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ISO 26000 - SHOWING THE WAY IN SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT

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Abstract: ISO 26000:2010 is developed by International Organization for Standardization (ISO), using a multi stakeholder approach involving experts from more than 90 countries and 40 international or broadly-based regional organizations; experts from six different stakeholder groups: consumers, government, industry, labour, non-governmental organizations (NGOs), service, support, research, academics. This Standard can be used by any type, size and nature of organization and provides guidance on underlying principles of social responsibility, recognizing social responsibility and engaging stakeholders, the core subjects and issues pertaining to social responsibility and ways to integrate socially responsible behavior into the organization.
This Standard provides guidance to users and is neither intended nor appropriate for certification purposes. ISO 26000:2010 is showing the way in social responsibility and sustainability development. This paper is a discussion about social responsibility issues and how we can be managed within a business for the benefit of society today and in the future and to avoid any *misconceptions and misuse.*

Keywords: Social responsibility, sustainability development, misconceptions and misuse.

1. Introduction

ISO 26000 will be a standard for social responsibility produced by the International Standards Organisation (ISO). In the last few weeks a vote was taken by the national standards bodies that compose ISO's membership. It was closely fought - but despite controversies and pressures, the outcome was that the draft standard should proceed to the last stage before becoming an official ISO standard probably later in 2010. The standard will directly address human rights amongst other issues, including corruption, fair competition and consumer concerns. Historically ISO has mainly produced standards on far more technical and mundane matters, such as quality control (ISO 9000). By facilitating those areas in which there is little competition and more to be gained by so-operation, ISO standards have achieved widespread use and considerable respect from industry. Social responsibility was therefore a departure for ISO when first suggested in 2002.

Since then it has been developed with the help of a very large working group, drawn from about 80 countries including many in the South. A number of international organizations such as Consumers International and the International Organization of Employers are also members of the working group in their own right. Overall, membership of the working group is deliberately structured to give voice to representatives from industry, labour, NGOs, consumer groups, and government. To ensure the consistency of ISO 26000 with other conventions and guidelines, ISO has also entered special agreements with the ILO, the Global Compact and the OECD.

2. Background

2.1 What is Sustainability?

We hear the words 'sustainable' and 'sustainability' almost every day. But what does it mean exactly? Is it about people and culture, our environment, or jobs and money? Is it about cities or the country? Is it about you and me or is it something for other people to worry about?

Sustainability is about all of these things and more. Sustainability could be defined as an ability or capacity of something to be maintained or to sustain itself. It's about taking what we need to live now, without jeopardising the potential for people in the future to meet their needs. If an activity is said to be sustainable, it should be able to continue forever.
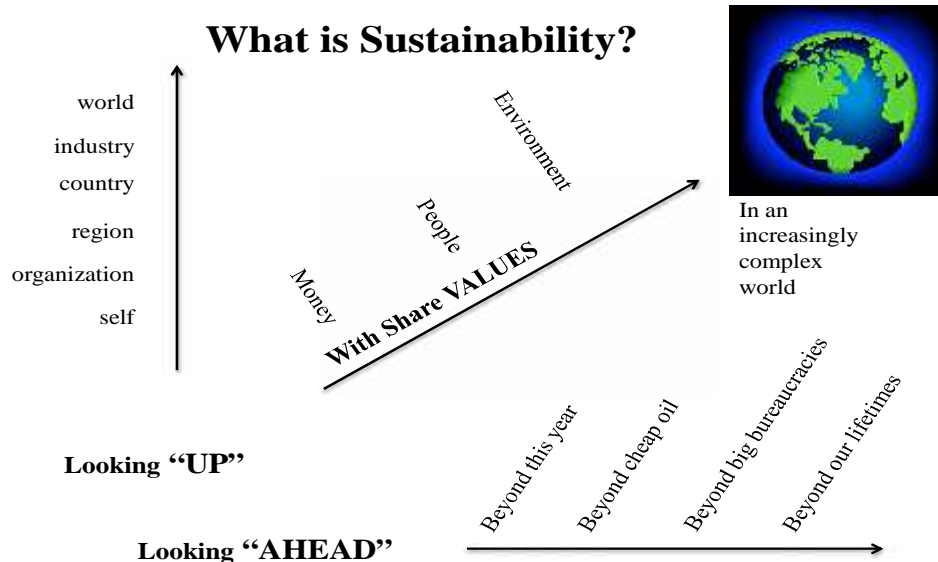
Figure 1. What is Sustainability?

