Handbook for Implementers of ISO 26000,
Global Guidance Standard on Social Responsibility

Designed by ECOLOGIA
for
Small and Medium Sized Businesses

Version Two
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Note

This handbook has been prepared by ECOLOGIA as an independent project, to encourage adoption and implementation of ISO 26000. We have based it on the ISO 26000 International Standard, Guidance on Social Responsibility, and on all the information available to us as Expert Delegates. ECOLOGIA participated in the ISO 26000 Working Group on Social Responsibility (WGSR) for five years, from its first plenary session in 2005 to the final official vote in September 2010. That vote, by National Standards Body participating members, was 93% in favor of adoption of the Final Draft as an ISO International Standard. Its official launch date was November 1, 2010.

- This handbook is not in any way intended to replace the entire ISO 26000 document. For more information about ISO and ISO 26000, see http://www.iso.org/sr
- For more information about ECOLOGIA’s work in the process of creating this standard, see http://www.ecologia.org/isosr/index.html
- To purchase the complete official ISO 26000 document (106 pages), you can contact any country’s National Standards Body. ISO 26000 is available in many languages.

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Handbook for Implementers of ISO 26000

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PREFACE

ECOLOGIA’s handbook for implementers of ISO 26000 is designed for use by small and medium sized businesses. By using this international standard’s approach to Corporate Social Responsibility (CSR), businesses can improve their impact on their communities and increase their competitiveness. ISO 26000 carries within it the high hopes and expectations of its creators and of future generations who depend on us to pass on the natural, social and economic resources that we have inherited or created.

PART I: INTRODUCTION

ISO 26000 is a voluntary guidance standard on social responsibility designed for use by any organization. It can be used by business leaders to plan and implement actions to improve their sustainability – economically, socially, and environmentally. This handbook aims to deepen businesses’ understanding of ISO 26000, and to assist them in adopting the standard into their core business decisions. This handbook is divided into three parts:

1. Introduction: information on key elements of ISO 26000
2. Implementation workbook
3. Summary of core subjects: definitions, principles & action suggestions

What is ISO 26000, and who is it for?

For many successful businesspeople – and perhaps for you - being socially responsible is a part of who they are and why they are in business: to provide useful products and services, to provide jobs and development opportunities for their communities, and to gain satisfaction through meaningful work. In many countries, these “socially responsible entrepreneurs” have been quietly making a difference by acting on their values and principles, and inspiring others. They have the spirit of social responsibility already.

However, in many sectors and many parts of the world, people and businesses still lack the spirit or understanding of being responsible. They may lack the knowledge or incentive to realize that their actions are important for the well-being of other people and the environment. ISO 26000 is a response to the urgent need for all people, from all parts of the world, to have a positive impact on those around them, through the way they do business and live their lives.

ISO 26000 provides broad guidance, but does not offer specific instructions or require specific outcomes. Businesses that implement ISO 26000 have opportunities to identify and act on their own priorities, and to build stronger business models in the spirit of “continuous improvement.” Implementers of ISO 26000 will develop their unique corporate social responsibility programs and become models for others.
ISO 26000 was created by a diverse group of experts, representing many different countries, stakeholder groups\(^1\), and points of view. Work began in 2005 and was completed in 2010. Creation of the standard was organized by the International Standardization Organization, ISO, based in Geneva Switzerland. Since 1947 ISO has developed over 17,000 standards to encourage world trade and quality production. Previous well-known ISO standards include ISO 9000 (quality control) and ISO 14000 (environmental management systems). Unlike ISO 9000 and 14000, however, *ISO 26000 is a voluntary guidance standard and is not intended for certification.*

**What opportunities does ISO 26000 provide for its implementers?**

ECOLOGIA has prepared this handbook especially for small and medium sized businesses. Using this handbook will assist you in identifying ways that you can strengthen the local, regional, or global communities upon which you depend. You can thereby create stronger and more enduring partnerships with your investors, customers, workers, suppliers, and community members. This handbook will assist you in reporting on your business’s strengths and contributions. It can also alert you to problem areas or blind spots previously neglected in your management and planning. By encouraging communications with stakeholders, ISO 26000 will help you to gather useful information beyond the limits of your current resources. For example,

- You may identify new products, services or manufacturing processes;
- You may generate more effective promotion and marketing plans, focusing on the value-added social responsibility components of your business;
- By reporting on your current situation in each of the core subject areas, you can earn trust and establish yourself as a business which is committed to social responsibility.

**How does ISO 26000 encourage sustainable development?**

Sustainable development is growth and change that maintains and improves the natural environment, human resources, and society upon which we depend. Businesses that identify, maintain, and improve their natural and human resources are highly competitive. They are more able to cope with challenges in the marketplace. They can anticipate and reduce threats caused by environmental changes or natural disasters, and can better adapt to significant social changes. No business can predict the future perfectly; but smart businesses can plan for a future in which significant social and environmental changes occur. Businesses that contribute to a more sustainable society are more likely to be valued and supported by consumers, supply chains, and policy makers. ISO 26000 provides information and decision-making tools for businesses to identify ways they can improve their impacts on the people and places they work and live in, and thereby become more valuable and valued members of society.

