

QUALITY TOOLBOX

ISO 26000 Guidance on Social Responsibility

Organizations have a new international standard to consider as they seek to create (or improve) their corporate responsibility or sustainability programs. The document is entitled “ISO 26000—Guidance on Social Responsibility.”

ISO 26000 is more than just another standard, however. In fact, the guidance contained in ISO 26000 provides the “missing link” that can allow your organization to convert its environmental management system into a truly integrated sustainability management system.

This column explores how you can move toward this goal while integrating social responsibility throughout your organization’s activities. Before discussing the specifics, however, we need to cover some background issues.

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A Note on Terminology

The drafters of ISO 26000 dropped the word “corporate” from the title in order to communicate that the standard is applicable to all types of organizations. It should be noted that many people use “corporate social responsibility” (CSR) to describe the activities addressed by the standard.

As I have noted in previous writings, an organization that is moving toward sustainability needs to address three types of responsibilities

Moving toward an integrated sustainability management system

(environmental, social, and economic).¹ So I would argue that using the term “social responsibility” for this standard’s title may not have been the best choice. However,

dropping “corporate” from the definition helps correct the impression that social responsibility is only a concern for business organizations.

ISO 26000 Basics

Like other ISO documents, ISO 26000 must be purchased if you want to read it. It runs to 116 pages, including the front matter.

The introduction to the standard states, “Every organization is encouraged to become more socially responsible by using this International Standard.” It further notes that a user may wish to employ the standard “to improve existing practices and to further integrate social responsibility into the organization.”

Not a Management System Standard

A disclaimer that is repeated in a number of places throughout the ISO 26000 document states:

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This International Standard is not a management system standard. It is not intended or appropriate for certification purposes or regulatory or contractual use. Any offer to certify, or claims to be certified, to ISO 26000 would be a misrepresentation of the intent and purpose and a misuse of the International Standard. As this International Standard does not contain requirements, any such certification would not be a demonstration of conformity with this international standard. It is not intended to prevent the development of national standards that are more

specific, more demanding, or of a different type.

It is important for organizations to find the best means for integration that are consistent with the intent of the standard.

As this disclaimer makes clear, ISO 26000 is not a management system standard like ISO 9001:2008 or ISO 14001:2004. Instead, it

is intended as a guidance document. Some “pundits” are already offering ideas on the best ways to avoid misconceptions about, and “misuse” of, the standard.

I would note as an aside here that some countries have announced that they will be seeking to create a certifiable version of ISO 26000.

Emphasis on Integrating Social Responsibility Into Daily Organizational Activities

Despite the prohibition on certification, ISO 26000 clearly states that social responsibility should be integrated into the ongoing, regular daily activities of the organization (section 3.3.4). It says, “Social responsibility should be an integral part of core organizational strategy with assigned responsibilities and accountability at all appropriate levels of the organization. It should

be reflected in decision making and considered in implementing activities.”

So how should this integration be accomplished? Section 7 of the standard addresses integrating social responsibility throughout an organization’s activities. It is important for organizations to find the best means for integration that are consistent with the intent of the standard. Many organizations that purchase this international standard will be seeking to build on existing systems, policies, structures, and networks that they already have in place—as they would do with any such new initiative.

Section 7 clearly states that the intent of the standard is to provide guidance on putting social responsibility into practice within an organization. It emphasizes organizational decision making and systems for communication and internal review. Also mentioned are the organization’s governance practices and the means by which it engages with stakeholders.

This section of the standard provides a list of current activities and structures that should be checked at the start of the integration process in order to assist the user with integrating social responsibility throughout the organization and its “sphere of influence.”

Similarity to ISO 14004

Even though ISO 26000 is not a management system standard, its provisions on integration strongly resemble the guidance provided in ISO 14004 (Environmental Management Systems—General Guidelines on Principles, Systems and Support Techniques), a document that is referenced in the bibliography of ISO 26000.

ISO 26000 addresses the relevance and significance of social responsibility “core subjects” and “issues,” much as ISO 14004 addresses environmental aspects, impacts, and significance. ISO 26000 discusses compliance with the law, international norms of behavior, potential violations

of human rights, practices that could endanger life or health, and practices that could seriously affect the environment, just as ISO 14004 discusses legal and other requirements.

