



# ISO 26000



## ISO 26000 and OECD Guidelines

**Practical overview of the linkages**

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- **ABNT** – Associação Brasileira de Normas Técnicas

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Practical overview of the linkages between  
**ISO 26000:2010, *Guidance on social responsibility*, and**  
***OECD Guidelines for Multinational Enterprises (2011)***

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## The International Organization for Standardization (ISO)

ISO is the world's largest developer of voluntary International Standards. International Standards provide state-of-the art specifications for products, services and good practices, helping to make industry more efficient and effective. ISO standards are developed through global consensus and help break down barriers to international trade.

Since it was founded in 1947, ISO has published more than 21 000 International Standards and related documents covering almost all aspects of technology and business, from food safety to computers, to agriculture and healthcare. ISO International Standards impact all our lives.

ISO comprises a network of national standards bodies representing over 160 countries from all regions of the world, and covering developed, developing and transitional economies. These national standards bodies make up the ISO membership and each represents ISO in its own country.

ISO standards are developed through a consensus process by groups of experts and national delegations from all over the world, who are aware of the standards that are needed in their respective sectors. Because ISO standards are developed by the people who need

them and who know the subject, they reflect a wealth of international experience and knowledge.

ISO standards contribute to all three dimensions of sustainable development – economic, social and environmental – and draw on international consensus from the broadest possible base of stakeholder groups. Expert input is provided by those closest both to the impetus for developing the standards and to the benefits of implementing them. As a result, even though they are voluntary, ISO standards are widely respected by business, government and society, and implemented around the world.

Published ISO International Standards are frequently translated and adopted as national standards by the ISO members.

Read more: [www.iso.org](http://www.iso.org)

## **The Organisation for Economic Cooperation and Development (OECD)**

The mission of the Organisation for Economic Cooperation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The OECD works with governments to understand what drives economic, social and environmental change.

Examples of focus areas are: measuring productivity and global flows of trade and investment, analysing and comparing data to predict future trends, and setting international standards on a wide range of things, from agriculture and tax to the safety of chemicals.



The OECD also looks at issues that directly affect everyone's daily life.



The OECD also looks at issues that directly affect everyone's daily life, like how much people pay in taxes and social security and how much leisure time they can take. It also compares different countries' school systems and considers how pension systems will look after their citizens in old age.

Policy recommendations and co-operations help OECD members and the world to move forward.

The *OECD Guidelines for Multinational Enterprises* are a set of recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The OECD Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting.

The OECD Guidelines are adopted by OECD governments and governments adhering to the OECD Investment Declaration. These governments make a binding commitment to implement the OECD Guidelines by setting up National Contact Points.

Read more: [www.oecd.org](http://www.oecd.org)  
and [www.oecd.org/corporate/mne](http://www.oecd.org/corporate/mne)

ISO 26000:2010, *Guidance on social responsibility*, provides guidance on how businesses and organizations can operate in a socially responsible way.



The standard helps to define social responsibility and translate principles and issues into effective actions based on international norms of behaviour.

The guidance provided in ISO 26000 is designed to be clear and instructive, even to non-specialists, as well as being objective and applicable to all types of organization, including big companies, small and medium-sized enterprises, public administrations, and governmental and non-governmental organizations.

ISO 26000 is designed to assist organizations in contributing to sustainable development, encouraging them to go beyond basic legal compliance, and to promote a common understanding in the field of social responsibility, complementing other instruments and initiatives for social responsibility.

#### **New to ISO 26000?**

If you are familiar with the OECD Guidelines but new to ISO 26000, ISO offers key resources to help you on your sustainability journey:

[www.iso.org/iso/home/standards/management-standards/iso26000.htm](http://www.iso.org/iso/home/standards/management-standards/iso26000.htm)



## 1. ISO 26000 and OECD Guidelines

### 1.1 Introduction : Why a practical overview of the linkage document ?

The OECD Guidelines for Multinational Enterprises were first adopted in 1976 and updated in May 2011. ISO 26000, *Guidance on social responsibility*, was published in November 2010. Since then, many people have contacted the ISO 26000 Post Publication Organization asking for help on how to read the two documents in parallel.

This linkage document explains:

- that both instruments encourage a similar responsibility approach;
- any similarities and differences in content and specific characteristics;
- that ISO 26000 provides detailed guidance for organizations that are willing to implement the OECD Guidelines.

This document is described mainly from the ISO 26000 point of view. This linkage document follows previous linkage documents:

- *An Introduction to Linkages between UN Global Compact Principles and ISO 26000 Core Subjects*, November 2010
- *GRI G4 Guidelines and ISO 26000:2010 – How to use the GRI G4 Guidelines and ISO 26000 in conjunction*, January 2014

## 1.2 OECD and ISO working together

The OECD and ISO signed a Memorandum of Understanding (MoU) in 2008 “for the duration of the development and promotion of the International Standard on social responsibility and any periodic review of the International Standard”. This MoU also states that “the OECD and ISO will arrange for the exchange of information, publications and documents”.

In line with this MoU, it is the ambition of the ISO 26000 Post Publication Organization to encourage the OECD and ISO to develop this linkage document even further and continue to inspire practitioners.

## 2. Comparison, key similarities

### 2.1 In general

The OECD Guidelines for Multinational Enterprises and ISO 26000, *Guidance on social responsibility*, aim to promote responsible practices in organizations. Both instruments provide guidance for organizations in the fields of human rights, labour practices, the environment, economic viability aspects, fair operating practices, consumer interest, community involvement and other areas of sustainable development.



## 2.2 Definitions

### **Sustainable development and social responsibility**

ISO 26000 talks of “social responsibility” and not “corporate social responsibility” because its guidance is applicable to all types of organizations and not only to industry or private companies.

The standard provides a clear and detailed definition of “social responsibility” to prevent misunderstanding:

“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 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 and practised in its relationships

NOTE 1 – Activities include products, services and processes.

NOTE 2 – Relationships refer to an organization’s activities within its sphere of influence.”



ISO 26000  
talks of “social  
responsibility”  
and not  
“corporate social  
responsibility”.

Both the OECD Guidelines and ISO 26000 encourage organizations to contribute to sustainable development. ISO 26000 states that an overarching goal of the organization is *to maximize* its contribution to sustainable development, while the OECD Guidelines encourage *the positive contributions* that multinational enterprises can make to economic, environmental and social progress and to minimize the negative impacts.

### 2.3 Principles

The OECD Guidelines and ISO 26000 share a common normative base as both instruments refer to the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development, among others.

The OECD Guidelines provide voluntary principles and standards for responsible business conduct that is consistent with applicable laws and internationally recognized standards. Guidance is given in the OECD Guidelines in the sections "Concepts and Principles", "General Policies" and "Disclosure".

ISO 26000, for its part, describes seven principles for social responsibility in Clause 4, which every organization should respect and apply.

For further details, see Annex I. Comparison table on principles for social responsibility.



The OECD Guidelines  
and ISO 26000  
share a common  
normative base.



## 2.4 Subjects

The OECD Guidelines provide guidance in the following areas: human rights; employment and industrial relations; environment; combating bribery; bribe solicitation and extortion; consumer interests; science and technology; competition; and taxation.

ISO 26000 provides guidance on seven core subjects: organizational governance; human rights; labour practices; the environment; fair operating practices; consumer issues; and community involvement and development. The seven core subjects include detailed guidance on 37 issues for social responsibility.

For further details, see Annex II. Comparison table on responsibility issues.

## 2.5 Integration into the organization

In Chapter II entitled “General Policies”, the OECD Guidelines stipulate that “enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders”. In the section “Commentary on General Policies”, the OECD Guidelines describe practices such as due diligence, supply chain management, stakeholder engagement, awareness raising, capacity building, monitoring and leverage to influence.

ISO 26000 provides practical guidance in different clauses:

- Clause 5 addresses two fundamental practices of social responsibility: the recognition by an organization of its social responsibility, and the organization's identification of, and engagement with, its stakeholders. It provides guidance on the relationship between an organization, its stakeholders and society, on recognizing the core subjects and issues of social responsibility and on an organization's sphere of influence. As with the principles described in Clause 4, these practices should be kept in mind when addressing the core subjects of social responsibility described in Clause 6.
- Clause 6 provides "related actions and expectations" for each issue of social responsibility.
- Clause 7 provides guidance on putting social responsibility into practice in an organization, covering aspects such as understanding the social responsibility of an organization, integrating social responsibility throughout an organization, communication related to social responsibility, improving the credibility of an organization regarding social responsibility, reviewing progress and improving performance, and evaluating voluntary initiatives for social responsibility.

ISO 26000 also offers detailed guidance on practices that are helpful in applying the OECD Guidelines.

For further details, see Annex III. Comparison table on practices and policies.



## 2.6 Practice of due diligence

Due diligence is an important aspect in both guidance documents and is mentioned as a useful approach for integrating social responsibility. Due diligence can be seen as a part of risk management seeking to identify, analyse and treat actual and potential adverse social responsibility impacts. Both instruments also emphasize the importance of due diligence with regard to human rights. Their definitions for due diligence are quite similar although ISO 26000 also mentions the life-cycle approach.

ISO 26000 defines due diligence as:

“comprehensive, proactive process to identify the actual and potential negative social, environmental and economic impacts of an organization’s decisions and activities over the entire life cycle of a project or organizational activity, with the aim of avoiding and mitigating negative impacts”



The OECD Guidelines define due diligence as:

“the process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems”

This means that the OECD asks organizations to “account for how they address their actual and potential adverse impacts”. In ISO 26000, this aspect is embedded in the accountability principle of social responsibility as a fundamental basis for decision making and behaviour.

According to ISO 26000, an organization should exercise due diligence to avoid contributing to negative impacts through its relationships. As regards negative impacts from activities of other organizations or persons, ISO 26000 mentions activities that are “significantly linked to those of the organization”.

The OECD states that potential impacts are to be addressed through prevention or mitigation, while actual impacts are to be addressed





Clause 7 provides  
a specific process  
for resolving  
conflicts.