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\(^1\) The Working Group on Social Responsibility (WGSR) that created ISO 26000 included six stakeholder groups: industry, government, labor, NGO, consumer, and SSRO (service, support, research and others).
Key Elements of ISO 26000: Stakeholders, Core Subjects and Reporting

1) **Stakeholders** are those people and groups that are affected by the actions of your business. These can include workers, suppliers, community residents, consumers, and investors. Communicating with them is one of the best ways a business can find out where it is doing a good job, and where it could improve.

2) **Core Subjects**
ISO 26000 identifies seven core subjects that socially responsible businesses should address. Implementers of ISO 26000 should evaluate their actions in each of the core subjects, to identify what they are doing in their current practices, and to set priorities for improvements.

- **Organizational governance** – practicing accountability and transparency at all levels of your organization; using leadership to create an organizational culture which uses core values of social responsibility when making business decisions
- **Human rights** – treating all individuals with respect; making special efforts to help people from vulnerable groups
- **Labor practices** – providing just, safe and healthy conditions for workers; engaging in two-way discussions to address workers’ concerns
- **Environment** – identifying and improving environmental impacts of your operations, including resource use and waste disposal
- **Fair operating practices** – respecting the law; practicing accountability and fairness in your dealings with other businesses, including your suppliers
- **Consumer issues** – providing healthy and safe products, giving accurate information, and promoting sustainable consumption
- **Community involvement and development** – getting involved in the betterment of the local communities that your organization operates in; being a good neighbor

See Part III: The Seven Core Subjects (pages 27-33) for more explanations, and for action suggestions.
3) Reporting

This is a valuable tool for engaging stakeholders and for promoting your achievements. Implementers of ISO 26000 should report on activities and decisions in as many of the seven core subjects as they can. If they do not address a core subject, they need to: (1) explain why they omitted it, and (2) include it in a plan for consideration in the future. On page 21, ECOLOGIA explains how to report on your CSR efforts.

Third-party involvement or “attestations” can strengthen your reports and make your social responsibility claims more credible to reviewers and to the public.

While ISO 26000 is not designed for certification, it provides a framework for implementers to use various third party verification mechanisms, including formal certification to other standards, to enhance the credibility of particular claims made within the ISO 26000 reporting framework. For example, quality claims could be backed up by ISO 9000 certification; food safety claims by regional or national organic certification.

A note about the terms “CSR” and “SR”:

Corporate Social Responsibility (CSR) is the traditional way to refer to the role of a business in contributing positively to the larger community in which it operates. ISO 26000 uses the term “Social Responsibility” (SR) to refer to this concept, to show that its guidance can be used by all kinds of organizations. However, since this handbook is designed especially for the needs of small and medium size businesses, we have used “CSR” – the more familiar term – throughout.
PART II:

IMPLEMENTATION WORKBOOK
FOR ISO 26000

This workbook should be completed by your business’s management team, working as a group. It will not be effective if it is filled out by one individual, because the success of ISO 26000 depends on team efforts.

There are six stages in the process:

- Your Current Picture
- Evaluation for the Seven Core Subjects
- Engaging Your Stakeholders
- Plans for Improvement
- Public Reporting
- Claiming Credit
1. Your Current Picture

First, describe your business.

a) What does it do, what does it produce and sell, who does it employ, and where is it located?

b) Who are your key business partners – suppliers, customers, etc?

Second, explore what social responsibility means to you.

a) What does a “good company” look like in your eyes?
   What should it pursue in addition to generating profit? What are its principles and actions?

b) Does your business strive to meet that ideal?
   If yes, how do you do that specifically?
   If not, what obstacles prevent you from pursuing that ideal?

Note: This may include both obvious and not-so obvious efforts. For example, you may have an environmental management office, or assign environmental management tasks to an employee. This is an obvious effort. For an example of a not-so obvious effort, you may consistently promote employment of minorities or vulnerable populations, and tolerance in the workplace for them by all employees, but you may not have a human rights office or a single individual responsible for this principle.

Your Ideal and ISO 26000: What’s the Connection?

Your answers on this page may indicate that your business already practices social responsibility, perhaps without ever giving it this name. In fact, CSR in practice often grows out of human instincts to be fair and helpful to neighbors. ISO 26000 provides a framework for you to take the next steps: to think more deeply and to act more thoroughly. ISO 26000 will help you to organize your CSR efforts systematically, evaluate your progress and effectively tell others about your achievements. Therefore, ISO 26000 is supportive of and complementary to your efforts to become a “good business” in the world.
1. Evaluation for Each of the Seven Core Subjects

In this section, you will evaluate your situation for each of the ISO 26000 seven core subjects. Again, for some core subjects, you will identify what you are already doing. For the other core subjects, you can examine suggestions for future actions.

1) Fill in Table 1, “Importance of Core Subjects for Our Business.”

How important is each of the seven core subjects to your business and its social responsibility? Check the core subject areas in which you are already taking actions.

Table 1 “Importance of Core Subjects for Our Business”

<table>
<thead>
<tr>
<th>Core Subject</th>
<th>Important</th>
<th>Not very important</th>
<th>Already in Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Practicing accountability and transparency at all levels; leadership promotes responsibility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treating all individuals with respect; making efforts to help members of vulnerable groups</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor practices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing just, safe and favorable conditions to workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identifying and improving environmental impacts of your operations, including resource use and waste disposal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair operating practices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respecting the law; treating all partners fairly, including your suppliers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer issues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing healthy and safe products; giving accurate information on their use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community involvement and development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being involved as a good neighbor in your local community</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Filling out Table 1 should have helped your entire management team to be more comfortable with the importance of the seven core subjects for your business. If you have not achieved a consensus on these topics, take time to discuss this further, before moving on to Table 2.

