Engagement** (cl 5.3.3)

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1. Initiated by the organization or in response to one or more stakeholders
2. Can take place in either informal or formal meetings
3. Includes individual meetings, conferences, workshops, public hearings, roundtable discussions, advisory committees, participation in multi-party forums, membership and participation in community groups and other associations, interactive web-based forums
4. **Interactive with two-way communication**
5. A fair and proper process based on engaging the most appropriate stakeholders should be developed

## Activities for Phase 3. Identifying the Organization's SR

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1. Identify and prioritize those in your sphere of influence and how you can exercise that influence (7.3.2)
2. Identify your stakeholders (5.3).
3. Identify the social responsibility of your organization related to the core subjects and issues (7.3.1.1).
4. Determine relevance and significance of impacts related to core subjects and issues (7.3.1.2, 7.3.3, 5.1, 5.2, 6)
5. Assess stakeholder identification and engagement process and develop implementation plan to close the gap
6. Assess Performance Measurement Framework linked to significant impacts
7. Assess SR Process against clause 7.3 in checklist and develop implementation plan to close the gap



# Activity: Identify Sphere of Influence

(List of organizations within your sphere of influence and the source of the influence)

Methods of exercising influence		Ownership And Governance	Economic Relationship	Legal/ Political Authority	Public Opinion
Show level of influence against the name of the organization within your sphere of influence: H: High M: Medium L: Low		Nature and extent of ownership or representation on the governing body of the associated organization.	Influence based on the level of economic dependency involved	Provisions in legally binding contracts or the existence of a legal mandate granting the organization the ability to enforce certain behaviours on others	Ability of the organization to influence public opinion and the impact of public opinion on those it is trying to influence
1.	Setting contractual provisions and/or incentives				
2.	Sharing knowledge and information				
3.	Conducting joint projects				
4.	Undertaking responsible lobbying and using media relations				
5.	Promoting good practices				
6.	Forming partnerships with sector associations organizations and others				

*ISO 26000 and Responsible Competitiveness*

**Activity: Assess**

**Stakeholder Engagement Process**

Step #	Stakeholder Engagement Process: Assessment Summary	Assessment Score				
		Developed (20%)	Documented (30%)	Implemented (40%)	Audited (10%)	Total (100%)
	<b>Has the organization?</b>					
1.	Established a commitment and governance framework to ensure ongoing stakeholder identification and engagement					
2.	Identified stakeholders and their representative groups					
3.	Identified stakeholder expectations and actual or potential impacts on them					
4.	Identified performance indicators related to expectations and impacts					
5.	Engaged stakeholders in dialogue and identified issues related to the actual or potential impacts on them and agreed on performance indicators and ongoing communication and reporting					
6.	Created an accountability framework to monitor and measure performance against objectives and targets					
7.	Developed and implemented a corrective and preventive action system to address gaps in performance					
8.	Created a stakeholder group to assess and report on effectiveness of accountability framework					
9.	Engaged with stakeholders to communicate and report performance to and obtain feedback					
10.	Developed continual improvement plan for stakeholder identification and engagement process					
	<b>Total Score Stakeholder Engagement</b>					

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**Activity: Identify the Organization's SR (cl. 7.3)**

Identify significance of core subjects and issues based on:		Organizational governance	Human rights	Labour practices	Environment	Fair operating practices	Consumer issues	Community involvement and development
		Identify issues related to core subjects						
1	Extent of the impact of the core subject or issue on stakeholders and sustainable development							
2	Potential effect of taking action or failing to take action on the core subject or issue							
3	Level of stakeholder concern about the core subject or issue							
4	Potential effect of the related action compared to the resources required for implementation							
5	Current performance of the organization compared to existing laws and regulations, international standards, international norms of behaviour, the state-of-the-art and best practice							

## **Phase 4: Identify Practices for Integrating SR throughout the Organization (cl 7.4)**

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Building SR into governance system by:

- Exercising due diligence in managing impacts by considering likely impacts of these decisions
- Reviewing procedures and processes to ensure they take the social responsibility of the organization into account