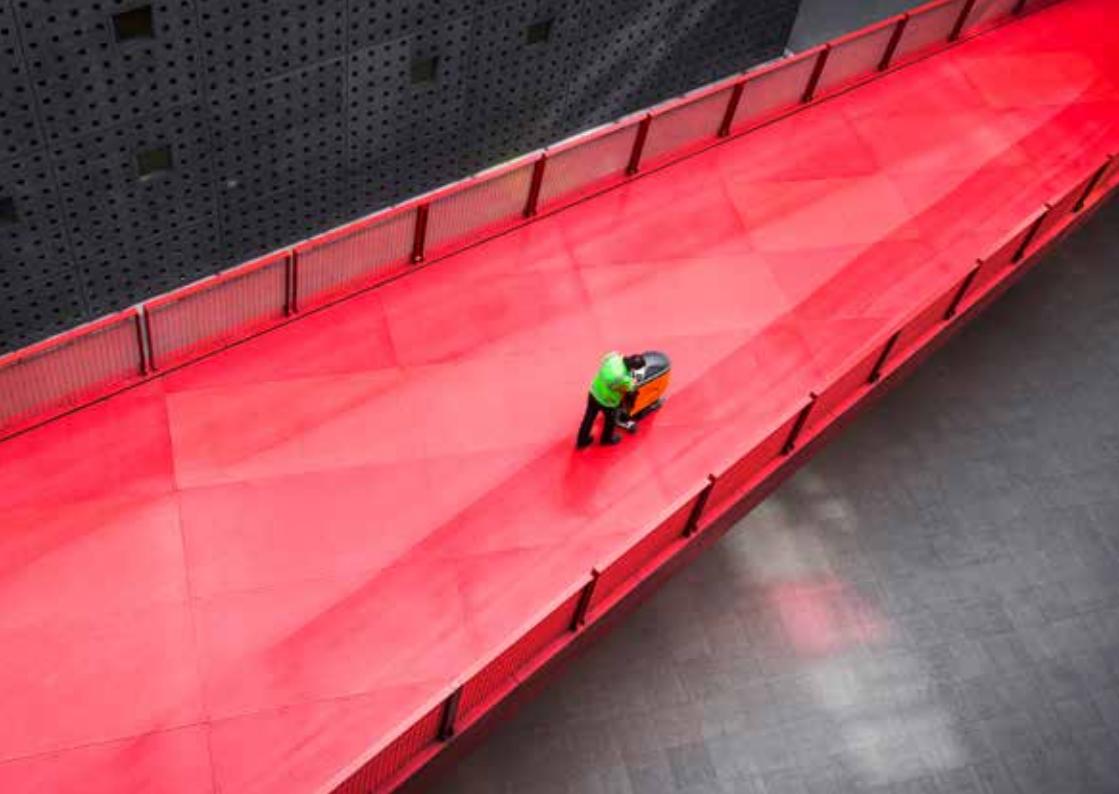
through remediation. Effective management systems and processes that enable remediation are cross-cutting elements and are needed for effective due diligence. Regarding the definition of adverse impacts, the OECD clarifies: “adverse impacts that are either caused or contributed to by the enterprise, or are directly linked to their operations, products or services by a business relationship” (clarification: “business relationship” is an “entity relationship”).

Similarly, ISO 26000 states that “accountability also encompasses accepting responsibility where wrongdoing has occurred, taking the appropriate measures to remedy the wrongdoing and taking action to prevent it from being repeated”. Resolving grievances is a specific human rights issue and Clause 7 provides a specific process for resolving conflicts or disagreement with stakeholders. ISO 26000 indicates that an organization should establish remedy mechanisms that are based on dialogue and provides several criteria to ensure these mechanisms are effective.

### **3. Comparison, key differences**

#### **3.1 In general**

Both instruments differ with regard to their practical implementation steps, level of detail, enforcement mechanisms and ways of addressing non-compliances. They are different in terms of their legal status and government endorsement. The OECD Guidelines, with their dispute settlement mechanism, offer a tool to hold business companies accountable for adverse impacts. ISO 26000 is based on stakeholder engagement and public scrutiny of whether the organization is acting in a socially responsible way or not.



### 3.2 Terminology

#### **Social responsibility and responsible business conduct**

ISO 26000 talks of “social responsibility” and not “corporate social responsibility (CSR)” because the standard is applicable to all organizations and not only to industry or private companies.

The OECD Guidelines prefer the wording “responsible business conduct” and talk of “enterprises” and “entities”, while ISO uses “organizations”.

### 3.3 Principles

ISO 26000 is more explicit on the principles of “accountability”, “transparency”, “ethical behaviour” and “respect for stakeholder interests”. Applying and promoting these principles, together with the other principles, is a fundamental basis of the decision-making process and structures within organizational governance. Additional principles have been described within each core subject.

For further details, see Annex I. Comparison table on principles for social responsibility.

### 3.4 Subjects

The OECD Guidelines provide further detailed guidance on combating bribery; bribe solicitation and extortion; science and technology; and taxation.

ISO 26000 provides detailed guidance within each of its seven core subjects and 37 issues by describing related “actions and expectations” on each issue. ISO 26000 gives background information (for example, about the International Labour Organization – ILO) or more detailed information (for example, regarding child labour and climate change adaptation) in each help box.

For further details, see Annex II. Comparison table on responsibility issues.

### 3.5 Practice of exercising influence and leverage

The OECD Guidelines and ISO 26000 use different wording to express the chain responsibility of organizations. The objectives, however, are quite similar. ISO 26000 emphasizes the “sphere of influence”, because an organization can also include relationships within and beyond its immediate value chain, for which responsible behaviour is required.

The OECD Guidelines, on the other hand, do not use sphere of influence. They focus more on exercising leverage and refer frequently to the supply chain. “Leverage is considered to exist where the enterprise has the ability to effect change in the wrongful practices of the entity that causes the harm.”





ISO 26000 defines “sphere of influence” as:

“range/extent of political, contractual, economic or other relationships through which an organization has the ability to affect the decisions or activities of individuals or organizations”

It includes a footnote stating: “The ability to influence does not, in itself, imply a responsibility to exercise influence.”

The OECD Guidelines ask enterprises to encourage business partners and suppliers to apply the principles of responsible business conduct. ISO 26000 has devoted a specific issue (Issue 4), within the core subject “Fair operating practices”, to “Promoting social responsibility in the value chain”. This issue also asks organizations to encourage other organizations, support small and medium-sized organizations (SMOs) and raise awareness.

An overall conclusion is that leverage can be seen as a specific form of influence when the organization has the power to influence.

For further details, see Annex III. Comparison table on practices and policies.



The OECD Guidelines ask enterprises to encourage business partners and suppliers to apply the principles of responsible business conduct.

### 3.6 Practice of setting priorities

The OECD Guidelines and ISO 26000 differ in terms of the guidance they offer on prioritizing social responsibility issues. The OECD uses the concept of materiality for priority setting, while ISO 26000 refers to the “relevance” and “significance” of issues in determining priority for attention and action. This practical guidance is strongly related to the 37 issues for social responsibility, explained in the seven core subjects.

Every organization should analyse all the issues to determine:

- whether the issue is relevant and, if not, why not (comply or explain);
- how significant the issue is, by analysing the impact and considering the concerns of the stakeholders involved;
- what priority for action is needed.

For further details, see Annex III. Comparison table on practices and policies.

### 3.7 Other characteristics

Each set of guidelines has different characteristics with regard to accessibility, drafting and review process, endorsement, monitoring, and complaint procedure, as set out in the following table.

Comparative aspects	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Aim	Maximize an organization's contribution to sustainable development	Provide recommendations from OECD-adhering governments regarding responsible business conduct
Date of adoption	1 November 2010, first edition	25 May 2011, updated for the fifth time since they were first adopted in 1976
Applicability	ISO 26000 is intended to be useful to all types of organizations in the private, public and non-profit sectors, regardless of size and whether operating in developed or developing countries.	The OECD Guidelines are intended for multinational enterprises operating in or from OECD member countries, or one of the non-OECD countries that have signed the OECD Investment Declaration of which the OECD Guidelines are part.
Character	ISO 26000 does not contain requirements and is not a management system standard. It is not intended or appropriate for certification purposes or regulatory or contractual use.	Non-binding recommendations from governments to multinational enterprises operating in or from adhering countries. Though they are not binding on companies, OECD and adhering governments are legally bound to implement them. Governments that adhere to the Guidelines have an obligation to establish a National Contact Point (NCP) to promote the Guidelines and to handle complaints.

Comparative aspects	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Endorsement	<p>Multi-stakeholder-backed.</p> <p>ISO is a widely respected authority on standards worldwide and 99 of the 165 national standards bodies (NSBs) participated in the development of ISO 26000.</p> <p>ISO 26000 was approved by 94% of the NSBs that voted.</p> <p>ISO 26000 is recognized by the European Commission as being part of the “core set of internationally recognized principles and guidelines regarding CSR”.</p>	<p>Government-backed.</p> <p>The OECD Guidelines have been multilaterally agreed to by 44 OECD and adhering governments. They are recognized by the European Commission as being part of the “core set of internationally recognized principles and guidelines regarding CSR”.</p>
Drafting process	<p>ISO 26000 was developed during a six-year (2004-2010) multi-stakeholder process by a working group of experts from 99 countries and 42 international liaison organizations. Developing countries were very well represented with 66 countries.</p> <p>Each ISO member body of a participating country was asked to compose a mirror committee with experts from six different stakeholder groups: (1) industry, (2) government, (3) labour, (4) consumers, (5) non-governmental organizations, and (6) service, support, research and others (SSRO).</p> <p>The drafting process was preceded by a four-year preparation phase (2001-2004) to investigate needs and terms of reference.</p>	<p>The OECD Guidelines were adopted in 1976 and revised in 1979, 1982, 1984, 1991, 2000 and 2011. The Guidelines were developed and drafted by the governments of the OECD and adhering countries. For the 2011 update, governments adhering to the Guidelines engaged in a consultation process with a wide range of stakeholders.</p>

Comparative aspects	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Monitoring mechanism	<p>No verification or enforcement mechanism. ISO 26000 is a purely voluntary guidance standard for implementing social responsibility. After the adoption of ISO 26000, the international working group was dismantled and a Post Publication Organization (PPO) established. Among the tasks of the PPO are:</p> <ul style="list-style-type: none"> <li>▶ gathering information to identify good and bad practices in using ISO 26000, and reporting to ISO/CS;</li> <li>▶ advising ISO/CS on requests for interpretation of ISO 26000 from NSBs.</li> </ul>	<p>The formal obligation that the OECD Guidelines have imposed on adhering countries is to set up National Contact Points (NCPs). An NCP's primary responsibility is to ensure the follow-up of the Guidelines. NCPs are responsible for encouraging observance of the Guidelines in a national context and for ensuring that the Guidelines are well known and understood by the national business community and other interested parties.</p>
Complaint procedure	<p>It is not possible to file complaints with ISO regarding alleged corporate social or environmental abuses and non-compliances with the standard. ISO can only handle complaints regarding misuse of its standards, meaning that complaints can only be raised regarding the way a company communicates about its use of ISO 26000.</p> <p>For instance, ISO 26000 offers guidance and is not appropriate for certification. Any company that claims to be ISO 26000-certified would be misrepresenting the intent and purpose of the standard.</p> <p>Before filing a complaint, the complainant is expected to first engage with the company in question.</p>	<p>The OECD Guidelines are accompanied by a dispute resolution mechanism for resolving complaints about alleged corporate misconduct. One of the NCP's obligations is that it should deal with "specific instances", the term used for complaints.</p> <p>The Guidelines complaint process is intended to resolve issues concerning alleged breaches of the Guidelines through mediation, i.e. by facilitating dialogue between the parties. To conclude the process, the NCP should issue a public final statement. If mediation fails, the statement should outline the issues, process and recommendations to the parties and may include an assessment of alleged violations.</p>

