



Consumers International position on Corporate Social Responsibility activities in ISO

Consumers International (CI) strongly supports the initiative on Corporate Social Responsibility (CSR) standardisation by the International Organisation for Standardization (ISO). Internationally agreed CSR standards or guidelines can offer a more transparent view of the CSR activities and policies of a given company than the many different codes of conduct that many companies currently use.

ISO is a well recognised international body. Therefore, an ISO CSR guidance standard will have a much broader audience than CSR standards and tools developed nationally or by single companies, groups of companies, NGOs or others. This means that ISO activities could result in a major increase in the number of companies working seriously on CSR issues.

Consumers International welcomes the intended cooperation of developed and developing countries as well as companies, stakeholders and other organisations. However, if ISO does not allow for inputs from NGOs and developing countries there is a high probability that these efforts will be wasted. If ISO ends up developing guidelines that do not reflect the demands from these important groups CI will not recommend to use the guidelines and tools developed by ISO.

CI position on the development of an ISO guideline standard on CSR

The following bullet points list our key concerns:

- The ISO guidance document should take into consideration that an ISO standard or guideline can only be an additional tool to the many other tools and requirements in use for companies working with CSR. Therefore, an ISO guideline does not exclude the need for relevant legal actions at a national or regional level and neither does it exclude the need for many other voluntary initiatives.
- Many tools are already available for companies working with CSR. An ISO guideline standard should involve the best of these. That way, an ISO standard or guideline could become a bridge between national legislation and international norms (UN, ILO, OECD etc.) on the one hand, and reporting and other voluntary initiatives and tools on the other hand.
- ISO must ensure a balanced participation in the standard setting process, to ensure adequate representation of public interest organisations and also the developing countries. This means that all relevant major stakeholder groups should be given the opportunity, and if needed, also the resources for their participation in the relevant forums.

➤ Major issues concerning the guideline standard:

- The term SR should be changed to CSR, as CSR is the term used world wide. SR is a new confusing abbreviation. There are no good reasons for adopting a new term.
- The guideline standard must be developed as a tool for the organisations that want to do more and are not happy with only complying with the existing legislations. Therefore, the first demand is that companies using the guideline must already comply with the relevant legislations (national, regional and local) and also must respect the relevant international legislation and international conventions.
- Companies claiming to act in a socially responsible manner must do so in all areas of their business and activities. Therefore the ISO guideline must be developed to ensure that it is used by the whole company and not just by a specific production site.
- Therefore the guidelines must also address supply chain management issues. Many of the problems relating to workers rights, human rights, the environment, etc are often more severe at the suppliers level. The guideline standard must ensure that companies cannot just pay lip service to CSR problems by saying they can do nothing because the problems exist outside their own sites. Companies, when making a decision about whether to ‘Make or Buy’ part or all of their final product or service, are increasingly outsourcing to other suppliers. The result is that the supply chain becomes longer and more complex, making it increasingly difficult for the consumer to judge if a product or service is CSR compliant and looking at the CSR activities of a final manufacturer or supplier is not enough. This trend of outsourcing means that CSR activities of the suppliers are also relevant and need to be taken into account by the company outsourcing. Therefore, from a consumer perspective, it is useful and necessary that a CSR evaluation should also include the supply chain.
- The guideline should also include some comments regarding consumption and post-consumption phases – i.e. policies on extended producer responsibility
- The Guidance should distinguish between different kinds of social responsibility. From a consumer perspective and if a more sustainable model of consumption is to be developed, CSR must apply to the core-business activities first as other CSR commitments, in particular any non-product related contribution made by a company, would be secondary (e.g. financial contribution for local projects where the supply chain is not involved). Therefore, the supply chain should be the starting point for any CSR policy.
- It is essential that relevant stakeholders - and among them consumers of course - are given a real chance to engage with organisations using the standard. As a minimum requirement, the guideline standard must state a clear obligation for companies to consult with all relevant stakeholders and consider existing international conventions (UN, ILO, etc) and generally accepted international best practices in order to decide which issues are relevant or not when setting up performance objectives and commitments for CSR activities. The resulting discussions, arguments and conclusions should be disclosed to the public.
- Trust and credibility are key words when it comes to CSR. Therefore the guideline must address the issue of methods for guaranteeing and enhancing the credibility of claims relating to social responsibility. That is, both the credibility of external reporting of the objectives, results and achievements and the credibility of an organisation’s choice of issues for its CSR activities. The verification of the information cannot just be made by ordinary

auditors or verification/certification companies. In order to ensure credibility it is necessary to include organisations and/or people who are legitimate in the eyes of, for example, NGOs and other stakeholders. Who is to do that is not easy to see at present. Therefore this issue must be addressed thoroughly in the ISO guideline setting process.

- The communication and provision of relevant information should be made in a clear, easily understood and consistent format to enable organisations to adequately inform consumers and other interested parties about CSR activities, for instance, for comparative testing of products or services and also to facilitate dialogue with or between companies, consumer groups and/or individual consumers.
- It is essential that relevant stakeholders - and among them consumers of course - are given a real chance to engage with organisations using the standard. Communication policy should comprise the core activities of sales, service and redress. Therefore, dialogue with end users should address issues of transparency about the production process and include responsiveness towards consumers and consumer organisations. This is an important element to meet consumers interests and to facilitate sustainable consumption.