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## 2335 IDTF N054 – Illustration of changes to Clause 7 of WD3.2

2336 *To facilitate a comparison between Clause 7 in WD3.2 and the new Clauses 6 and 8 in WD4.1, this*  
2337 *document uses the following colours to highlight:*

- 2338 • *text in WD3.2 that was used almost to 100 percent (green);*
- 2339 • *text in WD3.2 where the ideas/concepts were used in Clauses 6 or 8 but with different words*  
2340 *(yellow); and*
- 2341 • *text in WD3.2 that was not used (red).*

2342 *Note that some text does not have a colour. Introductions to sub-clauses that summarize the content*  
2343 *of the sub-clause and do not entail genuine information, were often not considered. Please nmot also*  
2344 *the accompanying comments in the side bar. This line numbering matches that used in WD3.2.*


## 2345 7 Guidance for an organization on implementing social responsibility

### 2346 7.1 General

2347 This clause provides practical guidance on developing, integrating and implementing practices of  
2348 social responsibility. It identifies actions that organizations of any type or size and location may take.  
2349 The actions described here need not be applied in a step-by-step approach, but all main elements  
2350 should be considered. Some organizations may find it more appropriate to undertake the elements in  
2351 a different order or to repeat one or several of them.



2352 Comprehensively addressing social responsibility is an ongoing activity that takes time. An  
2353 organization implementing social responsibility will often address what its activities, goods and  
2354 services are. Therefore it will look at the SR principles lined out in clause 5 and the SR core issues of  
2355 clause 6 and evaluate its own policy, strategy and operations – also along its supply chain –  
2356 accordingly. Then it will decide what it needs to do following the guidance given in this clause.

2357 Social responsibility also involves considering an organization's impact on its stakeholders. An  
2358 organization should identify, prioritize and accommodate the activities it undertakes to become more  
2359 and more socially responsible according to its profile, context and feedback from stakeholders. The  
2360 context in which an organization operates has an impact on its vision, policy and strategy, as well as  
2361 its relationship with stakeholders and its daily practices. To make progress and allow for accountability,  
2362 an organization should review its activities and progress and communicate about them.

2363 All these activities are interdependent. This standard is intended to be compatible with and should be  
2364 integrated into an organization's existing models,  egies and practices.

### 2365 7.2 Defining the scope of social responsibility for the organization

#### 2366 7.2.1 Key considerations

2367 As a preliminary step in implementing social responsibility, an organization should work with its  
2368 stakeholders to define the scope of social responsibility for action. The scope includes the who  
2369 (people and entities), what (social responsibility impacts and issues), where (locations) and, for  
2370 specific applications, when (the time frames)  covered. After collecting and evaluating its social  
2371 responsibility profile information and unders  g the social responsibility context in which it  
2372 operates, the organization should identify the broadest "general scope" of social responsibility within  
2373 which it might take action.

2374 Next, more specific and typically narrower scopes ("applied scopes") should be set defining the  
2375 coverage for particular tools and purposes of the organization related to social responsibility. These  
2376 tools and purposes may include, for example, the organization's vision statement (what it aspires to  
2377 be), mission statement (its role and purpose), strategies and objectives (Clause 7.4); targets (Clause  
2378 7.5); and public reports (Clause 7.6), as well as other tools that help it integrate social responsibility  
2379 into its activities, products and services. Applied scopes may start as narrow and be broadened over  
2380 time and may vary from purpose to purpose. Small organizations may find it appropriate to maintain a  
2381 narrower applied scope for many purposes to accommodate resource limitations.

2382 This process of examining the profile and context and setting the general and applied scopes for  
2383 social responsibility should be repeated from time to time to account for changing circumstances and  
2384 the availability of information. In implementing this process, organizations may find it useful to join  
2385 with their peers in developing model sets of issues, impacts and scopes that could be applied to their  
2386 own type of operations.

