

Japan's Position on Development of a Guidance Document for ISO/SR

1. Pre-requisites derived from ISO/SAG Recommendations, the Stockholm conference on SR, and TMB resolutions

The guidance document should be one that:

- (1) defines SR and facilitates its common understanding;
- (2) provides practical guidance and is not intended for third-party certification;
- (3) is applicable to organizations of all types;
- (4) is written in language that is clear and understandable even for non-experts;
- (5) supports SR implementation in an organization while respecting differences in culture, society, environment, statutory and regulatory requirements and economic development;
- (6) emphasizes results and performance improvement; and
- (7) is consistent with existing documents, international agreements and conventions and existing ISO standards.

2. Intended characteristics of the guidance document

The guidance document is

- (1) to promote SR of all organizations, providing effective guidelines as a means of self-improvement and to create new added value;
- (2) to respect national, regional and local context and culture and to exemplify the subjects and issues for raising effectiveness of SR activities;
- (3) to respect autonomy of an organization and to adapt itself flexibly to the systems the organization has established as most appropriate to its objectives, vision and culture;
- (4) to be compatible, consistent and complementary with existing SR initiatives and guidelines; and
- (5) to place importance on communication with stakeholders as an organization promotes SR activities.

Proposed Structure of the Guidance Document (Informative)

0. Introduction

In order to overcome various problems which the globalizing world economy is now facing, it is becoming increasingly necessary for diverse organizations in society to act as global citizens across sector boundaries. An organization is a member of society and constitutes a foundation of social development. Organizations are coming to recognize the significance of maintaining and extending their activities by means of their own contributions to realizing a “more sustainable world economy.”

SR encourages the organization to define its roles by taking account of society's expectations of the organization, and of the effects on society of its activities, products, and services. To be more specific, SR is about identifying, engaging stakeholders who are affected by the activities of the organization and reporting its performance to them.. Society reflects regional and local context and will constantly change over time. Along with society's evolution, its expectations toward the organization will change. Meanwhile, activities of the organization go beyond national boundaries, necessitating development of a common SR concept to be shared across the world.

Under these circumstances, ISO has decided to develop a guidance document for SR by bringing experience and expertise of diverse stakeholders together in order to promote understanding and initiatives of SR throughout the world. This guidance document is intended (1) to promote SR of all organizations, providing effective guidelines as a means of self-improvement and to created new added value, (2) to respect national, regional and local context and culture, and to exemplify the subjects and issues necessary for raising effectiveness of SR activities, (3) to respect the autonomy of an organization and to flexibly adapt itself to the system that the organization has established in a way to fit its objectives, vision and culture most appropriately, (4) to be compatible, consistent and complementary with existing SR initiatives and guidelines, and (5) to place importance on communication with stakeholders as an organization promotes SR activities.

1. Scope

This guidance document provides guidelines to help an organization to identify

significant SR subjects and issues that it should address and to achieve continuity and sustainable development of itself and its activities. The organization is not necessarily expected to adopt prescribed means of carrying out the subjects and issues presented in this guidance document (though it must, of course, satisfy those SR requirements adopted in the laws or regulations of the jurisdictions in which it operates), but it may select subjects and issues according to its vision, objectives, and strategy or customize them in a way to make them most appropriate to itself.

This guidance document is applicable to organizations of all sizes and types no matter where they operate, and regardless of differences in culture, society and environment. Each organization, in the process of pursuing its essential mission, should recognize the social responsibility it bears given its roles in society and should carry out its activities in such a way as to fulfill that responsibility. The intended users of this document thus include national and local government units, international organizations, corporations, labor unions, educational institutions, consumer associations, civil society associations, NPOs, NGOs, media organizations, and SRI rating organizations.

This guidance document is not intended for certification or contractual use, or to serve as a set of legally binding requirements.

2. SR principles

Organizations are encouraged to implement efficiently and effectively the activities described in clauses 3., 4., and 5. below, guided by the following SR principles.

(1) respecting autonomy and flexibility

The organization should identify those SR subjects and issues which are significant to achieving sustainable development and continuity of itself and its activities, and address them voluntarily and flexibly.

(2) ensuring continuity

In order to raise effectiveness of SR activities, the organization should make a continuous effort, seeking for higher and better performance.

(3) ensuring transparency

The organization should disclose information on its structure and activities and thereby enhance transparency.

(4) respect for human dignity and diversity

Fully respecting human dignity, the organization should respect differences in race,

sex, age, ideology, culture, region, presence and nature of physical or mental disability, and other categories of human diversity.

(5) paying special attention to communication with stakeholders

The organization should promote two-way communication with stakeholders who are affected by its activities in order to take due account of their interests.

(6) contributing to building a better and sustainable society

In implementing SR activities, the organization should collaborate with diverse organizations to have positive impacts on solving social problems and building a better society.