2.2 What is ISO 26000?

ISO 26000 is the designation of the future International Standard giving guidance on social responsibility (SR). It is intended for use by organizations of all types, in both public and private sectors, in developed and developing countries. It is not intended for third-party certification. It is intended to spur voluntary initiatives. 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 for use as a certification standard like ISO 9001:2008 and ISO 14001:2004.

2.2 Who made it?

In July 2012, the ISO/WG SR had 450 experts and 210 observers from 99 ISO member countries from all sectors of society
- 60 experts from 42 Liaison organizations
- Partnerships between developed and developing countries
- MOU's with ILO, UNGC, and OECD

2.3 ISO 26000 Outline

The detailed content of ISO 26000 will evolve through-out its development process. The current working document covers the following:

Foreword
Introduction
1 Scope (Clause 1)
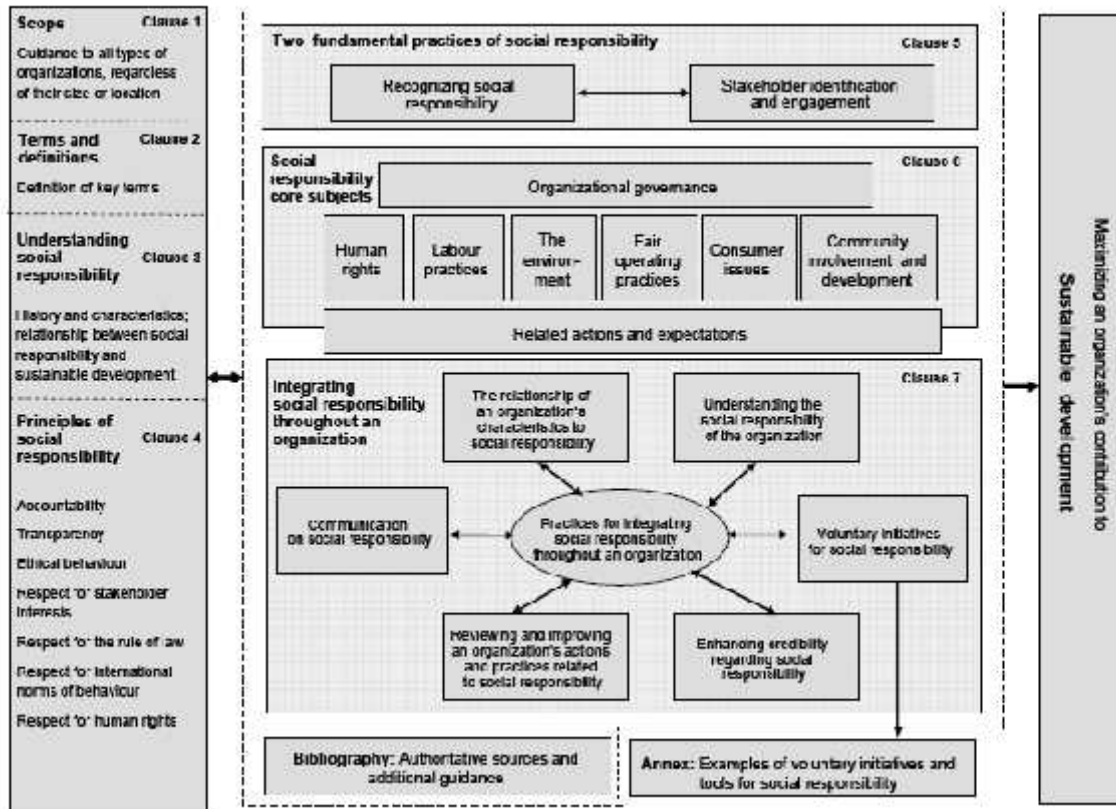2 Terms and definitions (Clause 2)

Figure 2. Schematic overview of ISO 26000

Figure 2 provides an overview of ISO 26000, and is intended to assist organization in understanding how to use this standard. The following points provide guidance on using this standard.