Comparative aspects	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Complaint procedure (continued)		<p>An NCP can handle complaints regarding breaches that have taken place in its country or when a company from its country is allegedly involved in a breach of the Guidelines, either overseas or at home.</p> <p>The OECD Guidelines and their complaint procedure provide an opportunity for civil society organizations and trade unions to address corporate misconduct and seek resolution of conflicts for affected parties. Although the OECD Guidelines are not binding on companies, OECD and adhering governments are legally bound to implement them and have an obligation to establish an NCP to handle complaints. The purpose of the complaint procedure is to resolve alleged breaches of the Guidelines through mediation, i.e. by facilitating dialogue between the parties. This government-backed complaint procedure is a unique characteristic of the OECD Guidelines. It should be noted, however, that civil society organizations and trade unions have mixed experiences with how NCPs handle complaints. The remediation process may be long and a positive outcome is not guaranteed. OECD Watch, an international network of civil society organizations, keeps track of cases filed by such civil society organizations at NCPs around the world.</p>

Comparative aspects	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Complaint procedure (continued)		<p>In addition, the network has published a guide that includes step-by-step guidance for filing an OECD Guidelines complaint. Civil society organizations that are considering filing a complaint at an NCP are advised to take a look at OECD Watch's materials at <a href="http://www.oecdwatch.org">www.oecdwatch.org</a>.</p> <p>The OECD Guidelines, with their dispute settlement mechanism, offer an instrument to hold business companies to account for adverse impacts. The government backing of the OECD Guidelines provides these guidelines with an authoritative basis. To date, it is the only government-backed corporate accountability instrument that includes a complaint mechanism for addressing alleged violations of the Guidelines.</p>
Accessibility	<p>ISO 26000 is available for sale by NSBs in many countries. Prices are set by the different NSBs, and vary widely.</p>	<p><i>The OECD Guidelines for Multinational Enterprises</i> (revision 2011) can be downloaded from the OECD website: <a href="http://www.oecd.org/daf/inv/mne">www.oecd.org/daf/inv/mne</a>.</p> <p>All NCPs are expected to operate in accordance with core criteria of visibility, accessibility, transparency and accountability. As a result, some NCPs (not all) may have individual websites where information regarding the NCP's procedures and past and pending complaints can be found.</p>

## 4. Annex I. Comparison table on principles for social responsibility

The OECD Guidelines provide voluntary principles and standards for responsible business conduct consistent with applicable laws and internationally recognized standards. Guidance is given in the OECD Guidelines in the chapters “Concepts and Principles”, “General Policies” and “Disclosure”. Detailed guidance on disclosure is provided under the section “Commentary on Disclosure”.

ISO 26000 has described seven principles for social responsibility which every organization should respect and apply. Additional principles have been described within each core subject (see Annex II), but are not included in this table. In applying the ISO 26000 principles for social responsibility, it is advisable that an organization take into consideration societal, environmental, legal, cultural, political and organizational diversity, as well as differences in economic conditions, while being consistent with international norms of behaviour.

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Accountability	<p><b>4.2 Accountability (social responsibility principle, hereafter SR principle)</b></p> <p>The principle is: an organization should be accountable for its impacts on society, the economy and the environment.</p> <p>Accountability involves an obligation on management to be answerable to the controlling interests of the organization and on the organization to be answerable to legal authorities with regard to laws and regulations.</p> <p>An organization should account for:</p> <ul style="list-style-type: none"><li>▶ the impacts of its decisions and activities on society, the environment and the economy, especially significant negative consequences; and</li><li>▶ the actions taken to prevent repetition of unintended and unforeseen negative impacts.</li></ul>	<p><b>III. Disclosure</b></p> <p>4. Enterprises should apply high-quality standards for accounting, and financial as well as non-financial disclosure, including environmental and social reporting where they exist. The standards or policies under which information is compiled and published should be reported.</p>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Transparency and disclosure	<p><b>4.3 Transparency (SR principle)</b></p> <p>The principle is: an organization should be transparent in its decisions and activities that impact on society and the environment.</p> <p>An organization should disclose in a clear, accurate and complete manner, and to a reasonable and sufficient degree, the policies, decisions and activities for which it is responsible. This information should be readily available, directly accessible and understandable to those who have been, or may be, affected in significant ways by the organization. It should be timely and factual and be presented in a clear and objective manner so as to enable stakeholders to accurately assess the impact that the organization's decisions and activities have on their respective interests.</p> <p>The principle of transparency does not require that proprietary information be made public, nor does it involve providing information that is privileged or that would breach legal, commercial, security or personal privacy obligations.</p> <p>An organization should be transparent regarding, among other things:</p> <ul style="list-style-type: none"> <li>▶ standards and criteria against which the organization evaluates its own performance relating to social responsibility;</li> </ul>	<p><b>III. Disclosure</b></p> <ol style="list-style-type: none"> <li>1. Enterprises should ensure that timely and accurate information is disclosed on all material matters regarding their activities, structure, financial situation, performance, ownership and governance. This information should be disclosed for the enterprise as a whole, and, where appropriate, along business lines or geographic areas.</li> <li>2. Disclosure policies of enterprises should include, but not be limited to, material information on: financial and operating results; enterprise objectives; major share ownership and voting rights; remuneration policy for board members and key executives, and information about board members; related party transactions; foreseeable risk factors; issues regarding workers and other stakeholders; governance structures and policies.</li> <li>3. Enterprises are encouraged to communicate additional information that could include: value statements or statements of business conduct, including policies relating to matters covered by the Guidelines; policies and codes of conduct it has subscribed to, their date of adoption and the entities to which such statements apply.</li> </ol>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Transparency and disclosure (continued)	<ul style="list-style-type: none"> <li>▶ its performance on relevant and significant issues of social responsibility;</li> <li>▶ the known and likely impacts of its decisions and activities on its stakeholders, society, the economy and the environment; and</li> <li>▶ its stakeholders and the criteria and procedures used to identify, select and engage them.</li> </ul> <p>More aspects are described in 4.3.</p>	<p><b>4.</b> Enterprises should apply high-quality standards for accounting, financial and non-financial disclosure. The standards and policies that are used to compile this information should be disclosed. An annual audit should be conducted by an independent, competent and qualified auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the enterprise in all material respects.</p> <p>More guidance is provided in the section “Commentary on Disclosure”.</p>
Ethical behaviour	<p><b>4.4 Ethical behaviour (SR principle)</b></p> <p>The principle is: an organization should behave ethically.</p> <p>An organization's behaviour should be based on the values of honesty, equity and integrity. These values imply a concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on stakeholders' interests.</p> <p>A specific action concerns animal welfare:</p> <ul style="list-style-type: none"> <li>▶ respecting the welfare of animals, when affecting their lives and existence, including by providing decent conditions for keeping, breeding, producing, transporting and using animals.</li> </ul>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>5.</b> Refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to human rights, environmental, health, safety, labour, taxation, financial incentives, or other issues.</p> <p><b>6.</b> Support and uphold good corporate governance principles and develop and apply good corporate governance practices, including throughout enterprise groups.</p>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Ethical behaviour (continued)	<p>Aspects related to combating bribery are included in the core subject “Fair operating practices, issue 1: Anti-corruption” (see Annex II, 6.6.3, of this document).</p> <p><b>More aspects are described in 4.4.</b></p>	<p><b>7.</b> Develop and apply effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate.</p> <p><b>8.</b> Promote awareness of and compliance by workers employed by multinational enterprises with respect to company policies through appropriate dissemination of these policies, including through training programmes.</p> <p><b>9.</b> Refrain from discriminatory or disciplinary action against workers who make <i>bona fide</i> reports to management or, as appropriate, to the competent public authorities, on practices that contravene the law, the Guidelines or the enterprise's policies.</p> <p><b>15.</b> Abstain from any improper involvement in local political activities.</p>
Stakeholder engagement	<p><b>4.5 Respect for the stakeholder interests (SR principle)</b></p> <p>The principle is: an organization should respect, consider and respond to the interests of its stakeholders.</p> <p>An organization should, for example:</p> <ul style="list-style-type: none"> <li>▶ identify its stakeholders;</li> <li>▶ assess and take into account the relative ability of stakeholders to contact, engage with and influence the organization;</li> </ul>	<p><b>II. General Policies</b></p> <p>Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard:</p> <p><b>A. Enterprises should:</b></p> <p><b>13.</b> In addition to addressing adverse impacts in relation to matters covered by the Guidelines, encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.</p>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Stakeholder engagement (continued)	<ul style="list-style-type: none"> <li>► consider the views of stakeholders whose interests are likely to be affected by a decision or activity even if they have no formal role in the governance of the organization or are unaware of these interests.</li> </ul> <p>More aspects are described in 4.5.</p>	<p><b>14.</b> Engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.</p> <p><b>B. Enterprises are encouraged to :</b></p> <ol style="list-style-type: none"> <li><b>1.</b> Support, as appropriate to their circumstances, cooperative efforts in the appropriate fora to promote Internet Freedom through respect of freedom of expression, assembly and association online.</li> <li><b>2.</b> Engage in or support, where appropriate, private or multi-stakeholder initiatives and social dialogue on responsible supply chain management while ensuring that these initiatives take due account of their social and economic effects on developing countries and of existing internationally recognised standards.</li> </ol> <p><b>Commentary on General Policies 25</b></p> <p>Stakeholder engagement involves interactive processes of engagement with relevant stakeholders, through, for example, meetings, hearings or consultation proceedings. Effective stakeholder engagement is characterised by two-way communication and depends on the good faith of the participants on both sides.</p>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Rule of law	<p><b>4.6 Respect for rule of law (SR principle)</b></p> <p>The principle is: an organization should accept that respect for the rule of law is mandatory.</p> <p>The rule of law refers to the supremacy of law and, in particular, to the idea that no individual or organization stands above the law and that government is also subject to the law.</p> <p>An organization should, for example:</p> <ul style="list-style-type: none"> <li>▶ comply with legal requirements in all jurisdictions in which the organization operates, even if those laws and regulations are not adequately enforced;</li> <li>▶ periodically review its compliance with applicable laws and regulations.</li> </ul> <p>More aspects are described in 4.6.</p>	<p><b>I. Concepts and Principles</b></p> <p>2. Obeying domestic laws is the first obligation of enterprises. The Guidelines are not a substitute for nor should they be considered to override domestic law and regulation. While the Guidelines extend beyond the law in many cases, they should not and are not intended to place an enterprise in situations where it faces conflicting requirements.</p>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
International norms of behaviour	<p><b>4.7 Respect for international norms of behaviour (SR principle)</b></p> <p>The principle is: an organization should respect international norms of behaviour, while adhering to the principle of respect for the rule of law.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>▶ In situations where the law or its implementation does not provide for adequate environmental or social safeguards, an organization should strive to respect, as a minimum, international norms of behaviour.</li> <li>▶ An organization should avoid being complicit in the activities of another organization that are not consistent with international norms of behaviour.</li> </ul> <p>More situations and actions are described in 4.7.</p>	<p><b>I. Concepts and Principles</b></p> <p><b>2.</b> In countries where domestic laws and regulations conflict with the principles and standards of the Guidelines, enterprises should seek ways to honour such principles and standards to the fullest extent which does not place them in violation of domestic law.</p> <p><b>3.</b> Since the operations of multinational enterprises extend throughout the world, international co-operation in this field should extend to all countries. Governments adhering to the Guidelines encourage the enterprises operating on their territories to observe the Guidelines wherever they operate, while taking into account the particular circumstances of each host country.</p> <p><b>10.</b> The use of appropriate international dispute settlement mechanisms, including arbitration, is encouraged as a means of facilitating the resolution of legal problems arising between enterprises and host country governments.</p>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Human rights	<p><b>4.8. Respect for human rights (SR principle)</b></p> <p>The principle is: an organization should respect human rights and recognize both their importance and their universality.</p> <p>An organization should, for example:</p> <ul style="list-style-type: none"> <li>▶ in situations where human rights are not protected, take steps to respect human rights and avoid taking advantage of these situations; and</li> <li>▶ in situations where the law or its implementation does not provide for adequate protection of human rights, adhere to the principle of respect for international norms of behaviour.</li> </ul> <p>More aspects are described in 4.8. Human rights is both a principle and a core subject (see Annex II, 6.3, of this document).</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <ol style="list-style-type: none"> <li><b>1.</b> Contribute to economic, environmental and social progress with a view to achieving sustainable development.</li> <li><b>2.</b> Respect the internationally recognised human rights of those affected by their activities.</li> <li><b>3.</b> Encourage local capacity building through close co-operation with the local community, including business interests, as well as developing the enterprise's activities in domestic and foreign markets, consistent with the need for sound commercial practice.</li> <li><b>4.</b> Encourage human capital formation, in particular by creating employment opportunities and facilitating training opportunities for employees.</li> <li><b>10.</b> Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 11 and 12, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.</li> <li><b>11.</b> Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur.</li> </ol>