2) Next, in Table 2, write what you are already doing for each of the ISO 26000 core subjects.

Table 2 “CSR Programs and Activities Already Established in Our Business”

<table>
<thead>
<tr>
<th>Core Subject</th>
<th>CSR programs and activities already established</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Governance</strong></td>
<td>IMPORTANT: These can be obvious or not-so obvious</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Human rights</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Labor practices</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fair operating practices</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consumer issues</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community involvement and development</strong></td>
<td></td>
</tr>
</tbody>
</table>
3) With your management team, read “ISO 26000 - The Seven Core Subjects for Social Responsibility” (Part III of this handbook, on pages 27-33). Pay particular attention to the action suggestions listed under each subject.

- Circle action suggestions that you are already doing. ISO 26000 has now helped you to identify socially responsible actions that you should take credit for. Check to be sure that you have listed these in Table 2 on page 11, and add in to Table 2 any actions that you had missed.

- Identify and highlight suggestions that you do not practice at this time, but might want to include in plans for the future. Be realistic about what you can accomplish with your resources.

- Leave unmarked, or cross out, any action suggestions which do not apply to you or which you feel you cannot implement.

4) Begin outlining your internal confidential working documents about your CSR actions. Your first step is to conduct a “gap analysis”. Use the information in Table 1, “Importance of Core Subjects for Our Business,” and Table 2, “CSR Programs and Activities Already Established in Our Business”.

- Identify core subject areas where you can address missed opportunities to improve your business model
- Identify core subject areas where you are exposed to risks that have not been properly planned for.
- Refer back to Table 1 (page 10). Using your gap analysis, identify and highlight any core subjects where you have noticed room for improvement.

After you have identified places where you have these gaps, you can decide how and when to address them.

This process may also help you to anticipate how your stakeholders and the public will engage with you. That is why this internal assessment step comes before the following sections, on stakeholder engagement, plans for improvement, and public reporting.
3. Engaging Your Stakeholders

“Engaging your stakeholders” – **having two-way discussions with them about how you and they can best work together** – helps you to understand how others see you, and is a logical next step after your internal evaluation.

You may find that stakeholder engagement is new, challenging, even intimidating. However, stakeholder engagement can bring great rewards to your business. To catch a glimpse of such rewards, see “Real Life Examples” on the next page.

To benefit fully from this process, you **should proceed with this phase of ISO 26000 in a manner that is comfortable for your management team.**

- Do not attempt to engage all stakeholders on all issues at the beginning
- Prioritize core subjects and related stakeholders
- Focus on areas where you and your stakeholders can most realistically move forward together within the limits of your and their resources.

The next several pages will walk you through the process of stakeholder engagement.
Real Life Examples

*How Stakeholder Engagement Can Help Your Business*

The following are real life examples from ECOLOGIA’s work over the years. These examples show specific ways that stakeholder input helped business management to build value for their companies, and to avoid troubling situations and bad publicity.

- **In Russia**, a quality management team reduced defective product rejections, and thereby reduced manufacturing inputs and waste disposal costs significantly, after consulting with factory workers.

- **In the United States**, workers informed owners about needlessly unsafe working conditions that managers had been tolerating, and which could have resulted in serious and costly injuries; the owners fixed the problems.

- **In Europe**, customers had good ideas for new or substitute manufacturing inputs or processes that could reduce costs and increase the value of the products, but before their “stakeholder engagement”, the customers had no way to get their ideas to the business managers.

- **In the United States**, community members, other businesses, and officials got together to find ways to partner to reduce transport costs.

- **In Russia**, community residents were worried about water pollution from a local business. The business executives had not really known how concerned the residents were, until meeting with them. Once they started talking directly with the business executives, the community residents said they wanted to work together with the business, and with local officials, to reduce the pollution. They wanted to ensure that the business stayed economically healthy, providing jobs. The residents did not want the business to spend money on fines that wouldn’t solve the problems.
1) First, identify your business’s stakeholders – the people or groups who are affected by the actions of your business. Write their names in the appropriate boxes of Table 3. You and your management team should discuss what core subject(s) each group of your stakeholders is most involved with, in their relationships with your business. For each group you identify, determine whether you know of any unmet needs they have that you might be able to meet.

Table 3 “Stakeholder and Core Subject Worksheet”

<table>
<thead>
<tr>
<th>Core Subjects</th>
<th>Organizational governance</th>
<th>Human rights</th>
<th>Labor practices</th>
<th>Environment</th>
<th>Fair operating practices</th>
<th>Consumer issues</th>
<th>Community involvement &amp; development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders</td>
<td>Employees/Workers</td>
<td>Purchasers</td>
<td>Owners/Investors</td>
<td>Government officials</td>
<td>Local / regional community residents</td>
<td>Suppliers/contractors (supply chain)</td>
<td></td>
</tr>
</tbody>
</table>

Your Current Picture

Evaluation for the Seven Core Subjects

3. Engaging Your Stakeholders

Plans for Improvement

Public Reporting

Claiming Credit

Handbook for Implementers of ISO 26000
2) **Start with one or two topics and stakeholder groups**, find a comfortable meeting place for an informal discussion, and get feedback on your current situation. The goal here is to establish trust and start a dialogue. Engage your stakeholders to work with you to build consensus around your successful corporate social responsibility efforts, and to suggest ways to improve. Explain your viewpoints, and *listen to theirs*. NOTE: Especially if this is your first time engaging stakeholders, see “How to Begin the Process” (pages 17-18).