Due Diligence Provisions

ISO 26000 directs organizations to undertake “due diligence”—the process of identifying the social, environmental, and economic impacts of an organization’s decisions and activities for the purpose of avoiding and mitigating those impacts.

ISO 26000 Guidance on Integrating Social Responsibility Throughout an Organization

Section 7 of ISO 26000 offers extensive guidance on how an organization can integrate so-

cial responsibility throughout its activities (see **Exhibit 1** for a list of topics covered by this section). Some key aspects of this guidance are highlighted in the paragraphs that follow. In the discussion, I note instances where the provisions of ISO 26000 have analogues in ISO 14004.

Understanding Social Responsibility

Section 7 provides guidance on understanding social responsibility and how it relates to the individual organization. The discussion notes that not all issues have equal relevance for every organization.

■ ***“Sphere of Influence”***

ISO 26000 pays a lot of attention to the organization’s sphere of influence, which includes

Exhibit 1. Section 7 of ISO 26000

- 7 Guidance on integrating social responsibility throughout an organization
 - 7.1 General
 - 7.2 The relationship of an organization’s characteristics to social responsibility
 - 7.3 Understanding the social responsibility of an organization
 - 7.3.1 Due diligence
 - 7.3.2 Determining relevance and significance of core subjects and issues to an organization
 - 7.3.3 An organization’s sphere of influence
 - 7.3.4 Establishing priorities for addressing issues
 - 7.4 Practices for integrating social responsibility throughout an organization
 - 7.4.1 Raising awareness and building competency for social responsibility
 - 7.4.2 Setting the direction of an organization for social responsibility
 - 7.4.3 Building social responsibility into an organization’s governance systems and procedures
 - 7.5 Communication on social responsibility
 - 7.5.1 The role of communication in social responsibility
 - 7.5.2 Characteristics of information related to social responsibility
 - 7.5.3 Types of communication on social responsibility
 - 7.5.4 Stakeholder dialogue on communication about social responsibility
 - 7.6 Enhancing credibility regarding social responsibility
 - 7.6.1 Methods of enhancing credibility
 - 7.6.2 Enhancing the credibility of reports and claims about social responsibility
 - 7.6.3 Resolving conflicts or disagreements between an organization and its stakeholders
 - 7.7 Reviewing and improving an organization’s actions and practices related to social responsibility
 - 7.7.1 General
 - 7.7.2 Monitoring activities on social responsibility
 - 7.7.3 Reviewing an organization’s progress and performance on social responsibility
 - 7.7.4 Enhancing the reliability of data and information collection and management
 - 7.7.5 Improving performance
 - 7.8 Voluntary initiatives for social responsibility

other parties whose decisions or actions it can affect, such as suppliers. Each organization is encouraged to consider the environmental, social, and organizational governance aspects and the social responsibility of the organizations with which it has or seeks to have a relationship. One method for exercising influence over other organizations is through contractual provisions or incentives.

■ ***Prioritizing Issues Under ISO 26000***

ISO 26000 offers a method for determining priority when addressing issues that are significant and relevant. The approach is similar to the guidance provided in ISO 14004 for determining the significance of environmental aspects and impacts. Like ISO 14004, ISO 26000 states that priorities should be reviewed and updated at intervals appropriate for the organization.

■ ***Practices for Integrating Social Responsibility Throughout an Organization***

ISO 26000 suggests several practices that can be used to integrate social responsibility throughout an organization's activities, as discussed in the following sections.

■ ***Raising Awareness and Building Competency***

Section 7 of the standard provides guidance on how the organization can raise awareness of, and build competency in, social responsibility. Specific training may be useful. (For similar guidance, see ISO 14004 on competence, training, and awareness.)

The organization may need to make changes in decision-making and governance practices in

order to promote social responsibility, motivate employees, and generate suggestions on new approaches and ideas (see also ISO 14004 on resources, roles, responsibilities, and authority). In addition, it may have to improve the tools it uses for monitoring and measuring some aspects of its performance (see also ISO 14004 on monitoring and measurement).

■ ***Setting the Direction for the Organization***

ISO 26000 provides guidance on how those in leadership roles can address the organization's purpose, aspirations, values, ethics, and strategy in order to set the direction on social responsibility (see also ISO 14004 on policy). As part of this process, the organization should translate its priorities for action on core subjects and issues into manageable organizational objectives that have strategies, processes, and timelines (see also ISO 14004 on objectives, targets, and programs).