Principle	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Human rights (continued)		<p><b>12.</b> Seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship. This is not intended to shift responsibility from the entity causing an adverse impact to the enterprise with which it has a business relationship.</p> <p><b>B. Enterprises are encouraged to :</b></p> <p><b>1.</b> Support, as appropriate to their circumstances, cooperative efforts in the appropriate fora to promote Internet Freedom through respect of freedom of expression, assembly and association online.</p> <p>More guidance is provided in the section “Commentary on Human Rights”.</p>

## 5. Annex II. Comparison table on responsibility issues

The following table summarizes the content of ISO 26000 and the OECD Guidelines in the areas of human rights, governance, employment and labour rights, the environment, economic aspects, consumer rights, corporate citizenship and science & technology. The table provides an overview of which issues are covered by the instruments.

In ISO 26000, economic aspects, as well as aspects relating to health and safety and the value chain, are dealt with throughout the seven core subjects, where appropriate. ISO 26000 offers detailed guidance on related actions and expectations for 37 issues of social responsibility.

While many issues are covered by both instruments, the wording and hence the implication might differ.

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Human rights	<p>ISO 26000 and the OECD Guidelines both emphasize the importance of human rights. In promoting human rights for business, both instruments use the UN Guiding Principles on Business and Human Rights proposed by UN Special Representative on business &amp; human rights John Ruggie. Both sets of guidelines indicate that organizations should respect human rights, exercise due diligence, apply a human rights policy, provide grievance mechanisms and seek ways to prevent and mitigate adverse impacts that are linked to their activities.</p> <p>The OECD Guidelines use the wording “leverage” and “leverage to influence” while ISO 26000 talks of “exercising influence” and “sphere of influence”. For further details, see Annex III. Comparison table on policies and practices.</p>	
	<p><b>6.3. Human rights</b></p> <p>6.3.3 Issue 1: Due diligence</p> <p>6.3.4 Issue 2: Human rights risk situations</p> <p>6.3.5 Issue 3: Avoidance of complicity</p> <p>Complicity has both legal and non-legal meanings. Three forms of complicity have been explained: direct, beneficial and silent complicity.</p> <p>6.3.6 Issue 4: Resolving grievances</p>	<p><b>IV. Human Rights</b></p> <p>States have the duty to protect human rights. Enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:</p> <p><b>1.</b> Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Human rights (continued)	<p>6.3.7 Issue 5: Discrimination and vulnerable groups</p> <p>6.3.8 Issue 6: Civil and political rights</p> <p>6.3.9 Issue 7: Economic, social and cultural rights</p> <p>6.3.10 Issue 8: Fundamental principles and rights at work (focused on labour issues)</p> <p><b>Box 6</b> – The International Bill of Human Rights and the core human rights instruments</p> <p><b>Box 7</b> – Child labour</p> <p>6.3.3 Issue 1 : Due diligence</p> <p>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.</p> <p>Due diligence may also alert an organization to a responsibility to influence the behaviour of others, where they may be the cause of human rights violations in which the organization may be implicated.</p> <p><b>More guidance is provided in the section “Related actions and expectations”.</b></p>	<p><b>2.</b> Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.</p> <p><b>3.</b> Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.</p> <p><b>4.</b> Have a policy commitment to respect human rights.</p> <p><b>5.</b> Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.</p> <p><b>6.</b> Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.</p> <p><b>Commentary on Human Rights</b></p> <p>This section gives further explanation on the above six paragraphs, provides examples of vulnerable groups, and elaborates on leverage to influence and factors for action.</p> <p><b>Commentary on Human Rights 42</b></p> <p>Leverage is considered to exist where the enterprise has the ability to effect change in the practices of an entity that cause adverse human rights impacts.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Human rights (continued)		<p><b>Commentary on Human Rights 43</b></p> <p>Meeting the expectation in paragraph 3 would entail an enterprise, acting alone or in co-operation with other entities, as appropriate, <i>to use its leverage to influence the entity causing the adverse human rights impact to prevent or mitigate that impact.</i></p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Governance	<p>The OECD Guidelines recommend that enterprises apply good corporate governance practices drawn from the OECD Principles of Corporate Governance. These principles are, however, quite focused on financial, economic, law and control aspects. ISO 26000 sets a broader scene and has defined a specific issue within the core subject “Organizational governance” emphasizing that an organization should apply the seven principles, address the seven core subjects, consider the practices for integration and review its governance system.</p> <p><b>6.2 Organizational governance</b></p> <p>Organizational governance is the system by which an organization makes and implements decisions in pursuit of its objectives.</p> <p><b>6.2.2 Principles and considerations</b></p> <p>Effective governance should be based on incorporating the principles of social responsibility into decision making and implementation. In addition to these principles, an organization should consider the practices, the core subjects and the issues of social responsibility when it establishes and reviews its governance system.</p> <p><b>6.2.3 Decision-making processes and structures</b></p> <p>All organizations should put in place processes, systems, structures, or other mechanisms that make it possible to apply the principles and practices of social responsibility.</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>6.</b> Support and uphold good corporate governance principles and develop and apply good corporate governance practices, including throughout enterprise groups.</p> <p><b>III. Disclosure</b></p> <p><b>2.</b> Disclosure policies of enterprises should include, but not be limited to, material information on:</p> <p><b>h) governance structures and policies</b>, in particular, the content of any corporate governance code or policy and its implementation process.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Employment and labour practices	<p>ISO 26000 provides guidance on five issues for employment relationships, conditions of work, social dialogue, health and safety and human development.</p> <p>The OECD Guidelines and ISO 26000 both include several ILO Declarations and Conventions and ISO 26000 also includes help boxes on child labour and the ILO instruments.</p> <p>The OECD Guidelines describe eight paragraphs where enterprises should apply international labour standards, respect the rights of workers, contribute to the elimination of forced or compulsory labour and child labour, employ local workers, improve skill levels, and enable collective bargaining on labour issues.</p>	
	<p><b>6.4 Labour practices</b></p> <p>6.4.1.1 Organizations and labour practices</p> <p>The labour practices of an organization encompass all policies and practices relating to work performed within, by or on behalf of the organization, including subcontracted work. Labour practices extend beyond the relationship of an organization with its direct employees or the responsibilities that an organization has at a workplace that it owns or directly controls.</p> <p>6.4.1.2 Labour practices and social responsibility</p> <p>Labour practices have a major impact on respect for the rule of law and on the sense of fairness present in society: socially responsible labour practices are essential to social justice, stability and peace.</p> <p>6.4.3 Issue 1: Employment and employment relationships</p> <p>6.4.4 Issue 2: Conditions of work and social protection</p> <p>6.4.5 Issue 3: Social dialogue</p>	<p><b>V. Employment and Industrial Relations</b></p> <p><b>Enterprises should :</b></p> <p><b>1.</b> <b>a)</b> Respect the freedom of association</p> <p><b>1.</b> <b>b)</b> Respect workers' right to collective bargaining</p> <p><b>1.</b> <b>c)</b> Contribute to the effective abolition of child labour, and take immediate measures against (worst forms of) child labour</p> <p><b>1.</b> <b>d)</b> Contribute to the elimination of all forms of forced or compulsory labour</p> <p><b>1.</b> <b>e)</b> Practise non-discrimination</p> <p><b>2.</b> <b>a)</b> Provide facilities for workers to assist in the development of effective collective agreements</p> <p><b>2.</b> <b>b)</b> Provide workers with information needed for meaningful negotiations</p> <p><b>2.</b> <b>c)</b> Provide information to workers and their representatives on company performance</p> <p><b>3.</b> Promote consultation and cooperation among employers and workers</p> <p><b>4.</b> <b>a), b)</b> Observe labour standards not less favourable than those observed in the host country and which at least satisfy the basic needs of workers and their families</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Employment and labour practices (continued)	<p>6.4.6 Issue 4: Health and safety at work</p> <p>6.4.7 Issue 5: Human development and training in the workplace</p> <p><b>Box 8</b> – The International Labour Organization</p> <p><b>Box 9</b> – Joint labour-management health and safety committees</p> <p>The “Fundamental principles and rights at work” are described as Issue 8 within the core subject “Human rights” (6.3.10).</p> <p><b>More guidance is provided in the section “Related actions and expectations”.</b></p>	<p><b>4. c)</b> Ensure workers' occupational health and safety</p> <p><b>5.</b> Employ local workers and provide training</p> <p><b>6.</b> Provide reasonable notice of major changes, co-operate with workers' representatives to mitigate adverse effects and give appropriate notice prior to final decision</p> <p><b>7.</b> Not threaten to transfer whole or part of an operating unit when workers are organizing, or during negotiations</p> <p><b>8.</b> Enable workers' representatives to negotiate and allow them to consult with those who are authorized to take decisions on collective bargaining and labour issues</p> <p><b>More guidance is provided in the section “Commentary on Employment and Industrial Relations”.</b></p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Environment	<p>The OECD Guidelines describe eight paragraphs relative to environmental issues and actions.</p> <p>ISO 26000 provides guidance on environmental principles and strategies and four environmental issues. ISO 26000 indicates that relevant technical tools, such as standards from the ISO 14000 series, can be used as an overall framework to assist an organization in addressing environmental issues in a systematic manner. The OECD Guidelines also mention the ISO standard on environmental management systems. Both instruments use principles of the Rio Declaration on Environment and Development.</p>	
<p><b>6.5 The environment</b></p> <p><b>6.5.2.1 Principles</b></p> <p>An organization should respect and promote the following environmental principles:</p> <ul style="list-style-type: none"> <li>▶ environmental responsibility</li> <li>▶ the precautionary approach</li> <li>▶ environmental risk management</li> <li>▶ polluter pays</li> </ul> <p><b>6.5.2.2 Considerations</b></p> <p>In its environmental management activities, an organization should assess the relevance of, and employ as appropriate, the following approaches and strategies:</p> <ul style="list-style-type: none"> <li>▶ life-cycle approach</li> <li>▶ environmental impact assessment</li> <li>▶ cleaner production and eco-efficiency</li> <li>▶ a product-service system approach</li> <li>▶ use of environmentally sound technologies and practices</li> <li>▶ sustainable procurement</li> <li>▶ learning and awareness raising</li> </ul>		<p><b>VI. Environment</b></p> <p><b>Enterprises should :</b></p> <ol style="list-style-type: none"> <li><b>1.</b> Establish and maintain an environmental management system that includes monitoring, evaluating and verifying environmental, health and safety impacts of activities and objectives.</li> <li><b>2. a)</b> Provide the public and workers with adequate, measureable and verifiable information on potential impacts.</li> <li><b>2. b)</b> Engage in adequate and timely communication and consultation with the communities directly affected by the environmental, health and safety policies.</li> <li><b>3.</b> Assess and address the foreseeable environmental, health and safety-related impacts associated with the processes, goods and services of the enterprise over their full life cycle with a view to avoiding or, when unavoidable, mitigating them. If relevant, prepare environmental impact assessment.</li> <li><b>4.</b> Not use the lack of full scientific certainty as a reason for postponing cost-effective measures to prevent or minimize environmental damage.</li> </ol>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Environment (continued)	<p><b>6.5.3 Issue 1: Prevention of pollution</b>  An organization can improve its environmental performance by preventing pollution, including:</p> <ul style="list-style-type: none"> <li>▶ emissions to air</li> <li>▶ discharges to water</li> <li>▶ waste management</li> <li>▶ use and disposal of toxic and hazardous chemicals</li> <li>▶ other identifiable forms of pollution such as noise, odour, visual impressions, light pollution, vibration, electromagnetic emissions, radiation, infectious agents</li> </ul> <p><b>6.5.4 Issue 2: Sustainable resource use</b>  Four key areas for improvement are:</p> <ul style="list-style-type: none"> <li>▶ energy efficiency</li> <li>▶ water conservation, use and access to water</li> <li>▶ efficiency in the use of materials</li> <li>▶ minimized resource requirements of a product</li> </ul> <p><b>6.5.5 Issue 3: Climate change mitigation and adaptation</b>  <b>Box 10 – Examples of climate change adaptation actions</b></p> <p><b>6.5.6 Issue 4: Protection of the environment, biodiversity and restoration of natural habitats</b>  Key aspects of this issue include:</p> <ul style="list-style-type: none"> <li>▶ valuing and protecting biodiversity (including aspects related to animal welfare)</li> </ul>	<p><b>5.</b> Maintain contingency plans for preventing, mitigating and controlling serious environmental and health damage from operations and mechanisms for immediate reporting to the competent authorities.</p> <p><b>6.