-After considering the characteristics of social responsibility and its relationship with sustainable development (Clause 3), it is suggested that an organization should review the principles of social responsibility described in Clause 4. In practicing social responsibility, organization should respect and address these principles, along with the principles specific to each core subject (Clause 6).

-Before analyzing the core subjects and issues of social responsibility, as well as each of the related actions and expectations (Clause 6), an organization should consider two fundamental practices of social responsibility: recognizing its social responsibility within its sphere of influence, and identifying and engaging with its stakeholders (Clause 5).

-Once the principles have been understood, and the core subjects and relevant and significant issues of social responsibility have been identified, using the guidance provided in Clause 7. This involves practices such as: making social responsibility integral to its policies, organization culture, strategies and operations; building internal competency for social responsibility; undertaking internal and external communication on social responsibility; and regularly reviewing these actions and practices related to social responsibility.

2.4 Recognizing social responsibility

In addressing its social responsibility an organization should understand three relationships.

-Between the organization and society:
An organization should understand and recognize how its decisions and activities impact on society and the environment. An organization should understand society's expectations of responsible behavior concerning these impacts. This should be done by considering the core subjects and issues of social responsibility.

-Between the organization and its stakeholders:
 An organization should be aware of its various stakeholders. These are the individuals or groups whose interests could be affected by the decisions and activities of the organization;

-Between the stakeholders and society
An organization should understand the relationship between the stakeholders' interests that are affected by the organization, on the one hand, and the expectations of society on the other. Although stakeholders are part of society, they may have an interest that is not consistent with the expectations of society. Stakeholders have particular interests with regard to the organization that can be distinguished from societal expectations of socially responsible behavior regarding any issue. For example, the interest of a supplier in being paid and the interest of society in contracts being honored can be different perspectives on the same issue.

In recognizing its social responsibility, an organization will need to take all three relationships into account. An organization, its stakeholder and society are likely to have different perspectives, because their objectives may not the same. It should be recognized that individuals and organizations may have many and diverse interests that can be affected by the decisions and activities of an organization (see Figure 3)

Figure 3. Relationship between an organization, its stakeholders and society

2.5 *The general principles and the seven core subjects*

Let's see details of principles and the seven core subject in the big picture (see Figure 4)
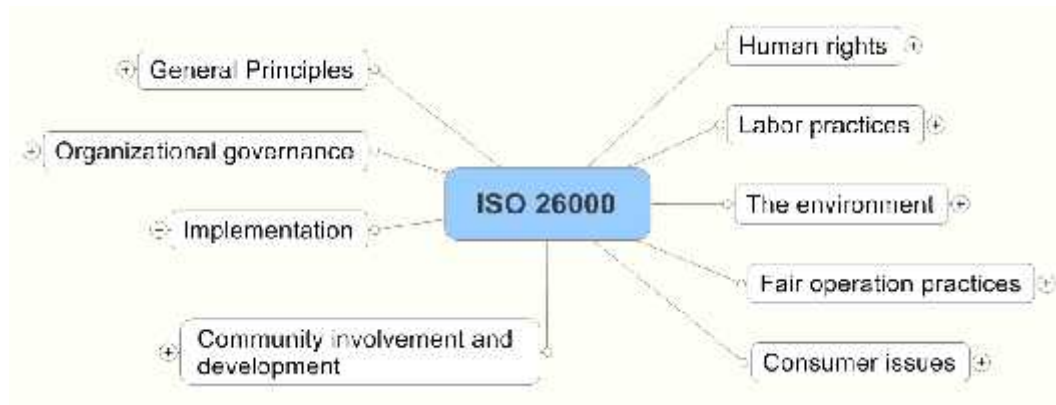
Figure 4. The big pictures

2.5.1 General Principles

There are 7 principles as Accountability, Transparency, Ethical behavior, Respect for stakeholders interests, Respect for the rule of law, Respect for internationally norms of behaviour and Respect for human rights.