# IMS Framework

Sustainability CSR	Key Management System/Guideline	Contribution to Sustainability	Sustainability
<b>Economic:</b> <ul style="list-style-type: none"> <li>• Customers, Shareholders</li> <li>• Suppliers, partners</li> </ul>	<b>ISO 9001</b> <ul style="list-style-type: none"> <li>• Quality</li> </ul>	<ul style="list-style-type: none"> <li>• Know and continually improve customer satisfaction and performance</li> </ul>	<ul style="list-style-type: none"> <li>• UN Global Compact</li> <li>• OECD Guidelines</li> <li>• IFC Performance Indicators</li> <li>• Global Reporting Initiative</li> <li>• AA1000</li> <li>• AA1000AS</li> </ul>
<b>Environmental:</b> <ul style="list-style-type: none"> <li>• Community</li> </ul>	<b>ISO 14001</b> <ul style="list-style-type: none"> <li>• Environmental</li> </ul> <b>ISO 14064</b> <ul style="list-style-type: none"> <li>• Carbon credit</li> <li>• \$\$</li> </ul>	<ul style="list-style-type: none"> <li>• Know and reduce impact on environment including GHG accounting and verification</li> <li>• Meet regulations</li> </ul>	
<b>Social:</b> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Community</li> </ul>	<b>OHSAS 18001</b> <ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Know and reduce hazards and risks to employees,</li> <li>• Meet regulations</li> </ul>	



## **Phase 5: The Role of Communication in SR** **(cl 7.5.1)**

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Communication is critical to the following functions in SR:

1. Demonstrating accountability and transparency
2. Helping engage and create dialogue with stakeholders
3. Addressing legal and other requirements for the disclosure of information related to SR
4. Showing how the organization is meeting its commitments on SR and responding to the expectations of stakeholders and of society in general
5. Raising awareness both within and outside the organization on its strategies and objectives, plans, performance and challenges for social responsibility

## **Phase 5: The Role of Communication in SR**

**(cl 7.5.1)**

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6. Providing information on impacts of operations, products, services and other activities, including details about how the impacts change over time;
7. Helping to engage and motivate employees and others to support activities in SR
8. Facilitating comparison with peer organizations, which can stimulate improvements in performance on SR
9. Enhancing an organization's reputation for responsible action, openness, integrity and accountability, to strengthen stakeholder trust in the organization

## **Phase 6: Methods of Enhancing Credibility**

### **(7.6.1)**

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Establish credibility through:

1. Dialogue with stakeholders to increase confidence, build trust and enhance credibility
2. Involve stakeholders in the verification of claims concerning performance
3. Participate in specific independent and credible certification schemes.
4. Involve independent parties such as advisory committees or review committees of credible persons
5. Join associations of peer organizations to establish or promote SR behaviour

## **Phase 7: Review and Improve SR Actions and Practices (cl. 7.7)**

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Ongoing monitoring or observation of activities includes:

- Making sure that activities are proceeding as intended,
- Identifying any crises or out-of-the ordinary occurrences,
- Making minor modifications to the way things are done.

Reviews of performance may be used to:

- Determine progress on social responsibility,
- Help keep programmes well focused
- Identify areas in need of change
- Contribute to improved performance

## **Phase 8: Voluntary Initiatives on SR** (cl 7.8)

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- Voluntary initiatives help other organizations become more socially responsible by addressing:
  - Aspects of one or more core subjects or issues
  - Various ways to integrate SR into activities and decisions throughout their organizations
- They can develop or promote minimum expectations including codes of conduct, recommendations, guidelines, declarations of principles and value statements
- In evaluating initiatives, an organization should be aware that not every initiative is well regarded or credible in the eyes of stakeholders



# Group Process Success (Clusters)

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## **Canada:**

- Canadian Manufacturers and Exporters: 1995/2005:
  - SMOs: ISO 9001, ISO 14001, OHSAS 18001
- Hospitals: 2003/2005:
  - Medical Laboratories: ISO 15189 QMS

## **Brazil:** Federation of Industry: 1998/2003

- SMOs: Integrated Management System (IMS): ISO 9001, ISO 14001 and OHSAS 18001

## **India:** Confederation on Indian Industry: 2004/2007

- SMOs: Sustainability Framework: IMS + GRI + UNGC

## Next Steps

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- Do nothing or
- Commit to make a difference and become an agent for change
- Get a copy of ISO/DIS 26000 SR - **it is free**
- Form a 'Group' and integrate SR throughout your organization

*You will be the leaders of change for a more ethical and socially responsible world.*

## For additional information contact

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