</b> Continually seek to improve corporate environmental performance at the level of the enterprise and its supply chain, by encouraging such activities as:</p> <p class="list-item-l1"><b>a)</b> adoption of technologies that reflect standards concerning environmental performance;</p> <p class="list-item-l1"><b>b)</b> development and provision of products or services that have no undue environmental impacts; are safe in their intended use; reduce greenhouse gas emissions; are efficient in their consumption of energy and natural resources; can be reused, recycled, or disposed of safely;</p> <p class="list-item-l1"><b>c)</b> promoting higher levels of awareness among customers of the environmental implications of using the products and services of the enterprise, including, by providing accurate information on their products (for example, on greenhouse gas emissions, biodiversity, resource efficiency, or other environmental issues); and</p> <p class="list-item-l1"><b>d)</b> exploring and assessing ways of improving the environmental performance of the enterprise over the longer term, for instance by developing strategies for emission reduction, efficient resource utilisation and recycling, substitution or reduction of use of toxic substances, or strategies on biodiversity.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Environment (continued)	<ul style="list-style-type: none"> <li>▶ valuing, protecting and restoring ecosystem services</li> <li>▶ using land and natural resource sustainably</li> <li>▶ advancing environmentally sound urban and rural development</li> </ul> <p><b>More guidance is provided in the section “Related actions and expectations”.</b></p>	<p><b>7.</b> Provide adequate education and training to workers in environmental health and safety matters.</p> <p><b>8.</b> Contribute to the development of environmentally meaningful and economically efficient public policy.</p> <p><b>More guidance is provided in the section “Commentary on the Environment”.</b></p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Fair operating practices	<p>The OECD Guidelines provide detailed guidance on “Combating Bribery, Bribe Solicitation and Extortion”. ISO 26000 provides guidance in the core subject “Fair operating practices”. The ISO issues “Anti-corruption” (Issue 1) and “Responsible political involvement” (Issue 2) are in line with OECD guidance. ISO 26000 provides additional guidance on exercising influence with Issue 4 “Promoting social responsibility in the value chain”. ISO 26000 also describes an issue about “Respect for property rights” (Issue 5). The OECD Chapter X on “Competition” is comparable with ISO Issue 3 “Fair competition”.</p>	
	<p><b>6.6 Fair operating practices</b></p> <p>Fair operating practices concern ethical conduct in an organization’s dealings with other organizations. These include relationships between organizations and government agencies, as well as between organizations and their partners, suppliers, contractors, customers, competitors, and the associations of which they are members.</p> <p><b>6.6.3 Issue 1: Anti-corruption</b></p> <p>Corruption is the abuse of entrusted power for private gain. Corruption can take many forms. Examples of corruption include bribery (soliciting, offering or accepting a bribe in money or in kind) involving public officials or people in the private sector, conflict of interest, fraud, money laundering, embezzlement, concealment and obstruction of justice, and trading in influence.</p>	<p><b>VII. Combating Bribery, Bribe Solicitation and Extortion</b></p> <p>Enterprises should not offer bribes to obtain or retain business or other undue advantage. They should also resist the solicitation of bribes and extortion. In particular, enterprises should:</p> <ol style="list-style-type: none"> <li>1. Not offer, promise or give undue monetary or other advantages to public officials or the employees of business partners directly or through intermediaries.</li> <li>2. Develop and adopt adequate internal controls, ethics and compliance programmes or measures for preventing and detecting bribery, developed on the basis of a risk assessment. Regularly monitor and re-assess bribery risks and the respective internal controls designed for the enterprise’s specific circumstances and adapt the respective controls when necessary to ensure their continued effectiveness.</li> <li>3. Prohibit or discourage use of facilitation payments, and accurately record them in financial records, so they cannot be used for bribing or hiding bribery.</li> </ol>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Fair operating practices (continued)	<p><b>6.6.4 Issue 2: Responsible political involvement</b></p> <p>Organizations can support public political processes and encourage the development of public policy that benefits society at large. Organizations should prohibit use of undue influence and avoid behaviour, such as manipulation, intimidation and coercion, that can undermine the public political process.</p> <p><b>6.6.5 Issue 3: Fair competition</b></p> <p>There are many forms of anti-competitive behaviour. Some examples are: price fixing, where parties collude to sell the same product or service at the same price; bid rigging, where parties collude to manipulate a competitive bid; and predatory pricing, which is selling a product or service at a very low price with the intent of driving competitors out of the market and imposing unfair sanctions on competitors.</p> <p><b>6.6.6 Issue 4: Promoting social responsibility in the value chain</b></p> <p>An organization can influence other organizations through its procurement and purchasing decisions. Through leadership and mentorship along the value chain, it can promote adoption and support of the principles and practices of social responsibility.</p>	<p><b>4.</b> Ensure properly documented due diligence when hiring and overseeing agents, ensuring that their remuneration is for legitimate services only.</p> <p><b>5.</b> Making management's commitment to combating bribery public and disclosing the internal control systems designed to achieve the pronounced aims. Foster openness and dialogue with the public to promote its co-operation with the fight against bribery.</p> <p><b>6.</b> Promote employee awareness of and compliance with company policies and internal controls, ethics and compliance programmes or measures against bribery, bribe solicitation and extortion.</p> <p><b>7.</b> Ensure political contributions fully comply with public disclosure requirements and are reported to senior management.</p> <p><b>X. Competition</b></p> <p><b>Enterprises should :</b></p> <ol style="list-style-type: none"> <li>1. Operate in accordance with competition laws and regulations.</li> <li>2. Refrain from entering into anti-competitive agreements with competitors.</li> <li>3. Co-operate effectively and efficiently with investigating authorities.</li> <li>4. Promote employee awareness of and compliance with all applicable competition laws and regulations.</li> </ol>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Fair operating practices (continued)	<p>6.6.7 Issue 5: Respect for property rights</p> <p>Property rights cover both physical property and intellectual property and include interest in land and other physical assets, copyrights, patents, geographical indicator rights, funds, moral rights and other rights.</p> <p>More guidance is provided in the section “Related actions and expectations”.</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>15.</b> Abstain from improper involvement in local political activities.</p> <p>More guidance is provided in the sections “Commentary on Combating Bribery, Bribe Solicitation and Extortion” and “Commentary on Competition”.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Consumer rights	<p>ISO 26000 provides guidance on consumer rights principles and seven issues with actions. The OECD Guidelines describe eight paragraphs with consumer rights. Both instruments cover similar issues although ISO 26000 explicitly mentions “Access to essential services” like electricity, gas, water and wastewater services (Issue 6). ISO 26000 offers detailed guidance on related actions and mentions animal welfare in Issue 3 “Sustainable consumption”.</p> <p><b>6.7.2.1 Principles</b>  The UN Guidelines for Consumer Protection and the International Covenant on Economic, Social and Cultural Rights express principles that should guide socially responsible practices regarding the legitimate needs of consumers. These comprise: safety, being informed, making choices, being heard, redress, education and a healthy environment.  Additional principles include:</p> <ul style="list-style-type: none"> <li>▶ respect for the right to privacy</li> <li>▶ the precautionary approach</li> <li>▶ promotion of gender equality and empowerment of women</li> <li>▶ promotion of universal design</li> </ul> <p><b>6.7 Consumer issues</b></p> <p>6.7.3 Issue 1 : Fair marketing, factual and unbiased information and fair contractual practices</p> <p>6.7.4 Issue 2: Protecting consumers' health and safety</p> <p>6.7.5 Issue 3: Sustainable consumption</p> <p>6.7.6 Issue 4: Consumer service, support, and complaint and dispute resolution</p>	<p>OECD Guidelines for Multinational Enterprises</p> <p><b>VIII. Consumer Interests</b></p> <p><b>Enterprises should :</b></p> <ol style="list-style-type: none"> <li><b>1.</b> Ensure that goods and services meet all agreed or legally required standards for consumer health and safety, including those pertaining to health warnings and safety information.</li> <li><b>2.</b> Provide accurate, verifiable and clear information to enable consumers to make informed decisions. Provide information in a manner that facilitates consumers' ability to compare products.</li> <li><b>3.</b> Provide consumers with access to fair, easy to use, timely and effective non-judicial dispute resolution and redress mechanisms, without unnecessary cost or burden.</li> <li><b>4.</b> Not make representations or omissions, nor engage in any other practices, that are deceptive, misleading, fraudulent or unfair.</li> <li><b>5.</b> Support efforts to promote consumer education to improve consumers' ability to make informed decisions, better understand the economic, environmental and social impact of their decisions and to support sustainable consumption.</li> </ol>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Consumer rights (continued)	<p>6.7.7 Issue 5: Consumer data protection and privacy</p> <p>6.7.8 Issue 6: Access to essential services</p> <p>6.7.9 Issue 7: Education and awareness</p> <p><b>Box 11</b> – UN Guidelines for Consumer Protection</p> <p><b>Box 12</b> – Consumer dispute resolution</p> <p>More guidance is provided in the section “Related actions and expectations”.</p>	<p><b>6.</b> Respect consumer privacy and take reasonable measures to ensure the security of personal data that they collect, store, process or disseminate.</p> <p><b>7.</b> Co-operate with public authorities to prevent and combat deceptive marketing practices. Co-operate with public authorities to diminish or prevent serious threats to public health and safety or threats to the environment from the consumption or use or disposal of goods and services.</p> <p><b>8.</b> Consider the needs of vulnerable and disadvantaged consumers. Consider the specific challenges e-commerce may pose for consumers.</p> <p>More guidance is provided in the section “Commentary on Consumer Interests”.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Community development	<p>The area of “community involvement and development” is explicitly described within ISO 26000, but is not a specific chapter in the OECD Guidelines. ISO 26000 emphasizes that community involvement and community development are both integral parts of sustainable development. ISO 26000 provides guidance on principles and seven issues. It also indicates that community involvement helps to contribute, at a local level, to the achievement of the Millennium Development Goals (now followed by the Sustainable Development Goals).</p>	
	<p><b>6.8 Community involvement and development</b></p> <p>6.8.3 Issue 1 : Community involvement</p> <p>6.8.4 Issue 2: Education and culture</p> <p>6.8.5 Issue 3: Employment creation and skills development</p> <p>6.8.6 Issue 4: Technology development and access</p> <p>6.8.7 Issue 5: Wealth and income creation (including tax responsibilities)</p> <p>6.8.8 Issue 6: Health</p> <p>6.8.9 Issue 7: Social investment</p> <p><b>Box 13</b> – Millennium Development Goals</p> <p><b>Box 14</b> – Contributing to community development through an organization’s core activities</p> <p>More guidance is provided in the section “Related actions and expectations”.</p>	<p><b>II. General Policies</b></p> <p>A. Enterprises should:</p> <p><b>3.</b> Encourage local capacity building through close co-operation with the local community.</p> <p><b>4.</b> Encourage “human capital formation”, in particular by creating employment opportunities and facilitating training opportunities for employees.</p> <p><b>V. Employment and Industrial Relations</b></p> <p>Enterprises should:</p> <p><b>5.</b> Employ local workers and provide training with a view to improving skill levels as much as possible.</p>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Science & technology	<p>The OECD Guidelines include a special chapter on “Science and Technology”. ISO 26000 provides guidance with a specific issue “Technology development and access” (Issue 4) under the core subject “Community involvement and development”. Both sets of guidelines indicate that the science and technology activities of an organization can help enhance the economic and social progress in the host country.</p> <p><b>6.6. Fair operating practices</b></p> <p>6.6.6 Issue 4: Promoting social responsibility in the value chain</p> <p>To promote social responsibility in its value chain, an organization should: consider providing support to small and medium-sized organizations, including awareness raising on issues of social responsibility and best practice and additional assistance (for example, technical, capacity building or other resources) to meet socially responsible objectives.</p> <p><b>6.8 Community involvement and development</b></p> <p>6.8.4 Issue 2: Education and culture</p> <p>An organization should: where appropriate, promote the use of traditional knowledge and technologies of indigenous communities.</p>	<p>OECD Guidelines for Multinational Enterprises</p> <p><b>IX. Science and Technology</b></p> <p><b>Enterprises should:</b></p> <ol style="list-style-type: none"> <li>1. Endeavour to ensure that activities are compatible with the science and technology policies and plans of host countries. Contribute to the development of local and national innovative capacity.</li> <li>2. Adopt practices that permit the transfer and rapid diffusion of science and technology and know-how, with due regard to intellectual property rights.</li> <li>3. Perform science and technology development work in host countries to address local market needs. Employ and train host country personnel in science and technology capacities.</li> <li>4. Contribute to the long-term sustainable development prospects of the host country when granting use of intellectual property rights or transferring technology.</li> <li>5. Where relevant to commercial objectives, develop ties with local universities and public research institutions, and participate in co-operative research projects with local industry or industry associations.</li> </ol>