■ ***Building Social Responsibility Into Systems and Procedures***

The organization should find ways to build social responsibility into its governance systems and procedures. This may require developing procedures for incorporating social responsibility into purchasing and investment practices, human resources management, and other organizational functions. Similar guidance on systems and procedures is provided in ISO 9004 (Managing for the Sustained Success of an Organization—A Quality Management Approach), another document that is referenced in the bibliography of ISO 26000.

ISO 26000 suggests that the organization might consider developing a plan for addressing some social responsibility issues over time, taking into account the capabilities of the organization, the resources available to it, and the priority of the issues and related actions.

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Communicating on Social Responsibility

Many practices related to social responsibility involve some form of internal and external communication. ISO 26000 addresses the role of communication and provides guidance on ensuring that the information communicated meets appropriate standards (see also ISO 14004 on communication).

ISO 26000 discusses a broad range of communication methods. It also provides guidance on preparing reports about the organization's social responsibility performance. Communication should be directed at creating a dialogue with stakeholders about social responsibility.

Enhancing Organizational Credibility

ISO 26000 offers guidance to organizations on enhancing their credibility with respect to social responsibility. The standard notes that organizations can do this through direct engagement with stakeholders, as well as by providing better information in reports and statements. The standard provides further guidance on resolving conflicts or disagreements between the organization and its stakeholders.

Reviewing and Improving Actions and Practices

Another important aspect of integrating social responsibility involves reviewing and improving the organization's actions and practices (see also ISO 14004 on management review).

■ *Monitoring Activities*

ISO 26000 states, "Ongoing monitoring or observation of activities related to social responsibility is primarily aimed at making sure that activities are proceeding as intended, identifying any crisis or out-of-the-ordinary occurrence, and making modifications to the way things are done." This seems quite similar to ISO 14004 guidance on internal audits, nonconformity, and corrective action.

■ *Reviewing Progress*

In addition to monitoring activities, the organization should "carry out reviews at appropriate intervals to determine how it is performing against its targets and objectives for social responsibility and to identify needed changes in the programs and procedures" (see also ISO 14004, management review).

■ *Enhancing Data Reliability*

Organizations are sometimes required to provide data on social responsibility performance to outside entities, including nongovernmental organizations and other interested parties. In order to enhance the reliability of data collection and management systems, the organization should conduct detailed reviews on these systems.

Such reviews may involve independent people or groups (either internal or external to the organization) who examine the ways in which data is collected, recorded or stored, handled, and used (see also ISO 14004 on control of records).

■ *Improving Social Responsibility Performance*

The results of these reviews should be used to promote continuous improvement in the organization's social responsibility program. ISO 26000 provides a number of methods to help ensure that actions taken to enhance social responsibility performance will represent a serious commitment to continual improvement.

Voluntary Initiatives for Social Responsibility

The standard's discussion on integrating social responsibility concludes with a section on volun-

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tary initiatives, along with appendices providing comparative information on these initiatives.

Although many caveats are provided, ISO 26000 makes clear that an organization may find it useful to participate in (or use the tools associated with) one or more of the voluntary initiatives for social responsibility. The standard notes that organizations may be able to use their participation in these initiatives to seek public recognition, through mechanisms such as certificates or labels.

Business Excellence Frameworks and Social Responsibility

I was encouraged to see that ISO 26000 makes reference to a business excellence framework, the EFQM Framework for CSR and Excellence Model. A number of my past columns have discussed business excellence frameworks and how they can contribute to sustainability.²

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There are approximately 70 of these excellence frameworks in use around the world, including the Baldrige National Quality Program framework in the United States and the Australian Business Excellence Framework. Each of these frameworks contains information on integrating social responsibility into an organization's activities.

Using ISO 26000 Within a Management System

Some claim that an organization cannot actually *implement* a guidance document such as ISO 26000, but can merely follow it. Yet section 7 of ISO 26000 convincingly describes how an organization can integrate social responsibility throughout its activities.

