International Standards Supporting Businesses

Guidance on Social Responsibility (ISO 26000)

UK International Development

Partnership | Progress | Prosperity

Commonwealth Standards Network

Contents

Challenges & solutions 3

Standards 4

Quality infrastructure 5

How international standards support SMEs 6

ISO 26000 'Guidance on Social Responsibility — Requirements for any organization' 7

Plan, Do, Check, Act 8

Evidence that you conform with the standard 10

Your ISO 26000 journey 10

Get involved 11

Challenges	Solutions
Over 90% of businesses globally are Small and Medium sized Enterprises (SMEs), they represent the majority of global employment and are an essential contributor to economic development in low and middle-income countries. However, some SMEs are not working at optimal levels of productivity, efficiency, safety, innovation, and compatibility and are therefore not gaining access to new markets and are not achieving their potential for growth and development.	International standards are primarily designed to address market needs, they are written for the benefit of users and their stakeholders and are applicable regardless of business size and location. They play an important role for SMEs by promoting productivity, efficiency, safety, supporting innovation, reducing costs, removing barriers to trade, and driving economic growth and development.
Neglecting Social Responsibility in organizations can lead to challenges both internally and externally, including: Damage to reputation, employee disengagement and turnover, legal and regulatory risks.	ISO 26000 helps organizations to develop clear and comprehensive social responsibility strategy that outlines their commitments, goals and action plans. Using ISO 26000 also helps organizations to embrace sustainable practices across their operations to minimize the negative impact and promote long term sustainability. In addition, organizations can incorporate social responsibility into supply chain management to promote responsible practices.
International standards are sometimes regarded by SMEs as a burden because there is a poor understudying of the likely costs and effort as well as the benefits that can be achieved.	The Commonwealth Standards Network (CSN) works in partnership with National Standards Bodies throughout the Commonwealth to communicate the benefits that can be achieved by SMEs through the use of international standards.

[1] https://corpgov.law.harvard.edu/2024/02/05/exxon-proxy-suit-highlights-divide-between-esg-investing-and-activism/

Standards are agreed ways of doing things

Standards

There are a huge range of subjects and activities covered by standards, such as: making a product, managing a process, delivering a service, or supplying materials. Standards are designed to make life simpler.

Like a good cookbook, standards are written by experts to help us complete processes in effective, tried and tested ways to achieve efficient, high-quality, repeatable outcomes that consistently meet expectations.

International standards

While standards are sometimes only applicable to specific countries and stakeholders, international standards (e.g. ISO and IEC) are designed to be globally applicable and widely available.

Key features of international standards:

- International standards are written as voluntary documents to assist users meet global market needs.
- They provide a vital tool for reducing barriers to trade by assisting businesses speak a common technical language, enhancing trust in supply chains and giving consumers and businesses confidence that goods and services meet their expectations.
- Although they are written as voluntary documents, they can be used to demonstrate compliance with mandatory regulations and therefore relieve regulatory burdens.
- They provide globally recognised legitimacy through being collaboratively developed by experts via an open and transparent process of global public consultation and consensus building.
- They can be supported through Quality Infrastructure*.

Trading relationships are built on trust.

International standards have become the international language of trade by providing confidence in products and processes to regulators, business partners and consumers locally and globally. They ensure everyone gets what they expect.

*Quality infrastructure

For standards to carry additional authority, they need to be correctly used in ways that give everyone involved a high level of confidence in the outcome. It is to enable that consistent rigour that the concept of National Quality Infrastructure (NQI) has emerged.

National Quality Infrastructures form a foundation for economic development and greater prosperity.

Standardization

Agreed, repeatable ways of doing something. Can be used as a voluntary tool to demonstrate compliance with mandatory regulations.

Conformity Assessment

Testing, verification, and certification processes for formal recognition that show the requirements of standards are being met.

Accreditation

Formal recognition that organisations can perform conformity assessment.

Metrology

Science of accurate measurement.

Market Surveillance

Checking and ensuring compliance of regulations.

International standards support SMEs

SMEs represent more than 90% of businesses and the majority of employment globally. They play an essential role in low and middle-income countries where they account for approximately 70% of jobs[2] and contribute up to 40% of national income[1]

Businesses are more successful with effective processes in place, regardless of size, location, or sector. International standards provide globally recognised best practice for effective processes, this brings benefits to SMEs, including:

- Enhance confidence by demonstrating to business partners, regulators, staff, and customers that your products and services consistently and measurably meet expectations.
- Access to markets is improved locally, regionally, and internationally when stakeholders all use the same international standard.
- Resilience is improved by using processes to identify, analyse, and evaluate risks.
- Profitability and competitiveness are increased through efficiency and productivity improvements.

International standards provide business development opportunities to SMEs and help them reduce risks.

[2] https://www.worldbank.org/en/topic/smefinance

ISO 26000 Guidance on Social Responsibility — 'Impact of Social Responsibility Initiatives'

- According to a survey by Deloitte*, 88% of executives believe that a strong reputation is crucial to business success, and 87% are concerned about reputation risk.
- A study published by the Journal of Business Ethics* found that employees are 38% more likely to stay with an employer that demonstrates a high level of social responsibility. Moreover, 58% of employees consider an employer's social and environment commitments when deciding to work.
- Nielsen's Global Corporate Sustainability report* reveals that 66% of consumers are willing to pay more for products and services from companies committed to positive social and environmental impact. Additionally, 81% of respondents feel strongly that companies should help improve the environment

- ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. It clarifies what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices from around the world relating to social responsibility.

- All SMEs can benefit from using ISO 26000:

ISO 26000 can be used by SMEs to reduce exposure to risk and enhance confidence with business partners, customers, and regulators.