3. Subjects and issues falling under SR

When identifying SR subjects and issues, the organization should refer to the United Nations Global Compact, the Universal Declaration of Human Rights, the ILO Declaration of Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises among others.

The subjects and issues falling under SR include the following examples (not exhaustive and not in any particular order):

(1) legal enforcement/compliance

The organization must ensure that it enforce or comply with relevant international rules and legislation when carrying out its activities.

The organization must (not exhaustive and not in any particular order)

- comply with relevant statutory and regulatory requirements and respect their spirit in any region where it operates,
- abide by applicable international rules and its own code of conduct,
- ensure fair trade,
- avoid abuse of superior position,
- eliminate bribery and corruption, and
- eliminate money laundering.

(2) human rights

In addition to fulfilling its obligations with respect to human rights, the organization should autonomously address issues of human rights within the scope of its capacity to do so.

The organization should exercise high standards of care wherever it operates (not exhaustive and not in any particular order)

- to respect fundamental human rights and freedom,
- to be non-discriminatory,
- not to be complicit in human rights abuses directly or indirectly,
- to mitigate conditions and events which threaten people's well-being such as poverty, hunger and conflict, and
- to give consideration to those who receive products and/or services which the organization provides.

(3) employment

In addition to fulfilling its legal obligations with respect to employment, the organization should seek people-oriented management, and work to maintain and expand good human relationships.

Employment-related activities of the organization include promotion and implementation of (not exhaustive and not in any particular order)

- personnel management to enable diverse employees to exercise their abilities to the full,
- non-discriminatory treatment and equality of opportunity with respect to employment,
- provision of safe and healthy workplaces and protections of employees' health,
- development of employees' abilities and careers,
- freedom of association,
- dialogue and consultation with employees,
- work ways to achieve work-life balance, and
- effective abolition of child labor and elimination of forced or compulsory labor.

(4) quality of products and/or services

The organization should strive to maintain and improve the quality of its products and/or services to ensure the confidence and satisfaction of beneficiaries.

Activities which enable the organization to improve the quality of its products and/or services include (not exhaustive and not in any particular order)

- provision of appropriate, timely, and easy-to-understand information on its

products and/or services,

- establishment of a system to assure quality, and
- seeking out and using the voices of beneficiaries.

(5) safety/information security

In addition to fulfilling its legal obligations with respect to safety and information security, the organization should give considerations to safety and security of stakeholders on whom it has direct impacts or indirect impacts which it can control.

The organization should consider (not exhaustive and not in any particular order)

- means to secure safety in development, provision and disposal of its products and/or services,
- countermeasures against disasters, accidents and terrorism,
- proper handling of personal data, and
- proper handling of important information including intellectual property.

(6) environment

In addition to complying with all legal and regulatory requirements pertaining to the environment, the organization should autonomously carry out environmentally-conscious activities to advance the goal of achieving sustainable development of itself and society at large.

The environmentally-conscious activities which the organization may engage in autonomously in this way include (not exhaustive and not in any particular order)

- reduction of environmental impacts of its operations,
- prevention of global warming (with ratification of the Kyoto Protocol one means which governments may adopt),
- energy/resource conservation, 3Rs (reduce, reuse, recycle)
- proper handling of hazardous substances,
- development and dissemination of environmentally-friendly products and technologies, and
- nature conservation (including conservation of biodiversity).

(7) international contribution

The organization should work to improve the welfare of all people throughout the world, contributing, for example, to regional economic development in developing countries.

4. Communication with stakeholders

In addition to fulfilling its legal obligations with respect to disclosure and other forms of stakeholder communication, the organization should, by communicating with them, raise the confidence and satisfaction of stakeholders who are affected by its activities or who impact its activities.

In communicating with stakeholders, the organization should address the following issues (not exhaustive and not in any particular order):

(1) identifying stakeholders

The organization should identify and recognize those stakeholders who are important for continuity and sustainable development of its activities.

The organization should consider relations with the following stakeholders (not exhaustive and not in any particular order):

- customers, consumers, beneficiaries
- shareholders, investors, tax-payers, donors
- employees
- suppliers, partners, collaborators
- communities
- governments and municipalities

(2) understanding expectations of the stakeholders

The organization should understand needs and expectations of the important stakeholders it has identified and recognized, and should implement SR activities while taking due account of followings them.

Specific means of improving its understanding of stakeholders' needs and expectations might include establishing "consultation windows" for encouraging stakeholders' communication on SR, surveys of stakeholder expectations, and forming regular links and engaging in exchanges of views with stakeholders.