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Science & technology (continued)	<p>6.8.6 Issue 4: Technology development and access</p> <p>Organizations can contribute to the development of the communities in which they operate by applying specialized knowledge, skills and technology in such a way as to promote human resource development and technology diffusion.</p> <p>Information and communication technologies characterize much of contemporary life and are a valuable basis for many economic activities. Access to information is key to overcoming the disparities that exist between countries, regions, generations, genders, etc.</p> <p>An organization can contribute to improved access to these technologies through training, partnerships and other actions.</p> <p><b>More guidance is provided in the section “Related actions and expectations”.</b></p>	

Subject	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Taxation	<p>The OECD Guidelines provide a special chapter on “Taxation”. ISO 26000 only briefly mentions fair tax payments in Issue 5 “Wealth and income creation” of the core subject “Community involvement and development”.</p> <p><b>6.8 Community involvement and development</b></p> <p>6.8.7 Issue 5: Wealth and income creation</p> <p>Wealth and income creation also depend on a fair distribution of the benefits of economic activity. Governments rely upon organizations meeting their tax obligations to obtain revenues for addressing critical development issues.</p> <p>An organization should: fulfil its tax responsibilities and provide authorities with the necessary information to correctly determine taxes due.</p>	<p><b>XI. Taxation</b></p> <p><b>Enterprises should:</b></p> <p><b>1.</b> Contribute to the public finances of host countries by making timely tax payments; fully comply with both the letter and the spirit of the tax laws of host countries; provide authorities with timely information that is relevant or required by law for purposes of the determination of taxes; and conform transfer pricing practices to the arm's length principle.</p> <p><b>2.</b> Treat tax governance and tax compliance as important elements of oversight and broader risk management systems. Adopt tax risk management strategies to ensure that the financial, regulatory and reputational risks associated with taxation are fully identified and evaluated.</p> <p><b>More guidance is provided in the section “Commentary on Taxation”.</b></p>

## 6. Annex III. Comparison table on practices and policies

In Chapter II on “General Policies”, the OECD Guidelines stipulate that “enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders”. In the section “Commentary on General Policies”, the Guidelines describe practices like due diligence, supply chain management, stakeholder engagement, awareness raising, capacity building, monitoring and leverage to influence. ISO 26000 provides detailed practical guidance on how to apply social responsibility in Clauses 5, 6 and 7.

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Stakeholder identification and engagement	<p>Both instruments emphasize, throughout the entire document, the importance of engaging stakeholders. ISO 26000 also explains the importance of identifying stakeholders.</p> <p>ISO 26000 defines a “stakeholder” as:</p> <p>“individual or group that has an interest in any decision or activity of an organization”</p> <p>and “stakeholder engagement” as:</p> <p>“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”</p> <p>ISO 26000 gives guidance on how to identify and engage with stakeholders.</p>	
	<p>5.2.1 Impacts, interests and expectations</p> <p>Explains the relationship between an organization, its stakeholders and society.</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>14.</b> Engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
<p>Stakeholder identification and engagement (continued)</p>	<p><b>5.3 Stakeholder identification and engagement</b></p> <p>5.3.2 Stakeholder identification</p> <p>Explains, for example, that:</p> <ul style="list-style-type: none"> <li>▶ the relationship of a stakeholder with the organization does not have to be formal;</li> <li>▶ not all stakeholders belong to organized groups;</li> <li>▶ stakeholders may not be aware of the actual or potential effect on their interests.</li> </ul> <p>Describes questions that will help identify stakeholders.</p> <p>5.3.3 Stakeholder engagement</p> <p>Explains, for example, that:</p> <ul style="list-style-type: none"> <li>▶ stakeholder engagement can take many forms and follow a variety of formats;</li> <li>▶ there are various reasons to engage with stakeholders;</li> <li>▶ engagement with stakeholders should be interactive (two-way communication);</li> <li>▶ expectations concerning stakeholder interests can be found for every SR issue in Clause 6.</li> </ul>	<p>B. Enterprises are encouraged to :</p> <p><b>2.</b> Engage in or support, where appropriate, private or multi-stakeholder initiatives and social dialogue on responsible supply chain management while ensuring that these initiatives take due account of their social and economic effects on developing countries and of existing internationally recognised standards.</p> <p><b>Commentary on General Policies 25</b></p> <p>Stakeholder engagement involves interactive processes of engagement with relevant stakeholders, through, for example, meetings, hearings or consultation proceedings. Effective stakeholder engagement is characterised by two-way communication and depends on the good faith of the participants on both sides.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Recognizing social responsibility	<p>ISO 26000 provides detailed guidance on social responsibility, beginning with Clause 3 “Understanding social responsibility”, which defines the four characteristics of social responsibility. The OECD Guidelines explain in the “Preface” the need for, and latest developments in, social responsibility. ISO 26000 also explains the relationship between social responsibility and sustainable development; it even has a footnote to the United Nations definition of sustainable development to emphasize the people dimension. The OECD has a view to improving the welfare and living standards of all people. ISO 26000’s fundamental Clause 5 and Clause 7 for integrating social responsibility both start by recognizing and understanding social responsibility.</p>	
	<p><b>3. Understanding social responsibility</b></p> <p>3.1 The social responsibility of organizations: Historical background</p> <p>3.2 Recent trends in social responsibility</p> <p>3.3 Characteristics of social responsibility</p> <p>Social responsibility has four characteristics:</p> <ul style="list-style-type: none"> <li>▶ contributes to sustainable development, including the health and welfare of society;</li> <li>▶ takes into account the expectations of stakeholders;</li> <li>▶ is in compliance with applicable law and consistent with international norms of behaviour; and</li> <li>▶ is integrated throughout the organization and practised in its relationships.</li> </ul>	<p><b>Preface</b></p> <p><b>7.</b> The Guidelines both complement and reinforce private efforts to define and implement responsible business conduct.</p> <p><b>9.</b> The common aim of the governments adhering to the Guidelines is to encourage the positive contributions that multinational enterprises can make to economic, environmental and social progress and to minimise the difficulties to which their various operations may give rise.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Recognizing social responsibility (continued)	<p><b>5.2 Recognizing social responsibility</b></p> <p>5.2.1 Impacts, interests and expectations</p> <p>Explains the relationship between an organization, its stakeholders and society.</p> <p>5.2.2 Recognizing the core subjects and relevant issues of social responsibility</p> <p>An organization should review all seven core subjects to identify which issues are relevant.</p> <p><b>7.2 The relationship of an organization's characteristics to social responsibility</b></p> <p>An organization should review key characteristics that relate to social responsibility.</p>	

