



MEMORANDUM OF UNDERSTANDING BETWEEN THE OECD AND ISO IN THE AREA OF SOCIAL RESPONSIBILITY

On 5 May 2008, the OECD and the International Organization for Standardization (ISO) concluded a Memorandum of Understanding with a view to ensuring that the proposed ISO 26000 Standard on Social Responsibility and related activities are consistent with and complement the OECD Guidelines for Multinational Enterprises.

Memorandum of Understanding between the Organisation for Economic Co-operation and Development (OECD) and the International Organization for Standardization (ISO) in the area of social responsibility

Whereas the OECD Guidelines for Multinational Enterprises (the OECD Guidelines)¹ which are an integral part of the OECD Declaration on International Investment and Multinational Enterprises, are recommendations addressed by governments to multinational enterprises, and that the implementation procedures of the Guidelines are legally binding on adhering governments in accordance with the OECD Council Decision of 27 June 2000;²

Whereas in particular that the OECD Guidelines provide for voluntary principles and standards for responsible business conduct in all major areas of business ethics consistent with applicable laws; that adhering governments are committed to encourage the enterprises operating into their territory to observe the OECD Guidelines wherever they operate; that the OECD Guidelines are endowed with a unique implementation mechanism – the specific instance facility – responsible for the resolution of issues that arise relating to the implementation of the OECD Guidelines in specific instances, and that they reflect good practice for all enterprises;

Whereas adherence to the OECD Declaration including the Guidelines is open to non-OECD governments;³

Whereas the OECD through the Investment Committee is responsible for the effective functioning of the OECD Guidelines and thus entitled to make recommendations to that effect;

¹ The text of the Guidelines can be found at www.oecd.org/daf/investment/guidelines.

² At present, 40 countries adhere to the OECD Declaration, namely the 30 OECD Members (Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States and 10 non-OECD Members (Argentina, Brazil, Chile, Egypt, Estonia, Latvia, Lithuania, Israel, Romania and Slovenia).

³ Applications for adherence by four additional non-OECD Members are currently under consideration.

Whereas the International Organization for Standardization (ISO) is a worldwide federation of national standards bodies, that develops voluntary, consensus International Standards based on input through national standardization bodies and organizations in liaison;

Whereas ISO has undertaken the development of an International Standard to provide guidance on social responsibility,

And noting that it is in the interest of OECD and ISO to establish a Memorandum of Understanding (MOU) to assist in governing their co-operation in the area of social responsibility;

The OECD and ISO (hereafter “the parties”) hereby **agree** as follows:

Article 1
Purpose and scope

- 1.1 The purpose of this Memorandum of Understanding is to establish between the parties co-operation with a view to ensuring that the ISO International Standard on Social Responsibility and ISO activities relating thereto are consistent with and complement the OECD Guidelines for Multinational Enterprises.
- 1.2 The parties will be mutually supportive of each other. The areas of co-operation between the parties will include the development of the International Standard on Social Responsibility and periodic review of the ISO International Standard on Social Responsibility for confirmation, revision or withdrawal. The co-operation will encompass any issue relating to the principles and standards promoted by the OECD Guidelines and their implementation.

Article 2
Understandings

The parties agree:

- 2.1 That the future ISO International Standard on social responsibility needs to be consistent with the principles and standards of the OECD Guidelines and their implementation.
- 2.2 That ISO will address any concerns raised by the OECD in the development and promotion of the International Standard on social responsibility.
- 2.3 That the OECD will be consulted in a timely fashion and have the right to comment at all stages in the development of the International Standard on Social Responsibility and ISO commits to circulate its comments on the draft International Standard to all statutory ISO members, to the D-liaison organizations in the ISO Working Group on Social Responsibility and to the Technical Management Board at the same time that the draft is circulated to a wider group.
- 2.4 That, consistent with the ISO/IEC Directives, Part 1, ISO will consult with and seek support of the OECD for the final draft of the International Standard on social responsibility.
- 2.5 That, in the event that the OECD does not provide its support, ISO will communicate its comments to all statutory ISO members participating in the SR WG, to the D-liaison organizations in the ISO Working Group on Social Responsibility and to the Technical Management Board.
- 2.6 That OECD assistance or participation provided in this MOU in any ISO process or activity relating to development, promotion, support, evaluation or review of the ISO International Standard on Social Responsibility does not imply formal endorsement by OECD of that ISO International Standard or any other ISO product or activity.

- 2.7 That any ISO activities and/or publications for the promotion, support, evaluation and approval of any published ISO International Standard on social responsibility, insofar as they implicate OECD Guidelines, will facilitate greater awareness and wider observance of the OECD Guidelines in accordance with their object and purpose.

Article 3
Mutual consultation

The OECD and ISO will maintain regular consultations as necessary on activities of common interest for the purpose of furthering the mutual achievement of the terms of this MOU.

Article 4
Participation

- 4.1 The parties agree on the full participation of the OECD in the relevant Working Group activities and related bodies, whether formal or informal, relating to the development of the International Standard on social responsibility based on the rules established by the Working Group.
- 4.2 The parties also agree on the participation of relevant ISO representatives in the appropriate OECD bodies relating to further development of the OECD Guidelines based on the Rules of procedure of the Organisation and on the Decision by the Council governing our Relations with International Non-Governmental Organisations.
- 4.3 Nothing in this MOU shall be construed to permit either party to use or permit to use the logo of the other party without obtaining the other's prior written consent.

Article 5
Exchange of Information

- 5.1 Before the OECD or ISO publishes any press release relating to this MOU and any subsequent work undertaken in this context, each entity will share the draft press release with the other for approval.
- 5.2 The OECD and the ISO will arrange for the exchange of information, publications and documents and will inform each other of forthcoming meetings as necessary to achieve the objectives of this Memorandum of Understanding.

Article 6
Working arrangement

The Secretary-General of the OECD and the Secretary-General of the International Organization for Standardization or their duly mandated representatives may make appropriate working arrangements for the implementation of the provisions of this Memorandum of Understanding.

Article 7
Other provisions

- 7.1 This Memorandum of Understanding is entered into by both parties for the duration of the development and promotion of the International Standard on social responsibility and any periodic review of the International Standard for confirmation, revision or withdrawal.
- 7.2 The parties shall make every effort to resolve amicably by direct informal consultations any disagreement which may arise concerning the commitment made under this Memorandum of Understanding.

7.3 Termination of this Memorandum of Understanding may occur at any time subject to 90 days' advance written notification.

7.4 This Memorandum of Understanding shall enter into force upon the date of signature by the duly authorized representatives of the parties.

Thelma Askey
Deputy Secretary-General
Organisation for Economic Co-operation and Development

Alan Bryden
Secretary-General
International Organization for Standardization

Date of signature

Date of signature