2.5.2 The core subjects and issues of social responsibility

To define the scope of its social responsibility, identify relevant issues and set its priorities, an organization should address the following seven core subjects are Organization governance (OG), Human rights (HR), Labour practices (Lab), The environment (Env), Fair operating practices (FOP), Consumer issue (Co) and Community involvement and development (CID) (see Figure 5)
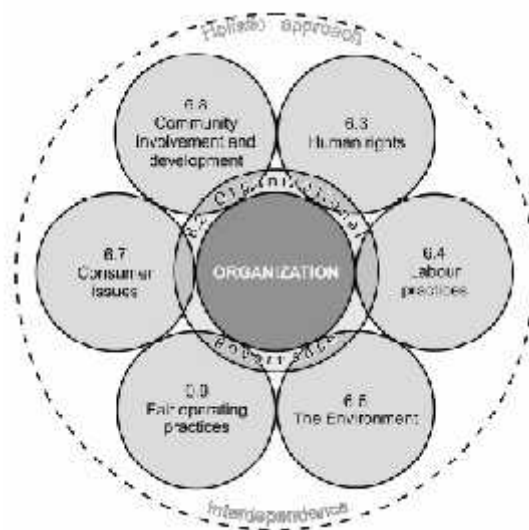

Figure 5. The seven core subjects covered by ISO 26000

2.5.2.1 Organizational governance (OG)

Organization governance is the system by which an organization makes and implements decisions in pursuit of its objectives including Nurture values; Create incentives for social responsibility; Use resources efficiently; Promote registration of under-represented groups in senior positions; Balance the needs of the organization and its stakeholders; Establish two-way communication process with stakeholders; Encourage effective participation of men and women in the organization's decision-

making around social responsibility; Balance the level of people who make decisions on behalf of organization; Keep track of decisions; Encourage effective participation of men and women.

2.5.2.2 Human rights (HR)

Human rights are the basic rights to which all human beings are entitled. There are many categories of human rights including Due diligence; Human rights risk situations; Avoidance of complicity; Resolving grievances; Discrimination and vulnerable groups; Civil and political rights;   Economic, social and cultural rights; Fundamental principles and rights at works.

2.5.2.3 Labour practices (Lab)

The labour practices of an organization encompass all policies and practices relating to work performed within, by or on behalf of the organization, including subcontracted work. Labour practices include Employment and employment relationships; Conditions of work and social protection; Social dialogue; Health and safety at work; Human development and training in the workplace.

2.5.2.4 The environment (Env)

The decisions and activities of organizations invariably have an impact on the environment no matter where the organization are located. These impacts may be associated with Prevention of pollution; Sustainable resource use; Climate change mitigation and adaption; Protection of the environment, biodiversity and restoration of natural habitats.

2.5.2.5 Fair operating practices (FOP)

Fair operating practices concern ethical conduct in an organization's dealing with other organizations. These include relationship between organizations and government agencies, as well as between organizations and their partners, suppliers, contractors, customers, competitors, and the associations of which they ate members. FOP issues arise in the areas of Anti-corruption; Responsible political involvement; Fair competition; Promoting social responsibility in the value chain; Respect for property rights.

2.5.2.6 Consumer issues (Con)

Organizations that provide products and services to consumers, as well as other customers, have responsibilities to those consumers and customers. The issues are Fair marketing; Factual and unbiased information and fair contractual practices; Protection consumer's health and safety; Sustainable consumption; Consumer service, support, and complaint and dispute resolution; Consumer data protection and privacy, Access to essential services; Education and awareness.

2.5.2.7 Community involvement and development (CID)

It is widely accepted today that organization have a relationship with the communities in which they operate. This relationship should be based on Community involvement; Education and culture; Employment creation and skills developments; Technology development and access; Wealth and income creation; Health; Social investments.