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Supply and value chain	<p>ISO 26000 and the OECD Guidelines use different wording to express the chain responsibility of organizations. The objectives, however, are quite similar. ISO 26000 does not use the word “chain responsibility” but “sphere of influence”, because an organization can also <i>have stakeholders outside a value chain</i> for which responsible behaviour is required.</p> <p>ISO 26000 defines “sphere of influence” as:</p> <p>“range/extent of political, contractual, economic or other relationships through which an organization has the ability to affect the decisions or activities of individuals or organizations”</p> <p>The OECD Guidelines refer frequently to the supply chain responsibility of the enterprise.</p> <p>5.2.3 Social responsibility and an organization’s sphere of influence</p> <p>An organization does not always have a responsibility to exercise influence purely because it has the ability to do so. However, there will be situations where an organization will have a responsibility to exercise influence. These situations are determined by the extent to which an organization’s relationship is contributing to negative impacts.</p> <p>7.3.3.1 Assessing an organization’s sphere of influence</p> <p>An organization derives influence from sources such as ownership and governance; economic relationship; legal/political authority; and public opinion.</p>	

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Exercising influence and leverage	<p>The OECD Guidelines ask enterprises to encourage business partners and suppliers to apply the principles of responsible business conduct. ISO 26000 has devoted a specific issue (Issue 4), within the core subject “Fair operating practices”, to “Promoting social responsibility in the value chain”. This issue also asks organizations to encourage other organizations, support SMOs and raise awareness.</p> <p>ISO 26000 adds a note to its definition of sphere of influence :</p> <p>“The ability to influence does not, in itself, imply a responsibility to exercise influence.” For additional clarification, see also “Exercising due diligence” (below in this table).</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>12.</b> Seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship. This is not intended to shift responsibility from the entity causing an adverse impact to the enterprise with which it has a business relationship.</p> <p><b>13.</b> In addition to addressing adverse impacts in relation to matters covered by the Guidelines, <i>encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.</i></p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Exercising influence and leverage (continued)		<p><b>Commentary on General Policies 21</b></p> <p>The Guidelines recognise that there are <i>practical limitations on the ability of enterprises to effect change in the behaviour of their suppliers</i>. These are related to product characteristics, the number of suppliers, the structure and complexity of the supply chain, the market position of the enterprise vis-à-vis its suppliers or other entities in the supply chain.</p> <p><b>Commentary on General Policies 19</b></p> <p><i>Leverage is considered to exist where the enterprise has the ability to effect change in the wrongful practices of the entity that causes the harm.</i></p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Exercising due diligence	<p>Due diligence is important in both sets of guidelines and is mentioned as a generic process for integrating social responsibility. Both instruments also emphasize the importance of due diligence with respect to human rights. The definitions for due diligence are quite similar although ISO 26000 also mentions the life-cycle approach. Regarding negative impacts from activities of other organizations or persons, ISO 26000 mentions activities that are “significantly linked to those of the organization”.</p>	
	<p>Due diligence is defined as: “comprehensive, proactive process to identify the actual and potential negative social, environmental and economic impacts of an organization’s decisions and activities over the entire life cycle of a project or organizational activity, with the aim of avoiding and mitigating negative impacts”.</p> <p><b>5.2.3 Social responsibility and an organization’s sphere of influence</b></p> <p>When assessing its sphere of influence and determining its responsibilities, an organization should exercise due diligence to avoid contributing to negative impacts through its relationships.</p> <p><b>7.3.1 Due diligence</b></p> <p>Due diligence may also entail influencing the behaviour of others, where they are found to be the cause of human rights or other violations in which the organization may be implicated.</p>	<p><b>II. General Policies</b></p> <p><b>Commentary on General Policies 14</b></p> <p>Due diligence is understood as the process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems.</p> <p><b>A. Enterprises should:</b></p> <p><b>10.</b> Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 11 and 12, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.</p> <p><b>11.</b> Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Exercising due diligence (continued)	<p>In any due diligence process, an organization should consider the country context in which it operates or in which its activities take place; the potential and actual impacts of its own activities; and the potential for negative consequences resulting from the actions of other entities or persons whose activities are significantly linked to those of the organization.</p> <p>ISO 26000 sums up the components that should be included within the due diligence process.</p>	

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Setting priorities	<p>ISO 26000 and the OECD Guidelines differ in terms of the guidance they offer on prioritizing social responsibility issues. The OECD uses the concept of materiality for priority setting, while ISO 26000 refers to the “relevance” and “significance” of issues in determining priority for action. This action guidance is strongly related to the 37 issues for social responsibility explained in the seven core subjects. Every organization should analyse all the issues to determine :</p> <ul style="list-style-type: none"> <li>▶ whether the issue is relevant and, if not, why not (comply or explain) ;</li> <li>▶ how significant the issue is, by consulting relevant stakeholders ;</li> <li>▶ what priority for action should be undertaken.</li> </ul>	
	<p>7.3.2 Determining relevance and significance of core subjects and issues to an organization</p> <p>7.3.2.1 Determining relevance</p> <p>All the core subjects, but not all issues, have relevance for every organization. An organization should review all core subjects to identify which issues are relevant.</p>	<p><b>II. General Policies</b></p> <p><b>Commentary on General Policies 16</b></p> <p>Where enterprises have large numbers of suppliers, they are encouraged to identify general areas where the risk of adverse impacts is most significant and, based on this risk assessment, prioritise suppliers for due diligence.</p>
	<p>Provides guidance on how relevance can be identified. Stakeholders should be involved because a stakeholder can make an issue relevant for the organization.</p>	<p><b>III. Disclosure</b></p> <p><b>Commentary on Disclosure 30</b></p> <p>In order to determine what information should be disclosed at a minimum, the Guidelines use the concept of materiality. Material information can be defined as information whose omission or misstatement could influence the economic decisions taken by users of information.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Setting priorities (continued)	<p>7.3.2.2 Determining significance</p> <p>Provides guidance on how significance can be determined. Issues that are generally considered to be significant are non-compliance with the law; inconsistency with international norms of behaviour; potential violations of human rights; practices that could endanger life or health; and practices that could seriously affect the environment. Stakeholders should be involved.</p> <p>7.3.4 Establishing priorities for addressing issues</p> <p>Provides guidance on how priority for attention and action can be decided. An important consideration is the organization's own ambition like:</p> <ul style="list-style-type: none"> <li>▶ the current performance of the organization with regard to legal compliance, international standards, international norms of behaviour, the state-of-the-art and best practices for social responsibility.</li> <li>▶ whether the consideration of the specific issue would contribute to the purposes and effectiveness of the Guidelines.</li> </ul> <p>Stakeholders should be involved.</p>	<p><b>Commentary on the Implementation Procedures of the OECD Guidelines for Multinational Enterprises</b></p> <p><b>Initial Assessment</b></p> <p><b>25.</b> In making an initial assessment of whether the issue raised merits further examination, the National Contact Point (NCP) will need to determine whether the issue is <i>bona fide</i> and relevant to the implementation of the Guidelines. In this context, the NCP will take into account:</p> <ul style="list-style-type: none"> <li>▶ the identity of the party concerned and its interest in the matter.</li> <li>▶ whether the issue is material and substantiated.</li> <li>▶ whether there seems to be a link between the enterprise's activities and the issue raised in the specific instance.</li> <li>▶ the relevance of applicable law and procedures, including court rulings.</li> <li>▶ how similar issues have been, or are being, treated in other domestic or international proceedings.</li> </ul>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
<p>Raising awareness and building competency</p> <p>7.4.1 Raising awareness and building competency for social responsibility</p> <p>Building the competency for implementing practices of social responsibility may involve strengthening or developing skills in some areas of activity such as stakeholder engagement, and in improving knowledge and understanding of the application of the core subjects.</p> <p>Education for sustainable development is setting a new direction to empower people to address social responsibility issues by encouraging them to have due regard for values that foster vigorous and proactive action.</p> <p><b>6.6 Fair operating practices</b></p> <p>6.6.6 Issue 4: Promoting social responsibility in the value chain</p>	<p>Both instruments mention that raising awareness and building competencies for social responsibility are needed and should not be limited to the own organization. ISO 26000 also indicates that commitment and understanding should start at the top of the organization and involve all levels.</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>8.</b> Promote awareness of and compliance by workers employed by multinational enterprises with respect to company policies through appropriate dissemination of these policies, including through training programmes.</p> <p><b>Commentary on General Policies 13</b></p> <p>Following from effective self-regulatory practices, as a matter of course, enterprises are expected to promote employee awareness of company policies.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Raising awareness and building competency (continued)	<p>An organization should:</p> <ul style="list-style-type: none"> <li>▶ consider providing support to small and medium-sized organizations, including awareness raising on issues of social responsibility and best practice and additional assistance (for example, technical, capacity building or other resources) to meet socially responsible objectives;</li> <li>▶ actively participate in raising the awareness of organizations with which it has relationships about principles and issues of social responsibility.</li> </ul> <p><b>6.7 Consumer issues</b></p> <p>6.7.9 Issue 7: Education and awareness</p> <p>Education and awareness initiatives enable consumers to be well informed, conscious of their rights and responsibilities, more likely to assume an active role and to be able to make knowledgeable purchasing decisions and consume responsibly.</p>	