*https://www.deloitte.com/content/dam/Deloitte/global/Documents/Governance-Risk-Compliance/gx_grc_Reputation@Risk%20survey%20report_FINAL.pdf
*https://www.researchgate.net/publication/352290889_Corporate_Social_Responsibility_The_Influence_of_Employee_Engagement_on_Corporate_Social_Responsibility

ISO 26000 outlines the processes for an organization to be socially responsible by:

Assessment and Planning

- Evaluate the organization's current social and environmental impacts, identifying stakeholders' expectations and concerns, and setting strategic goals and priorities for social responsibility.

Action

- Integrate responsible practices into governance structures, policies, and procedures.
- Implement social responsibility initiatives across supply chain management and product development.

Monitoring and Measurement:

- Integrating social responsibility requires ongoing monitoring and measurement of performance to track progress, identify areas for improvement, and demonstrate impact.

Effective communication and reporting are essential for engaging stakeholders, building trust, and demonstrating accountability in social responsibility efforts.

Plan

Clearly define social responsibility

Identify key issues and priorities within seven core subjects:

- Organizational governance
- Human rights
- Labour practices
- The environment
- Fair operating practices
- Consumer issues
- Community involvement and development.

Implement

Embed responsible practices in governance, policies, and procedures.

- Integrate social responsibility into supply chains and product development.
- Engage employees and communities through tailored programs. Forge partnerships for amplified social impact.
- Invest in resources for effective social responsibility efforts.

Communicate

Develop a communication strategy to

- Convey social responsibility commitment and progress.
- Prepare regular reports and sustainability disclosures.
- Tailor communication materials to stakeholder needs.
- Prioritize transparency, authenticity, and consistency.

Evaluate

- Establish KPIs and metrics for social, environmental, and economic outcomes.
- Collect relevant data and analyze results.
- Report findings internally and externally.
- Conduct audits, assessments, and evaluations for compliance and improvement.

https://www.bsigroup.com/globalassets/LocalFiles/en-AE/Sustainability/ISO%2026000/ISO%202600l%20-MEA.pdf

ISO 26000 supports organizations in demonstrating their commitment to building and maintaining socially responsibly practices through:

Guidance on Principles: ISO 26000 provides guidance on principles of social responsibility, including accountability, transparency, ethical behavior, respect for stakeholder interests, and respect for the rule of law. By adhering to these principles, organizations can establish a strong foundation for their social responsibility initiatives.

Core Subjects: The standard outlines core subjects of social responsibility, such as human rights, labor practices, environmental sustainability, fair operating practices, consumer issues, and community involvement and development. By addressing these core subjects, organizations can identify relevant areas for action and improvement.

Stakeholder Engagement: ISO 26000 emphasizes the importance of stakeholder engagement in social responsibility efforts. By engaging with stakeholders, organizations can understand their expectations, concerns, and needs, and integrate their perspectives into decision- making processes.

Integration with Strategy: The standard encourages organizations to integrate social responsibility considerations into their mission, vision, values, and strategy. By aligning social responsibility efforts with core business objectives, organizations can demonstrate a holistic approach to sustainability.

Continuous Improvement: ISO 26000 promotes a process of continual improvement in social responsibility performance. By setting objectives, targets, and action plans, organizations can track progress, identify areas for enhancement, and strive for excellence in social responsibility practices.

Transparency and Accountability: The standard emphasizes the importance of transparency and accountability in social responsibility reporting. By openly communicating their social responsibility efforts, organizations can build trust with stakeholders and demonstrate their commitment to responsible business practice.

Evidence that you conform with the standard:

- ISO 26000 is the stepping stone to building a socially responsible global society. It is written as a tool to support businesses and their stakeholders.
- Its use is voluntary, though on occasion organizations may require their suppliers to adopt it and demonstrate conformity to it. This can be via self-declaration of conformity, or via external conformity assessment, either by an individual client, or by an independent conformity assessment (or "certification") body.
- Independent assessment provides stakeholders with enhanced confidence and can lead to:
  - Improved risk management
  - Improved compliance with requirements set out by customers and regulators
  - Enhanced trust.
- SMEs should check that the organisation carrying out the conformity assessment is accredited by a reputable organisation[4], this will help ensure the quality of the assessment and reduce the risk of the assessment not being recognised by stakeholders.

Your ISO 26000 Journey

1. **Prepare:** Contact your National Standards Body (NSB), ISO, or the CSN for more information on ISO 26000.
2. **Understand** the standard and review your organisation's activities and processes against it. Training programmes and gap assessments can usually be carried out by your NSB.
3. **Review** performance via the ISO 26000 Plan- Do-Check-Act cycle.
4. **Gain** certification via an accredited organisation, this can usually be arranged through your NSB.

[4] https://iaf.nu/en/home/

Get involved:

- For international standards to be globally applicable and widely used it is important that the views of a diverse set of stakeholders (e.g. SMEs, consumers, academics) are represented in their drafting and revision processes.
- ISO 26000 is developed and maintained by an ISO Committee with working groups consisting of experts from across the globe that are nominated by their NSB.
- Stakeholders that are interested in contributing to the development of international standards should contact their NSB, they generally manage National committees that 'mirror' the international committee to provide comments/ and formulate voting positions on the development of international standards.
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About the Commonwealth Standards Network (CSN)

The CSN is a collaborative network that supports trade, economic growth and prosperity throughout the Commonwealth by promoting increased awareness, development and use of international standards.

To find out more about the network please see **www.commonwealthstandards.net** or contact the CSN Senior Programme Manager, Ben Hedley **ben.hedley@bsigroup.com**

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