



CORPORATE SOCIAL RESPONSIBILITY

ISO 26000

A guidance standard on Social Responsibility

Building on the success in developing international management standards, such as ISO 9000 and ISO 14001, the International Standards Organisation took on the ambitious task in 2004 for developing a global guidance standard on Social Responsibility applicable to all organisations, covering diverse areas like human rights, labor practices, environmental management, organisational governance, consumer issues and community development. Not only the scope of the standard is ambitious, but also the process of developing it, involving the participation of global representatives from six stakeholder groups - industry, government, labour, NGOs, consumers and national standards bodies - from more than 80 countries.

Social Responsibility

Although there is no universally acceptable definition of Social responsibility today, the social responsibility may be understood as encompassing "The way an organization integrates social environmental and economic concerns in its values, culture, decision making, strategy and operations and thereby establishes better practices within the organization, creating wealth and improving the society".

Social responsibility typically includes and diverse activities pertaining to:

- Corporate governance and ethics
- Health and safety
- Environmental stewardship
- Human rights (including core labour rights)
- Human resource management
- Community involvement, development and investment
- Involvement of and respect for people from all ethnic origins
- Corporate philanthropy and employee volunteering
- Customer satisfaction and adherence to principles of fair competition
- Anti-bribery and corruption measures
- Accountability, transparency and performance reporting
- Supplier relations, for domestic and international supply chains

What is ISO 26000?

The International Standards Organisation, ISO is currently developing a guidance standard on Social Responsibility that has the potential to affect, in



Source: ISO / CD 26000

varying degrees, the daily lives of millions of people and all types and sizes of organisations around the globe. It is intended to be suitable for governments, consumers, all industry sectors, labour organisations, academia, non-government organisations, research bodies and service providers; in other words, suitable for everyone running a business, providing services, making use of resources and thus being both a part of society and a factor of societal welfare!

ISO 26000 is the designation of the future International Standard giving guidance on social responsibility. It is intended for use by organizations of all types, in both public and private sectors, in developed and developing countries. It will assist them in their efforts to operate in the socially responsible manner that society increasingly demands.

ISO 26000 contains guidance, not requirements, and therefore will not be a certification standard like ISO 9001:2000 and ISO 14001:2004.

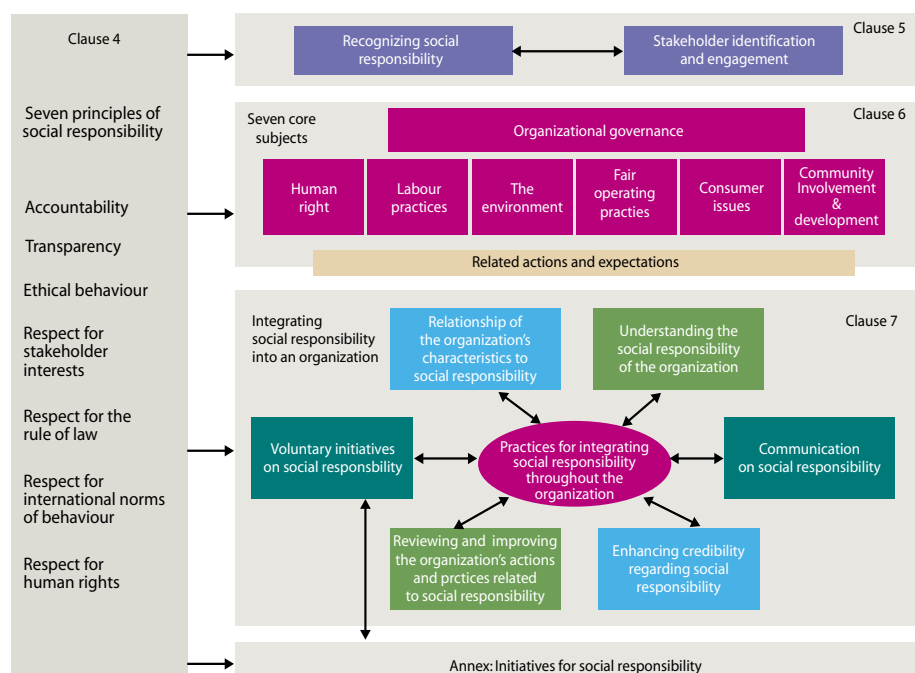
The ISO 26000 scope clearly states “This International Standard is not a management system standard. It is not intended or appropriate for certification purposes or regulatory or contractual use.” This statement includes that ISO 26000 cannot be used as basis for audits, conformity tests and certificates, or for compliance statements. It may be noted that ISO 26000 is still under development and is expected to be published in September of 2010.

Proposed Scope of standard

The scope of the standard includes following:

- Assist an organization in addressing its social responsibilities.
- Provide practical guidance related to :
 - ▶ Operationalizing social responsibility ;
 - ▶ Identifying and engaging with stakeholders;
 - ▶ Enhancing credibility of reports and claims made about SR.
- Emphasize performance results and improvements.
- Increase customer satisfaction and confidence.
- Promote common terminology in the SR field.
- Be consistent, and not in conflict, with existing documents, treaties, conventions and other ISO standards.

Structure of ISO 26000



Source: ISO / CD 26000

Contents in the (Draft) standard

- **Introduction**

The introduction will give information on the content of the guidance standard and the reasons prompting its preparation.

- **Scope**

This section will define the subject of the guidance standard, its coverage and the limits of its applicability.

- **Normative references**

This section will contain a list of documents, if any, which are to be read in conjunction with the guidance standard.

- **Terms and definitions**

This section will identify terms used in the guidance standard that require definition and will provide such definitions.