![Engaging Stakeholders Diagram]

3) **During your meetings with stakeholders, and in your internal discussion afterwards, use the information you obtain to**
   - identify opportunities for new products, customers, programs and/or community involvement, and
   - identify areas where you may be vulnerable (at risk) due to stakeholder dissatisfaction, or to the impact of accidents, natural disasters or other problems on your business. By engaging a larger variety of stakeholders, you increase your chances of understanding their needs and thus increasing your competitiveness.

4) **Use stakeholders’ input to re-examine subject areas that you may have ignored or whose importance you may have underestimated in your internal review and gap analysis.** Refer back to Table 1 “Importance of Core Subjects for Our Business” (page 10), Table 2 “CSR Programs and Activities Already Established in Our Business” (page 11) and Table 3 “Stakeholder and Core Subject Worksheet” (page 15), and make changes as needed.

5) **Begin outlining a plan for improvement** (see Section 4 on page 19).

6) **Show that you are a responsive partner, and establish good working relationships:**
   - Communicate back to the stakeholders with whom you met; let them know how you have used some of their ideas in your plans for improvement;
   - In your public reporting (see Section 5 on page 21), include an explanation of the role of stakeholder engagement. This is an important part of using ISO 26000 to bring about continuous improvement.
**Engaging Your Stakeholders: How to Begin the Process**

Engaging stakeholders should be one of the most valuable activities associated with ISO 26000. It may also be one of the most challenging activities if you do not prepare a good plan. These suggestions are intended to make stakeholder involvement productive and collaborative.

1) **Establish rules for a stakeholder engagement meeting**
Distribute the rules in written form and review them at the start of the meeting. Make sure that your management team understands the rules before the meeting; they must model collaborative behavior. Suggestions:
   - If you identify a problem, suggest a solution.
   - Listen respectfully.
   - Avoid angry statements.
   - Engage other speakers by confirming where you are in agreement. This is a great way to begin speaking: “I agree that…” After identifying areas of agreement, you can explain if and where you disagree.
   - Try to see the perspective of those with whom you disagree. Show that you understand by restating or confirming what you think the speaker said even if you disagree.

2) **Start within your company for the first step**
Make your first stakeholder involvement step an internal meeting within your company. Involve a stakeholder group and potential topic of discussion that will allow you, your management team, and the stakeholders to walk into the room expecting that it will be a win-win situation. Avoid a highly controversial topic.

For example, meet with employees to discuss how to reduce waste in production, reduce waste disposal costs, save expenses, and make your company more competitive. This topic should not introduce conflict. When everyone leaves the meeting, all participants should feel that they solved a problem by working together and that the company is stronger. (Be sure to tell stakeholders that their contributions are valuable, if and when they are valuable.)
Engaging Your Stakeholders: How to Begin the Process, continued

3) Start with the already known
Make your first public stakeholder meeting with community members or customers an announcement of an action that you are prepared to take in response to a concern that you already know they have. In this way, you will signal your willingness to take action.

Make the announcement as a suggestion, not as a final decision. Ask for their feedback and suggestions in making your activity more effective.

Explain that your company wants to be socially responsible in a way that helps customers and the community, and that it is most likely that the company can act in the future when both the public and company benefit. Ask participants to suggest other ways that you can work together. Do not immediately accept or reject any suggestion. Respectfully gather input for future discussions and take time to reflect before a follow-up meeting.

4) Go to the next stage when you are ready
As your company’s management team becomes comfortable with the stakeholder engagement process, be prepared to address issues that may involve serious differences and conflicting interests. These may involve pollution concerns of the community, labor conditions, or quality or safety concerns of suppliers and customers. Such concerns probably cannot be resolved in one stakeholder meeting. You may need to gather information, and then have your staff research technology and costs associated with solutions. It is often a great and wonderful surprise when you ask those expressing a concern if they can help to identify solutions. Retired workers, community members, academics, and officials often have access to creative ideas that nobody had thought of before. These stakeholders can be very important members of problem solving teams. Involving them as outside members of your problem solving team also builds trust between your business and your stakeholders.

5) Reflect on and continually evaluate your stakeholder process
At this stage, you may consider letting lower level managers who have a talent for communication take the lead in the process. As a high level manager or founder-owner, you may want to step back and listen. This will also model your openness to new ideas and change within your company.
4. Plans for Improvement

After you have evaluated your current situation, and engaged your stakeholders in discussion, you will have many ideas about new ways to build on your achievements. Creating plans for action is your next step toward improving your corporate social responsibility.

**Step 1: Identify key issues and core subjects for your CSR improvements**

When doing this, consider the following three factors:
- the impacts of the changes you are considering
- your capability and resources to carry out the changes
- the visibility of the changes you are considering

**Impacts**

Which impacts of your current business activities are most urgent and important for your company to address? Consider the needs of your stakeholders, the potential benefits to your company of addressing these needs, and the potential risks to your company of not addressing these needs.