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Setting the direction	<p>ISO 26000 states that an organization should set its direction by making social responsibility an integral part of its policies, organizational culture, strategies, structures and operations.</p> <p>The OECD Guidelines provide “General Policies” and mention this in the disclosure part.</p> <p>7.4.2 Setting the direction of an organization for social responsibility</p> <p>The statements and actions of an organization’s leadership and the organization’s purpose, aspirations, values, ethics and strategy set the direction for the organization.</p> <p>An organization should set its direction by making social responsibility an integral part of its policies, organizational culture, strategies, structures and operations.</p> <p>Guidance is provided on how to do this.</p>	<p><b>II. General Policies</b></p> <p><b>Commentary on General Policies 8</b></p> <p>The Principles call on the board of the parent entity to ensure the strategic guidance of the enterprise, the effective monitoring of management and to be accountable to the enterprise and to the shareholders, while taking into account the interests of stakeholders.</p> <p><b>III. Disclosure</b></p> <p><b>2.</b> Disclosure policies of enterprises should include, but not be limited to, material information on:</p> <ul style="list-style-type: none"> <li>▶ governance structures and policies, in particular, the content of any corporate governance code or policy and its implementation process.</li> </ul>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Integrating in systems	<p>The OECD Guidelines indicate that social responsibility should be applied through practices and management systems. ISO 26000 emphasizes the need to integrate social responsibility throughout the whole organization as the main focus (see also figure in Annex IV for a schematic overview of ISO 26000). However, the organization can build on existing systems where appropriate. Corporate culture may need attention when applying the principles of social responsibility.</p> <p><b>7. Guidance on integrating social responsibility throughout an organization</b></p> <p><b>7.1 General</b></p> <p>In most cases, organizations can build on existing systems, policies, structures and networks of the organization to put social responsibility into practice, although some activities are likely to be conducted in new ways, or with consideration for a broader range of factors.</p> <p><b>7.4.3 Building social responsibility into an organization's governance, systems and procedures</b></p> <p>An organization should confirm that the principles of social responsibility are applied in its governance and reflected in its structure and culture. It should review procedures and processes at appropriate intervals to make sure that they take into account the social responsibility of the organization.</p> <p>Guidance on useful procedures is provided.</p>	<p><b>II. General Policies</b></p> <p><b>A. Enterprises should:</b></p> <p><b>7.</b> Develop and apply effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Communication	<p>The OECD Guidelines use mainly the wording “disclosure” while ISO 26000 talks of “communication”. Both sets of guidelines hold a similar point of view about the importance of disclosure or communication. ISO 26000 also explains the role of communication in social responsibility, its characteristics and the different types of communication related to social responsibility. A specific box provides guidance on reporting.</p> <p><b>7.5 Communication on social responsibility</b></p> <p><b>7.5.1 The role of communication in social responsibility</b></p> <p>Many practices related to social responsibility will involve some form of internal and external communication. Guidance is provided on the importance of communication in different functions.</p> <p><b>7.5.2 Characteristics of information relating to social responsibility</b></p> <p>Information relating to social responsibility should be: complete, understandable, responsive, accurate, balanced, timely and accessible.</p> <p><b>7.5.3 Types of communication on social responsibility</b></p> <p>Guidance is given on the different types of communication related to social responsibility, along with different methods and media that may be used for communication.</p>	<p><b>III. Disclosure</b></p> <p>Enterprises are encouraged to communicate additional information that could include:</p> <ul style="list-style-type: none"> <li>▶ value statements or statements of business conduct intended for public disclosure including, depending on its relevance for the enterprise's activities, information on the enterprise's policies relating to matters covered by the Guidelines.</li> </ul> <p><b>4.</b> Enterprises should apply high quality standards for accounting, and financial as well as <i>non-financial disclosure, including environmental and social reporting</i> where they exist. The standards or policies under which information is compiled and published should be reported.</p>

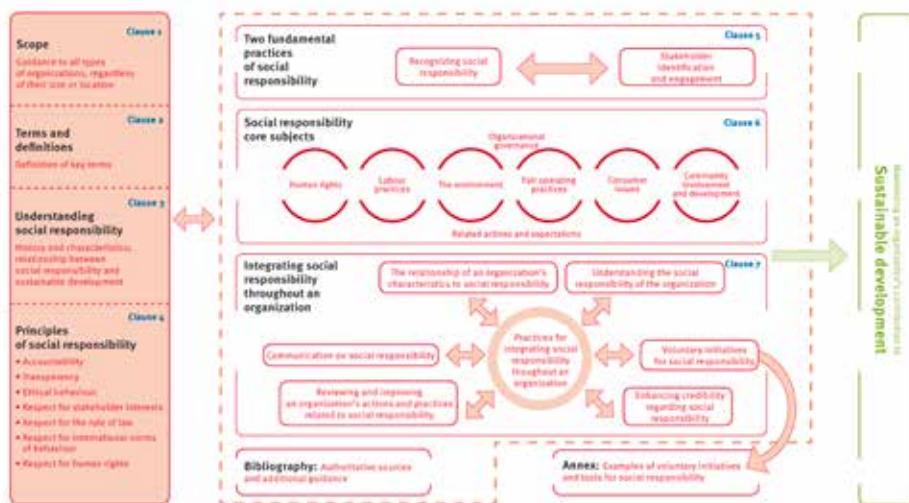
Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
	<p><b>Box 15</b> – Reporting on social responsibility</p> <p>Reporting to stakeholders can be done in many different ways, including meetings with stakeholders, letters describing the organization's activities related to social responsibility for a defined period, Website information and periodic social responsibility reports.</p> <p>Considerations are given for preparing a social responsibility report.</p>	<p><b>Commentary on Disclosure 33</b></p> <p>The Guidelines also encourage a second set of disclosure or communication practices in areas where reporting standards are still evolving such as social, environmental and risk reporting.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Enhancing credibility	<p>The OECD Guidelines and ISO 26000 both focus on building confidence and promoting mutual trust, while ISO 26000 also speaks of enhancing credibility. The OECD Guidelines refer to this topic from different perspectives. ISO 26000 provides guidance on methods of enhancing credibility in general, actions regarding claims and reports, and mechanisms for resolving conflicts with stakeholders.</p>	
	<p><b>7.6 Enhancing credibility regarding social responsibility</b></p> <p>7.6.1 Methods of enhancing credibility Methods include stakeholder engagement and reviews, the verification of claims, participation in certification schemes for processes and products, involving independent parties and creation of review committees.</p> <p>7.6.2 Enhancing the credibility of reports and claims about social responsibility</p> <p>7.6.3 Resolving conflicts or disagreements between an organization and its stakeholders</p>	<p><b>II. General Policies</b></p> <p>Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders.</p> <p><b>VI. Environment</b></p> <p><b>Commentary on the Environment 65</b></p> <p>Information about the activities of enterprises and about their relationships with sub-contractors and their suppliers, and associated environmental impacts is an important vehicle for <i>building confidence with the public</i>. This vehicle is most effective when information is provided in a transparent manner and when it encourages active consultation with stakeholders such as employees, customers, suppliers, contractors, local communities and with the public-at-large so as to promote a climate of <i>long-term trust and understanding</i> on environmental issues of mutual interest.</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Reviewing and improving	<p>Both instruments frequently address ways to review and improve performance in different areas of social responsibility and indicate that stakeholders can play an important role in the reviewing process. ISO 26000 provides guidance in a specific paragraph relating to performance review, which also deals with the reliability of data and information collection.</p> <p><b>7.7 Reviewing and improving an organization's actions and practices related to social responsibility</b></p> <p>7.7.1 General</p> <p>7.7.2 Monitoring activities on social responsibility</p> <p>7.7.3 Reviewing an organization's progress and performance on social responsibility</p> <p>7.7.4 Enhancing the reliability of data and information collection and management</p> <p>7.7.5 Improving performance</p>	<p><b>II. General Policies</b></p> <p><b>Commentary on General Policies 9</b></p> <p>The board's monitoring of governance includes continuous review of internal structures to ensure clear lines of management accountability throughout the group.</p> <p><b>VI. Environment</b></p> <p><b>1. b)</b> establishment of measurable objectives and, where appropriate, targets for improved environmental performance and resource utilisation, including periodically reviewing the continuing relevance of these objectives; where appropriate, targets should be consistent with relevant national policies and international environmental commitments</p>

Practice, policy	ISO 26000, <i>Guidance on social responsibility</i>	OECD Guidelines for Multinational Enterprises
Initiatives for social responsibility	<p>The OECD Guidelines indicate that engagement in, or support of, private or multi-stakeholder initiatives can be useful. ISO 26000 provides detailed guidance on voluntary initiatives for social responsibility, the different types of initiatives and considerations for participating. Participation should lead in one way or another to concrete action within the organization. ISO 26000 also provides a list of voluntary initiatives and tools for social responsibility in Annex A. This Annex includes tables for cross-sectoral and sectoral initiatives with cross-references to the ISO 26000 guidance. Box 17 stipulates that ISO does not endorse the initiatives listed in the tables.</p>	<p><b>7.8 Voluntary initiatives for social responsibility</b></p> <p>7.8.1 General</p> <p>7.8.2 Voluntary nature of participation</p> <p>7.8.3 Considerations</p> <p>7.8.4 Notes on Annex A</p> <p><b>Box 16</b> – Certifiable initiatives and initiatives connected to commercial or economic interests</p> <p><b>Box 17</b> – Non-endorsement of initiatives by ISO</p> <p><b>Annex A</b> – Examples of voluntary initiatives and tools for social responsibility</p> <p><b>Table A.1</b> – Examples of cross-sectoral initiatives</p> <p><b>Table A.2</b> – Examples of sectoral initiatives</p> <p><b>II. General Policies</b></p> <p>B. Enterprises are encouraged to :</p> <p>2. Engage in or support, where appropriate, private or multi-stakeholder initiatives and social dialogue on responsible supply chain management while ensuring that these initiatives take due account of their social and economic effects on developing countries and of existing internationally recognised standards.</p>

## 7. Annex IV. Schematic overview of ISO 26000



This figure provides an overview of ISO 26000 and is intended to assist organizations in understanding how to use the standard. The following points provide guidance on using the standard.

- After considering the characteristics of social responsibility and its relationship with sustainable development (Clause 3), it is suggested that an organization should review the principles of social responsibility described in Clause 4. In practising social responsibility, organizations should respect and address these principles, along with the principles specific to each core subject (Clause 6).
- Before analysing the core subjects and issues of social responsibility, as well as each of the related actions and expectations (Clause 6), an organization should consider two fundamental practices of social responsibility: recognizing its social responsibility within its sphere of influence, and identifying and engaging with its stakeholders (Clause 5).

- Once the principles have been understood, and the core subjects and relevant and significant issues of social responsibility have been identified, an organization should seek to integrate social responsibility throughout its decisions and activities, using the guidance provided in Clause 7. This involves practices such as: making social responsibility integral to its policies, organizational culture, strategies and operations; building internal competency for social responsibility; undertaking internal and external communication on social responsibility; and regularly reviewing these actions and practices related to social responsibility.
- Further guidance on the core subjects and integration practices of social responsibility is available from authoritative sources (Bibliography) and from various voluntary initiatives and tools (some global examples of which are presented in Annex A).

When approaching and practising social responsibility, the overarching goal for an organization is to maximize its contribution to sustainable development.



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ISBN 978-92-67-10693-9