- **The SR context in which all organizations operate**

This section will discuss the historical and contemporary contexts of SR. It will also address questions arising out of the nature of the concept of SR. Relevant stakeholder issues are to be addressed in this section.

- **SR principles relevant to organizations**

This section will identify a set of SR principles drawn from a variety of sources and will provide guidance on these principles. Relevant stakeholder issues are to be addressed in this section.

- **Guidance on core SR subjects/issues**

This section will provide separate guidance on a range of core subjects/ issues and relate them to organizations. Relevant stakeholder issues are to be addressed in this section.

- **Guidance for organizations on implementing SR**

This section will provide practical guidance on implementing and integrating SR in the organization, including, for example, on policies, practices, approaches, issue identification, performance assessment, reporting and communication. Relevant stakeholder issues are to be addressed in this section.

- **Guidance annexes**

The guidance standard may include annexes if needed.

Why is ISO 26000 important?

Sustainable business for organizations means not only providing products and services that satisfy the customer, and doing so without jeopardizing the environment, but also operating in a socially responsible manner. Pressure to do so comes from customers, consumers, governments, associations and the public at large. At the same time, far-sighted organizational leaders recognize that lasting success must be built on credible business practices and the prevention of activities such as fraudulent accounting and labour exploitation.

On the one hand, there has been a number of high level declarations of principle related to SR and, on the other, there are many individual SR programmes and initiatives. The challenge is how to put the principles into practice and how to implement SR effectively and efficiently when even the understanding of what “ social responsibility “ means may vary from one programme to another.

ISO's expertise is in developing harmonized international agreements based on double levels of consensus : among the principal categories of stakeholder, and among countries (ISO is a network of the national standards bodies of 157* countries).

The future ISO 26000 will distil a globally relevant understanding of what social responsibility is and what organizations need to do to operate in a socially responsible.

ISO 26000 is intended to:

- Assist organizations in addressing their social responsibilities
- Provide practical guidance related to effectively implementing social responsibility throughout the organization
- Assist organizations in identifying and engaging with stakeholders
- Enhance the credibility of reports and claims made about social responsibility

The emphasis of ISO 26000 will be on organizational performance, results and improvements, thereby increasing consumer satisfaction and confidence with an organization, its activities, products and services. The standard will also be consistent with and certainly not in conflict with existing standards and treaties. It is likely to cross reference to authoritative inter-governmental instruments that articulate such substantive norms. Because ISO 26000 is the product

of an international non-governmental process and organization, it is explicitly designed to not infringe on or reduce the legitimate authority of governments to set appropriate substantive norms of behaviour through conventional legislative processes.

What will be the Market impact?

Since in the recent past global buyers are already attaching increasing importance to the subject of corporate social responsibility (CSR), it may not be difficult to predict what the market impact of the standard will be. On the other hand, given the demand within the market for more clarity about the subject and the fact that the ISO is an internationally recognised organisation in the field of standardisation, the indirect market impact might be significant. ISO 26000 is in accordance with the fundamental guidelines regarding sustainability (e.g. ILO, OECD) that form the foundation of many certification programmes (i.e. SA8000, ISO 14001,) therefore, companies implementing ISO 26000 will likely move towards using these guidelines and might request their suppliers to comply with their criteria.

However, to what extent companies already active in the field of corporate social responsibility will adapt or change their policies to bring them in line with the future ISO 26000 standard is not clear. In any case, it will be wise for both exporting companies and trade related institutions within developing countries to be up-to-date with the developments around the ISO 26000 standard, just to improve their understanding of a subject that will remain an important source for Global buyers to base their future sourcing requirements on.

ISO 26000 will also help companies in developing countries to think about sustainability issues concerning their activities. By setting up sustainable policy, companies in developing countries will be better prepared for questions and demand from their global buyers.

The ISO 26000 standard will be an international standard on social responsibility. It cannot be reduced to a distinct set of requirements or criteria and therefore it merely intends to provide practical guidance and will therefore not include third party certification. Currently, there are over 200 existing documents, standards, guidelines and initiatives on social responsibility. This may create confusion regarding the content of social responsibility. Therefore, ISO 26000 aims to create an overarching document that helps to address social responsibility

in a wide variety of organisations. In this way ISO 26000 aims to help organisations become aware of, or analyse issues concerning social responsibility.

While it is important to respect the sovereignty of nations to develop their own substantive norms of environmental, social, and economic behaviour through legislative processes in their jurisdictions, it is also important for organizations to behave responsibly and in accordance with international consensus-based standards wherever the organizations operate, even if the rule of law and capacity of governments and courts to enforce laws is not highly advanced.

In this regard, the existence of a voluntary international standard on SR, developed through an established, high profile organization such as ISO, operating in a transparent manner, is an important piece in the overall global framework for social responsibility, working in conjunction with existing instruments and institutions such as the United Nations Global Compact, the Organization for Economic Development and Cooperation Guidelines for Multinational Enterprises, and the Global Reporting Initiative Reporting Guidelines.

Conclusion

The ISO 26000 standard being developed breaks new ground in a number of important respects:

- It has brought together inter-governmental, governmental, NGO, labour, consumer, standards organizations, and others to develop a standard applicable throughout the world
- It applies to social responsibility of all types of organizations, not just commercial organizations
- The standard takes the form of a non-management system standard, not intended for certification, yet intended to provide guidance on implementation
- It potentially is an important bridging instrument when aligned with other instruments, such as those of the UN, the OECD, and the GRI

For all of these reasons, ISO 26000 will be an important new instrument intended to address the increasingly complex situations faced by organizations around the world in the 21st century.

(Note-The article is based on information collated from ISO website and other websites)



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