**Capability**

- Human resources - identify employees and/or potential partners with expertise to address your specific CSR issues
- Financial resources - determine sources and amounts of funding to support your efforts. Whatever you plan, make sure that you allocate enough resources to carry it out well. It is better to start small, and be successful, than to be too ambitious for your current resources.
- Community resources - consider involving partners in your supply chain, industry groups, neighborhood organizations, community infrastructure, etc.

**Visibility**

How much visibility will your first CSR efforts receive? People are often inspired to join in once they see something new and interesting underway and have the chance to learn about it. Visible improvements can inspire confidence of stakeholders, gain support from within your own business, and build momentum for future steps. Effective use of visibility will encourage continuous and sustainable improvement of CSR in the long run.

*Note:* Visibility is different from public relations. Simply labeling some projects as “CSR” and promoting them for advertising purposes is not a true CSR effort, and thus will not achieve the desired outcomes.
Step 2: How to choose your first CSR changes
When choosing your first CSR changes, keep in mind that some changes may have substantial impacts but are beyond your current resources. Other changes may be highly visible to the public yet bring little impact. For your CSR efforts to be sustainable in their impact, funding and support, it is important to consider all three factors of impacts, capability and visibility.

For your first CSR changes, consider choosing one or two issues from the center where the three criteria overlap. In this way, your first efforts will deliver impacts, be within your capability, and achieve sufficient visibility to publicize and gain support.

Choosing Your First CSR Changes

Step 3: Draw up your action plan
When you draw up your plan of improvement, be sure to
- identify the core subject(s) you are addressing
- explain the goals (impacts) you want to achieve with the plan
- keep the plan realistic
- allocate enough resources (money, time, people with authority within your organization) to make it work
- set a deadline for plan completion and evaluation, including reporting back to your stakeholders

This plan will become part of future public reports and stakeholder engagement. Your management team, stakeholders, and attestors can use this to evaluate your commitment to continual progress in implementing principles of corporate social responsibility.
5. Public Reporting

We recommend that your management team begin the public phase of your ISO 26000 implementation with a report that honestly and accurately describes your current situation. This report itself is an act of social responsibility.

a) Creating Your Report
A primary goal for reporting is to publicly establish your commitment to social responsibility, regardless of existing shortcomings. Keep your report brief, accessible and reader-friendly. Identify the audience(s) for your report – see Table 3 “Stakeholder and Core Subject Worksheet,” page 15.

Your report should:

- **Identify** your CSR achievements in each of the seven core subjects of ISO 26000. If you choose not to report on some of the core subjects at this time, give a brief explanation of why not, and commit to examining this area at a specific time in the future

- **Establish** your credibility by identifying problem areas (not avoiding them)

- **Describe** how and when stakeholders have been involved in your work on social responsibility

- **Explain** plans for improvement in a section such as “the way forward”. In future reports you can discuss your progress

### Attestation

To ensure that your report is credible, we recommend that you involve third parties. This can include informal ‘attestation’ or written comments from different stakeholder groups (including suppliers and customers), reports of audits, and certifications such as Fair Trade, ISO 9001, Green Food, UTZ, etc. ECOLOGIA may be able to provide attestation for your implementation efforts in the United States and/or in China.
b) Using Your Report

At this point in the implementation process you will have completed a public report. It can be used to engage shareholders, investors, customers, stakeholders and the local community. It is important to publish or distribute the report in an accessible manner (online; print copies for those who lack electronic access, etc.)

The CSR report documents your CSR commitments and improvements over time. Creating the report provides an opportunity to reflect, evaluate and assess your CSR efforts. At the same time, you can make suggestions and changes for the years to come. Your CSR report serves not only for others to understand your business, but also for you to successfully link your current effort with the future. As shown below, public reporting acts as an important step to renew the cycle.

For Your Public Relations and Communications Staff:

To establish your credibility as a business striving to achieve and improve its social responsibility, you and your management team need to discuss problems, not avoid them. The CSR report should be an information-sharing and communication effort to reach out to and improve relations with stakeholders. It should not be viewed as primarily an advertising vehicle. If you have public relations or marketing personnel, be sure that they understand these goals of the CSR report.

ECOLOGIA recommends that you set a two year time frame to complete your five-stage cycle. This will ensure that you are able to focus on continuous improvement in your approach to the core subjects. Reporting should not become a costly or too-frequent burden; it should be viewed as one part only of the whole five-stage cycle.

CONGRATULATIONS
After completing the steps above, you have become an implemener of ISO 26000
6. How to Claim Credit for Your Use of ISO 26000

A. How to communicate your use of ISO 26000

Now that you have implemented ISO 26000, you may want to communicate this fact to your customers, people in your supply chain upstream and downstream, local government officials, investors, and other stakeholders. ECOLOGIA thinks that it is important to do this. However, because ISO 26000 is not for certification purposes, ISO is extremely sensitive to any uses of the name “ISO 26000” that could imply that an organization or company has been, or needs to be, certified to the standard.

ISO recommends that business users say,

“[Your business name] recognizes ISO 26000 as a reference document that provides guidance on social responsibility.”

and/or

“[Your business name] has used ISO 26000 as a guide to integrate social responsibility into our values and practices.”