Some commentators also believe that integrating ISO 26000 into management systems like ISO 9001:2008 or ISO 14001:2004 amounts to a misuse of the standard, citing the disclaimer quoted above as evidence for their assertion. However, as noted in this column, both ISO 9001:2008 and ISO 14001:2004 have guidance documents (in the form of ISO 9004 and ISO 14004, respectively) that are referenced in ISO 26000 itself. Moreover, much of the guidance offered in section 7 of ISO 26000 strongly resembles guidance provided by documents such as ISO 14004.

AS 8003:2003: A Bridge to Integration

So what should an organization do if it wants to begin integrating social responsibility into its existing business management system without being suspected of "misusing" ISO 26000? To address the dilemma, I recommend using an Australian management system entitled "Corporate Social Responsibility" (AS 8003:2003).

Since AS 8003:2003 is not an ISO management system standard, it does not raise the problems discussed earlier. Moreover, AS 8003:2003 provides a proven framework for third-party verification of any company's CSR or sustainability program. In fact, it notes in section 5.3.7, "Some form of independent third party verification of compliance with this standard could greatly assist with the credibility of the entity's commitment to CSR, and therefore, the acceptance by stakeholders."

AS 8003:2003 offers the plan-do-check-act elements found in other management system standards, such as ISO 14001:2004.³ In section 3.1 (on identification of CSR issues), it states, "There should be systematic identification and management of CSR issues relevant to the entity's operations." This is exactly what ISO 26000 is designed to do.

AS 8003:2003 lists the operational elements of a CSR program in section 5.2.1 (see the list of

issues in **Exhibit 2**). There is a good match between the elements in this section and the core subjects listed in ISO 26000 (see **Exhibit 3**).

ISO recommends that organizations use a qualifying statement when communicating how they are using ISO 26000. For an organization using the Australian standard, the statement might read as follows: “[Organization] recognizes ISO 26000 as a reference document that provides guidance on social responsibility within our AS 8003:2003 management system.” In addition, or alternatively, the statement might say, “[Organization] has used ISO 26000 as a guide to integrate social responsibility into our values and practices.” Statements to this effect will help clarify that your company is using AS 8003:2003 as its management system, not ISO 26000.

Although certification is not available under ISO 26000, an organization could use the standard, along with AS 8003:2003, to verify its own CSR program using internal auditors, as described in ISO 14004. Many companies already have auditors from different facilities who are trained to conduct such verification. Alternatively, the

Exhibit 2. AS 8003:2003 CSR Issues

- Profitability, Competitive Practices, and Pricing
- Governance/Ethics, Corruption/Bribery/Political Contributions
- Employee Issues
 - ❖ Child Labor
 - ❖ Forced Labor
 - ❖ Unreasonable Disciplinary Practices
 - ❖ Unreasonable Working Hours
 - ❖ Wages and Benefits
 - ❖ Freedom of Association
 - ❖ Discrimination
- Supplier Issues
 - ❖ Ethical Standards
 - ❖ Legal Requirements
 - ❖ Fair Trading Terms
 - ❖ Environmental Requirements
 - ❖ Community Involvement
 - ❖ Employment Standards
- Health and Safety
- Environmental Impact
- Impacts on the Host Community
- Regulatory Compliance Systems

Exhibit 3. ISO 26000 Core Subjects

- Organizational Governance
- Human Rights
- Labor Practices
- The Environment
- Fair Operating Practices
- Consumer Issues
- Community Involvement and Development

organization could ask the company that assures its CSR or sustainability report to conduct the verification of the program, using this combination of standards.

Integrating Social Responsibility Into a Sustainability Management System

Many organizations already use multiple management systems, including ISO 9001:2008 (quality management), ISO 14001:2004 (environmental management), and OHSAS 18001:2007 (occupational health and safety), along with guidance standards such as ISO 14004. AS 8003:2003 and ISO 26000 will add new standards to the mix.

The various standards used by organizations all offer important guidance on different aspects of their operations. For example, some companies might find that they need to use ISO 9001, ISO 14001, and OHSAS 18001 in conjunction with ISO 26000 in order to bring these management areas within their social responsibility program.

However, this proliferation of standards has caused some companies to reject the use of management systems entirely, especially if they are not seeking to independently certify to these standards.

I have long recommended that organizations integrate their various systems and programs into one sustainability management system.⁴ With proper integration, workers “see” only one management system program, making it easier for them to comply with it.