(3) reporting to the stakeholders

The organization should appreciate the importance of accountability with respect to SR activities and their results, and report on the organization's structure and SR activities

to internal and external stakeholders. When reporting to the stakeholders, the organization should refer to best practices of reporting and apply the following principles (not exhaustive and not in any particular order):

- transparency
- completeness
- accuracy
- clarity
- timeliness
- neutrality

(4) inclusiveness and engagement of the stakeholders

The organization should promote engagement of the stakeholders when necessary for carrying out its SR activities. Among the recommended means of engaging stakeholders are

- communication and training to ensure thoroughgoing SR activity throughout the organization
- feedback about reports on the organization's SR activities and its performance
- expansion of SR activities to relevant stakeholders such as suppliers, partners and collaborators

5. Issues the organization should note

(1) identifying SR subjects and issues based on the organization's vision, mission and strategy

The organization should identify SR subjects and issues for itself based on its vision, mission and strategy as well as stakeholders' needs and expectations.

(2) establishing SR structure

In addressing SR, the organization should review and sort out how SR fits with its existing governance structure, and should establish and operationalize an SR structure appropriate to itself.

(3) communication and training to implement SR activities

To ensure implementation of SR activities in the organization, it is important to raise SR awareness among all those concerned. The organization should facilitate communication and training to ensure that its members understand and carry out SR activities.

(4) Corrective action and improvement through self-assessment

The organization should perform self-assessment to measure appropriateness and achieved performance of its on-going SR activities, and should use the results of self-assessment for future corrective action and improvement.

Annex: Examples of existing SR initiatives and guidelines developed by such organizations as UN, ILO and OECD

Japan's Comments on the NWIP

In developing an international guidance document, it is a necessary condition that the work be carried out in a way fully respecting the COPOLCO report, the ISO SAG recommendations, the results of the SR Stockholm conference, and the TMB resolutions on SR. Moreover, it is essential that ISO coordinate in this work with other organizations especially with the ILO. Fully acknowledging this fact, Japan supports development of an international guidance document in ISO for the reasons described below. Japan also intends energetically to participate in and contribute to the SR-related work in ISO. Japan will send six experts to take part in the work, and is prepared to undertake leadership, in a twinning arrangement with Thailand, of TG that may be established under the ISO/WG.

Further, we hereby submit an outline SR guidance document (attached).

Reasons for supporting development of the international guidance document

It is an excellent thing for all the organizations constituting society to fulfill their respective responsibilities and work to build a better society. However, while there exist many national standards, specifications, agreements and conventions (such as those of the UN, the ILO, and the OECD), and other relevant documents on SR cited in the NWIP, the general conception of SR and the specifics of implementing SR may not be clear to the prospective users of SR documents, and the mutual compatibility of existing SR standards and other documents has not been secured. For this reason, under current conditions, a common understanding of SR activities may not arise among the various organizations attempting to promote SR activities (many of whom must work in a manner dependent on distinctive regions, customs and cultures) and their stakeholders, and that their efforts may not lead to results and performance improvement that are the ultimate objective of SR.

ISO has a history of successfully using its international standard development experience and brand power to solve complicated problems and avoid confusion. Developing a guidance document in ISO pertaining to SR concepts, means of utilizing them and so forth will promote formation of common understanding on SR activities among organizations and their stakeholders, and contribute to the building of a stable social base and to the sustainable development of industry, for developed and developing countries alike.

In light of the above considerations, Japan hopes that the guidance document on SR to be developed in ISO will satisfy the following criteria.

1) Acceptance of diversity

The guidance document will be incorporated and effectively utilized by many organizations under the respect of regional, customary, and cultural distinctiveness. Acceptance of diversity should also facilitate the sharing among stakeholders of the value of utilizing the guidance document on SR.

2) Harmonizing the guidance document with existing standard documents

The guidance document to be developed at ISO should not merely be a stand-alone document, but should be made compatible with existing standard documents (including those of the UN, the ILO, and the OECD, national standards, and the other standard documents cited in the attachments to the NWIP).

3) Respect for autonomy

An organization's smoothly advancing SR activities is the foundation of its sustainable development. However, differences in the means of pursuing SR arise from differences in the character, scale, and social context of different organizations. ISO's guidance document on SR should promote organizations' autonomous efforts related to SR on the basis of a full recognition of this fact.

4) Building relationships with stakeholders

In addition to respecting organizations' autonomy, the content of the guidance document should raise awareness of and emphasize the fact that building better relationships through communication among organizations and their stakeholders.

5) Development of an easy-to-understand guidance document through sharing of concrete examples

In order for the document to promote SR activities in organizations, the guidance document should enable users to refer to specific examples of SR activities (including information on implementing organizations, implementation region, implementation field, and so forth), and otherwise to make it easy to use. Provision of such concrete examples as case studies will greatly assist the SR activities of organizations lacking resources, such as SMEs and developing country organizations, and facilitate the formation of common understanding among

organizations and stakeholders.

6) Guidance document for performance enhancement

As the guidance document to be developed is not to be used for third-party certification, regulations, or contracts, this fact should be stated explicitly in the document.

It should be clearly stated that the document is intended to aid organizations in improving the performance of their SR activities. Further, care should be taken not to fall into “documentism,” a formalist bureaucratic tendency to multiply documents without regard to the advancement of the ultimate legitimate purposes of their users.