We recommend that you claim credit for using ISO 26000, using this wording, in your communications, including:

- brochures, handouts, posters, etc.
- sustainability and CSR reports
- your website
- any written communications with your stakeholders
- your public reporting (see Section 5)

For more information on ISO’s position on this issue, see http://www.iso.org/iso/iso_catalogue/management_and_leadership_standards/social_responsibility/sr_faqs.htm
B. How to utilize your improved CSR status

1) **Promote your products and services as “value added”**

- **Negotiate better contracts and prices**
  If you are part of a supply chain, discuss your CSR activities with your customers. Explain how your CSR actions protect and enhance their brand names, and reduce their risk of product recalls and embarrassing headlines. With confidence, you can negotiate for longer term contracts, and/or marginally higher prices.

- **Develop your own “socially responsible brand name products”**
  Added value, even a percent or two, can greatly affect your business’s profit margin. Develop your own product line and “direct market” these products.

- **Don’t feel powerless in price negotiations**
  When pressured to reduce your prices, point out how you have invested in protecting your customers and their supply chain. Point to the “fair sharing” clause in ISO 26000 (Clause 6.6.6.2)

- **Ask stakeholders to support your efforts**
  Ask customers, NGOs, and consumer groups to publicize your corporate responsibility programs.

- **Co-market**
  Tell your story on the product label. For many customers this will create product loyalty and add value.

2) **Seek support, recognition and flexibility from policy makers and regulators**

- Document that you obey local laws, and also document CSR actions that you take that go beyond local laws to have an even stronger impact.

- When you act to reduce pollution, or to improve other aspects of your business operations, let local officials know. Ask them for recognition. Since public officials are credited with solving social problems, they can become your allies.

- Monitoring, testing, and inspections are expensive for everyone. Depending on the regulatory system in place, it may be possible for you to request relief from unnecessary monitoring because your business is more transparent and responsible through the use of ISO 26000. Your stakeholders can also help you with assuring buyers and regulators that you are being responsible.
How CSR can reduce environmental enforcement costs of factories: an example

Today, good environmental monitoring systems can have sensors that provide the factory with a continuous flow of environmental emissions data. Providing this real time data to managers and to regulators means that everyone has more information. This is far better, and often far less expensive for everyone, than sending inspectors to the factory every three months and/or requiring written reports.

Under such shared data regimes, reduced paper reporting and reduced inspections make sense, for two reasons:
(1) They save everyone time and money.
(2) Continual monitoring is far more reliable than intermittent visits that invite "turning off the polluting processes when the inspectors visit", or “midnight dumping” to avoid being caught.

3) Join, or form, a regional trade association of businesses for social responsibility

You can work together with other CSR businesses to “brand” your local industry cluster or region as being responsible and trustworthy. You may want to work with your local government in creating such a network.

In the state of Vermont, businesses have long recognized that the state “image” or “brand” of clean air, water and beautiful landscapes is an asset to them. Customers are willing to pay more for food and other products “made in Vermont”. Protecting and continuously improving the Vermont brand - including by strengthening environment and health and safety standards - has become a collaborative effort of Vermont business owners, business associations, consumers and politicians.

It is said that “a rising tide” lifts all boats. Imagine individual boats stuck in the sand on an ocean beach. If each boat owner tries to push his or her boat into the distant ocean all alone, it may be very difficult. But when the “rising tide” comes in, all boats are lifted up. Promoting your region’s CSR can become such a “rising tide” which strengthens all of its businesses.
PART III
ISO 26000 - THE SEVEN CORE SUBJECTS FOR SOCIAL RESPONSIBILITY DEFINITIONS, PRINCIPLES, AND ACTION SUGGESTIONS

A note about the action suggestions: most apply to all businesses, but some will be most appropriate for operations in regions and countries in different stages of development. You decide which action suggestions in each subject will be most useful for your business.

1. Organizational governance

*Definition and principles:*
Organizational governance refers to the way a business is run. The principles are: accountability (making sure that people who act for the business are held responsible for their actions), transparency (openness in explaining how the business operates, makes decisions, handles money, etc.), ethical conduct (treating others with honesty and fairness), consideration of stakeholders’ interests, and obeying the laws. Following good governance principles will help the business to improve its social, environmental and economic “triple bottom line”. This benefits the business, all of its stakeholders, the natural environment and the community in which the business operates.

*Action suggestions:*
- Create and model a company culture where the principles are practiced
- Commit to respecting laws, including the responsibility to pay taxes to the government bodies and communities in which you operate
- Efficiently use financial, natural and human resources, while ensuring fair representation of historically under-represented groups (including women and racial and ethnic groups) in senior positions in the organization
- Balance the needs of the business and its stakeholders, including immediate needs, and those of future generations
- Establish a permanent two-way communication process between the business and its stakeholders
- Encourage greater participation by employees in decision making on social responsibility issues
- Delegate authority proportionately to the responsibilities assumed by each member or employee of the business
- Keep track of decisions to ensure they are followed through, and to determine responsibilities for the results of the business’ activities, either positive or negative

2. Human rights

*Definition and principles*
“Human rights” refers to respectful treatment of all individuals, regardless of any of their personal characteristics, just because they are human beings.

*Action suggestions*
- Find out about, and identify, human rights impacts related to your business activities. (This is known as practicing “due diligence” on the issue.)
• Resolve grievances - Establish fair mechanisms for dealing with human rights grievances if and when they are raised by your employees and other stakeholders

• Help vulnerable groups
  Identify the vulnerable groups in your society, and establish mechanisms (hiring practices, etc.) to ensure that your business doesn’t discriminate against them or take unfair advantage of them. Vulnerable groups in a particular society can include women, people with disabilities, children, indigenous peoples, and migrant workers and their families. Other characteristics that can make people vulnerable include race, color, age, marital status and family relationships, language, religion, political or other opinion, national, ethnic or social origin, and HIV/AIDS.