The most difficult part of management system integration is creating one footprint that includes all of the organization's operational "aspects" and their various "impacts." Different types of impacts (e.g., environmental, health, safety, quality, social, and economic) are hard to compare. It may be helpful to convert all of these impacts into risks using the guidance provided by ISO 31000 (Risk Management—Principles and Guidelines).⁵ Each risk can be assigned an appropriate financial value. In this way, the management system will automatically be focused on managing significant risks, not simply on impacts *per se*.

An integrated management system should not rely solely on management review to ensure implementation. Instead, it should address the organization's governance system. While some governance guidance can be found in ISO 26000, there is much

more thorough coverage in AS 8000:2003. In addition, companies may find it helpful to use the companion standard for organizational codes of conduct (AS 8002:2003).

All of the various management systems and standards have different numbering systems. When creating an integrated management approach, it is usually necessary to create a separate, unique numbering system and then find a way to bring the elements of all the various standards into that numbering system.

The organization should be very careful to state that it is not seeking to certify against guidance documents (such as ISO 26000, ISO 31000, ISO 14004, and ISO 9004), but only against actual management system standards. If segments of the integrated system are to be certified, you can prepare "cross-walks" so that auditors can find the

information they need to complete their auditing activities.

Cross-walks should be created for every component that needs to be verified by internal or third-party auditors and every element that will be certified against a management system standard. I have never found this to be a problem for third-party auditors.

So What's the Big Deal?

ISO 26000 represents a major step forward. The guidance provided in this standard can allow your organization to achieve a truly integrated sustainability management system. As discussed earlier, a good way to accomplish this in practice is with the assistance of AS 8003:2003.

In the past, many companies have felt compelled to pursue uncoordinated sustainability initiatives in order to generate data that could fit into prescribed sustainability indicators, such as Global Reporting Initiative "results." But now, everything can be handled in one nice package.

With an integrated sustainability management system, operational silos will be able to communicate with each other. All functional managers can serve on a sustainability management review committee, which will oversee the sustainability management system. The committee members can use risk management principles (as outlined in ISO 31000) to communicate with the organization's top management and with employees based on the financial values assigned to the various risks that have been identified.

Once you have a functioning sustainability management system, you will be able to make sustainability part of every employee's work instructions. Sustainability can also become a key element in the way governance operates throughout the organization. Stakeholder engagement can be focused around a defined set of interests (i.e., the core subjects and issues addressed in ISO 26000).

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Concluding Thoughts

We have been waiting a long time for this guidance. With ISO 26000, there are now endless possibilities for organizations that want to seriously pursue CSR and sustainability.

Companies that have shunned management systems in the past should look at them again—and find ways to use them effectively. A sustainability management system can be built in a modular fashion over an extended period of time. Many companies have the basic building blocks of a system in place already. They only need to integrate them, and then use their system to make sustainability a central part of how the business is operated.

If your organization is ready to move past a fragmented, initiative-driven approach, there's a new path forward for realizing your sustainability vision and mission.

Notes

1. See Pojasek, R. B. (2010, Spring). Quality toolbox: Sustainability: The three responsibilities. *Environmental Quality Management*, 19(3), 87–94.
2. See, for example:
Pojasek, R. B. (2009, Spring). Quality toolbox: Sustainability reports: An alternative view. *Environmental Quality Management*, 18(3), 85–92.
Pojasek, R. B. (2008, Autumn). Quality toolbox: Framing your lean-to-green effort. *Environmental Quality Management*, 18(1), 85–93.
Pojasek, R. B. (2007, Winter). Quality toolbox: A framework for business sustainability. *Environmental Quality Management*, 17(2), 81–88.
3. For discussion of plan-do-check-act and sustainability, see Pojasek, R. B. (2010, Autumn). Quality toolbox: The sustainability measurement conundrum: Recognizing the elephant in the room. *Environmental Quality Management*, 20(1), 101–108.
4. See, for example, Pojasek, R. B. (2006, Winter). Quality toolbox: Is your integrated management system really integrated? *Environmental Quality Management*, 16(2), 89–97.
5. For more on this topic, see Pojasek, R. B. (2008, Spring). Quality toolbox: Risk management 101. *Environmental Quality Management*, 17(3), 95–101.

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