3. Implementation and benefits of ISO 26000

ISO 26000 can be implemented whether your business has a sustainability programme or not. If you already have a sustainability programme, ISO 26000 can be aligned to your current programme and help you identify any gaps. If you don't have a sustainability programme in place, then this could be exactly what you are looking for. ISO 26000 can encourage you to think more sustainably and to think outside the box. It also acts a checklist, to help you identify the most material issues for you business, what you want to achieve and what the benefits will be.

Remember that Leadership is essential. SR and sustainability are not add-ons, they are strategic approaches that must be incorporated in to the heart of the business, in its mission and in its vision activities. ISO 2600 will truly make a difference to the way your business conducts itself in its social responsibility.

These key benefits of ISO 26000 are
-Strategic advantage within each company's competitive industry
-Streamlines internal processes and assures the implementation of commitment to social responsibility and sustainability
-Protects your brand image and increases customer and employee satisfaction
-Attracts investors and sponsors concerned with social responsibility and sustainable development

4. Recommendations

4.1 What is the difference between ISO 26000 and SA 8000?

ISO 26000 covers all corporate social responsibility elements (social, economic and environmental), comprising seven core subjects in relation to stakeholders' involvement. ISO 26000 is guidance standard, which is not certifiable. Meanwhile, SA 8000 covers the domain of social accountability (labour and working conditions), such as labour practices, discrimination, health and safety, compensation, working hours, discipline and management systems for human resources. SA 8000 is a standard with requirements, which is certifiable.

4.2 No certification to ISO 26000 guidance standard on social responsibility

ISO, developer of the newly published ISO 26000 standard giving guidance on social responsibility, is reinforcing the point that ISO 26000 is not able to be and may not be used for certification. ISO indicates that it will take action against claims of certification to the standard....ISO reinforces the ..... position by declaring:

- ISO 26000 has the purpose of globally enhancing social responsibility, sustainability and ethical behaviour in all kinds of organizations
- There will be no accredited certification to ISO 26000 as this is contrary to the intent and spirit of the standard
- Any claims of certification to ISO 26000 are misleading and are not a demonstration of conformity to ISO 26000
- ISO members will report any organizations providing certification to ISO 26000 to the ISO Central Secretariat
- ISO shall communicate this to its members who will be requested to communicate within their own countries to regulators, stakeholders and industry.

4.3 Misconceptions and Misuse

Some case studies
- Air France Industries (AFI)

In November 2010, *Bureau Veritas Certification had issued a single and global certificate for AFI-KLM, including ISO 26000 certification*. This is an evident case of misuse of the guidance standard ISO 26000. It was widely discussed in the ISO 26000 related LinkedIn group.

This is an object lesson, where the ISO 26000 guidance standard, which is not certifiable, is included into a larger certification package.
- Ferngas, Austria

OO.Femgas Nets is *the first Austria enterprise certified according to ISO 26000*.

The main message of all articles quoted is that certification has taken place against ISO 26000.
- DNV Det Norske Veritas

Presents "ISO 26000 principles and approach, assessment criteria and process." Gives the impression as if there was an ISO 26000 assessment.

5. Conclusion

To better understand and implement ISO 26000, users are encouraged to recognize relationship of organization's characteristics to social responsibility, voluntary initiatives for social responsibility, communication on social responsibility, understanding the social responsibility of the organization, enhancing credibility regarding social responsibility and reviewing and improving an organization's actions and practices related to social responsibility

   The purpose of this paper is helping to understand ISO 26000 correctly and to prevent its misuse through increased awareness and mutual learning. As guidance standard ISO 26000 is a new category of standards and possibly not understood correctly, in the first time. Therefore, the above examples shown do not intend to blame anyone; they intend simply to help accelerating a global learning process on how best to avoid misconceptions and misuse, among others by object lessons. Gap-analysis and training for ISO 26000 is OK. The correct action for ISO 26000 certificates are requested the certificates to be withdrawn was done.

   Summary , 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 this 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 hoped that this wording is now clear enough to avoid any further misuse.

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