• Work to give all people equal opportunities and equal treatment as your employees, customers, business partners, etc.

• Protect yourself and consider human rights impacts if you operate in “risk situations”. Risk situations include:
  a) conflict or extreme political instability
  b) poverty, drought or natural disasters
  c) involvement in extractive activities or other activities that might significantly affect natural resources (water, forests, land, atmosphere) or disrupt communities
  d) operating near communities of indigenous peoples, so that you may alter the natural environment and land-use practices that they depend on for survival
  d) activities that affect or involve children
  e) the widespread expectation that you will need to pay bribes and/or break laws in order to operate (corruption)
  f) complex supply chains that involve work performed on an informal basis without legal protection
  For those who are operating under any or all of these conditions, it is important to consider potential impacts on human rights, and to plan to have a positive, not negative, impact on the vulnerable people.

• Respect civil and political rights - Respect individuals’ rights to freedom of opinion and expression, to peaceful assembly and association, to seek and impart information, to due process and a fair hearing before taking disciplinary measures

• Respect economic, social and cultural rights - Respect individuals’ rights to health, education, food and culture. Businesses can identify ways they can act to improve vulnerable people’s access to these.

• Avoid complicity with human rights violations
  Complicity means staying silent and benefiting while knowing that abuses are being carried out by others you are doing business with. Avoid complicity by making your best efforts to find out how people are treated by other businesses in your supply chain / value chain. Take measures to prevent cruel, inhuman or degrading treatment and the use of excessive force by those you do business with, or else stop doing business with them.
3. Labor practices

Definition and principles
Labor practices refer to fair treatment of all workers, including those who are sub-contracted rather than being regular employees. Labor practices include hiring and promotion of workers; disciplinary and grievance procedures; transfer and relocation of workers; termination of employment; training and skills development; health, safety and industrial hygiene, and any policy or practice affecting conditions at work. Labor practices also include recognition of worker organizations and participation in collective bargaining, including tripartite (business – workers – government) consultation to address social issues related to employment. Human labor is not a commodity; because workers are human beings, they need protection, and their treatment should not be governed by the same market forces that apply to commodities.

Action suggestions:
- Recognize that employment relationships involve rights and obligations
  Fulfill all legal obligations to workers; eliminate discrimination in hiring and dismissals. Avoid contracting with partners, suppliers or sub-contractors who use unfair, exploitative or abusive labor practices. Where operating internationally, give priority to the employment and advancement of nationals of the host country, including sourcing and distributing through local enterprises where practical.

- Provide good conditions of work and social protection
  Comply with national laws and regulations; provide decent conditions of work in wages, hours of work, weekly rest holidays, health and safety, and maternity protection. Pay wages directly to workers.

- Support social dialogue
  Social dialogue involves negotiations, consultations and information exchanges between employers and employees. Depending on the size of the company, this can involve independently elected worker representatives or trade unions; it can also involve government where broader issues are at stake.

- Promote and maintain health and safety at work
  Understand and control the health and safety risks involved in activities. Have a “safety first” policy; provide safety equipment and training needed for prevention of occupational diseases, accidents, and dealing with emergencies.

- Encourage human development
  Provide skills development and career training opportunities.
3. Labor practices, continued

- Encourage human development, continued
  Respect the family responsibilities of workers by providing reasonable working hours and policies and facilities (such as child care facilities and parental leave) that can help workers achieve a work-life balance
  Establish joint labor-management programs that promote health and well-being.

4. Environment

Definition and principles
Since our lives depend on the natural environment, people and businesses have the responsibility to act to reduce damage to the environment, and to improve conditions of air, soil, water, and ecosystems. Businesses should incorporate these four principles when working to improve their environmental impact:

- Environmental responsibility – accept responsibility for the environmental burdens caused by your activities, products and services; act to improve your own performance and that within your sphere of influence
- Precautionary approach – When there are threats of serious damage to the environment or to human health, you should not wait for total certainty before taking measures to avoid or limit the damage. When carrying out human health and environmental risk assessments, it is better to err on the side of caution rather than doing harm and waiting to see if you will be held accountable.
- Environmental risk management – implement programs to assess and reduce environmental risks from activities, products and services, from a life-cycle perspective.
- Polluter pays – each business should bear the cost of pollution caused by its activities, products and services; the business should internalize the cost of pollution (pay for cleaning up its discharge itself, for example, not dump it into the public air or water). There are many economic, environmental and reputational benefits of preventing pollution rather than waiting until damage has been done to human health and to the environment.

Action suggestions:
- Prevent pollution, or reduce emissions of pollutants into the air, water and soil as much as possible
- Use sustainable, renewable resources wherever possible
- Act to limit greenhouse gas emissions, which cause climate change; consider ways to reduce and adapt to the climate change that is already occurring
- Protect and restore the natural environment
- Conserve water in business operations
- Practice life-cycle management – consider all the steps of a manufacturing process, and all the links in the supply chain and value chain right to the end of a product’s life and how it is disposed of; look for ways to make these steps as environmentally friendly as possible
- Look for cleaner and more energy-efficient production techniques
- Use environmentally sound technologies and practices
- Practice environmental procurement – evaluate suppliers of goods and services on whether they also are environmentally friendly
5. Fair operating practices

Definition and principles
Businesses can use their relationships with other businesses to promote positive outcomes. By building good long-term relationships, businesses are most likely to develop reliable partners, and to practice effective social responsibility. Respect for the rule of law, accountability, transparency, and honesty are the key principles to put into action to achieve fair operating practices.

Action suggestions:

Practice honesty in business dealings
- Don’t ask for or accept bribes
- Don’t attempt to break laws through use of political influence

Promote social responsibility throughout your value chain/ supply chain; and stimulate demand for socially responsible goods and services
- In procurement and purchasing decisions, use criteria that select socially responsible products and companies
- Examine your value chain/supply chain and be sure that you are paying enough to enable your suppliers to fulfill their own responsibilities
- Promote broader adoption of social responsibility through networks of colleagues
- Treat suppliers and customers/consumers fairly, including prompt payment of bills and prompt attention to problems

Respect property rights
- Avoid counterfeiting or piracy
- Pay fair compensation for property you acquire or use
- Conduct investigations to be sure that you have legitimate ownership before you use or dispose of property

6. Consumer issues

Definition and principles: Businesses have responsibilities to their consumers, such as truthful advertising and marketing, providing clear and helpful user information, minimizing risks from use of products or services, and providing support services and recall procedures. Stimulating sustainable consumption and respecting consumer rights are aspects of social responsibility. Satisfied consumers will strengthen the reputation of a business.

Action suggestions:

- Promote sustainable consumption
- Offer consumers socially and environmentally beneficial products and services
- Offer products and services that operate as efficiently as possible, considering the full life cycle
- Breed animals in a way that respects their physical integrity and avoids cruelty
6. Consumer issues, continued

- Eliminate or minimize negative health and environmental impacts of products and services, such as noise and waste
- Design products so that they can easily be reused, repaired or recycled
- Reduce waste by minimizing packaging material and, if appropriate, offer recycling and disposal services
- Provide consumer service, support and dispute resolution
- Protect consumer privacy when handling personal data
- Implement fair marketing and advertising practices (be honest)
- Provide clear and sufficient information about prices, terms, conditions and costs
- Protect consumers’ health and safety; design and test products to ensure this
- Pay particular attention to the information needs of vulnerable individuals (for example, those with physical or mental disabilities including limited vision or hearing, or poor reading ability)

7. Community involvement and development

**Definition and principles:** All businesses should recognize their long-term interest in the sustainability of the communities in which they operate. Every business is a stakeholder in its community; it depends on the community and also affects its development. By providing employment, all businesses can make an important contribution to reducing poverty and promoting economic development.

**Action suggestions:**

**Community involvement**

- Respect the laws and practices of the community;
- Join associations and work with groups and individuals for the common good; maintain transparent and honest relations with government officials

**Social investment (building infrastructure; improving social aspects of community life)**

- Assess existing community-related initiatives, identify ways to improve
- Focus philanthropic activities (grants, volunteering and donations) on giving resources to the community through programs or projects for long-term development; avoid creating community dependence on a business’ philanthropic activities
- Broaden opportunities for community members, for example by increasing local procurement and hiring

**Employment creation**

- Consider the impact of investment and out-sourcing decisions on employment creation; when possible, make decisions to maximize local employment opportunities

**Technology development**

- Where appropriate, engage in partnerships with local organizations (universities or research laboratories) and engage in scientific and technological development with partners from the local community, employing local people in this work
7. Community involvement and development, continued

- Where economically feasible, adopt practices that allow technology transfer and diffusion, set reasonable terms and conditions for licenses so as to contribute to long-term local development

Wealth and income
- Engage in commercial relations only with suppliers that operate under legally recognized frameworks, wherever possible; in situations of poverty and low levels of development where suppliers have difficulty in meeting legal requirements, work with them to move toward conducting activities within the appropriate legal framework
- Use natural resources in a sustainable way that helps to alleviate poverty
- Obtain prior informed consent of the local community for the use of local natural resources; respect the traditional use of natural resources by local populations, especially indigenous peoples
- Give preference to local suppliers of goods and services
- Fulfill tax responsibilities as described in law, and provide the authorities with the necessary information to correctly determine taxes

Education and culture
- Promote cultural activities; respect and value the local culture and cultural traditions;
- Support education at all levels; engage in actions to improve educational quality, to promote local knowledge and eradicate illiteracy
- Encourage the enrollment of children in formal education; contribute to the elimination of barriers to children obtaining an education

Health
- Promote good health by contributing to access to medicines and vaccinations, and by encouraging healthy lifestyles and discouraging the consumption of unhealthy substances
- Raise awareness about major diseases and their prevention, such as cancer, heart diseases, malaria, HIV/AIDS and tuberculosis
- Support access to essential health care services, to clean water and appropriate sanitation
- Seek to minimize or eliminate the negative health impacts of any products or services provided by your business

Responsible investment - This section refers to traditional capital investments by businesses, and also to projects that may be identified, funded and/or managed by other groups such as non-governmental organizations.
- Incorporate consideration of the economic, social, environmental and governance dimensions of an investment, in addition to the traditional financial dimensions
- Develop and disclose an active ownership or governance policy to be applied to your investments, including principles of social responsibility
- Seek to make positive social, economic and cultural contributions to communities when making investment decisions.

[End of Part III: Seven Core Subjects]