## 2387 7.2.2 Describing an organization's profile and social responsibility context

2388 In order to describe its social responsibility profile, the organization should collect and evaluate  
2389 specific information. The aim should be to focus on information that will likely prove useful in  
2390 identifying the entities, issues and locations to be placed within the general scope and various applied  
2391 scopes. Organizations just starting down the path to social responsibility may find that some of this  
2392 information is not available. In this case, it should compile what is available and refine the profile later  
2393 during subsequent scope-setting exercises. Profile information may include the following:

- 2394 — The vision, mission and purpose of the organization and its major operating units;
- 2395 — Key locations and geographic reach, organizational structure (e.g., non-profit corporation,  
2396 partnership) and governance structure of operations (e.g., oversight board with chief operating  
2397 office and audit committee); major customers and suppliers; major competitors; products and  
2398 services; workforce make-up; annual revenue and expenses; and other quantitative information;
- 2399 — The stakeholders with whom the organization should engage as outlined in Clause 7.3;
- 2400 — The important social responsibility codes and instruments to which the organization voluntarily  
2401 subscribes, and any general policies of the organization about social responsibility;
- 2402 — The social responsibility requirements for suppliers issued by the organization's key customers,  
2403 and those imposed on the organization by parties that provide it funding;
- 2404 — Performance information concerning social responsibility produced from monitoring and  
2405 assessment processes (see Clause 7.7). This would include, for example, the degree to which an  
2406 organization's activities and practices meet internal and external requirements. For this purpose,  
2407 it may be helpful to review litigation records, audit results, regulatory enforcement records,  
2408 performance reports, comments from stakeholders or other documents and data. It may also be  
2409 useful to examine the organization's social responsibility objectives and targets, and its recent  
2410 performance toward achieving them;
- 2411 — Recent and anticipated major changes in strategies, policies, products, services, and major  
2412 entities;
- 2413 — Current and likely future major trends in the field of work sector;
- 2414 — Major strengths, competencies, and weaknesses of the organization, including those related to  
2415 human and other resources; and
- 2416 — Recent noteworthy media coverage of the social responsibility performance and activities of the  
2417 organization, the major entities within its sphere of influence and its major competitors, and the  
2418 latest public social responsibility reports, if any, issued by them.

2419 To understand the social responsibility context in which it operates, the organization should identify  
2420 the major social, cultural and environmental trends underway that may be relevant to it and to those  
2421 entities within its sphere of influence. It should also consider the context presented in Clause 4, the

2422 principles in Clause 5, and other important, relevant expectations of behaviour, legal standards and  
2423 instruments related to social responsibility.

### 2424 7.2.3 Defining the general and applied scopes

2425 After defining its profile, understanding the social responsibility context in which it operates and  
2426 considering the opinions of its stakeholders, the organization can use that information to identify its  
2427 general scope for social responsibility. This involves answering the following three questions to  
2428 identify the maximum range in coverage that the organization should consider:

2429 1) Who? Who are the entities and people that might be covered within the scope?

2430 This will include the organization and those entities within its sphere of influence. An entity  
2431 may be considered within the organization's sphere of influence if the entity's actions or  
2432 policies are controlled by the organization or subject to its reasonable influence. This may  
2433 include various entities in the value chain that are upstream of the organization (such as the  
2434 supply chain and contractors) and downstream (such as distribution and customers). It may  
2435 also include entities parallel to the organization (such as trade and sector associations), as  
2436 well as others within its stakeholder network (see Clause 7.3). Within the supply chain,  
2437 degrees of control may be related to the size, complexity and types of organizations in the  
2438 chain, as well as the organization's competitive situation — that is, the strength of the  
2439 organization compared to similar organizations - and the number of entities in the chain.

2440 2) What? What social responsibility issues and impacts might be covered?

2441 The organization should work with its stakeholders (see Clause 7.3) to identify the material  
2442 social responsibility issues associated directly with its own operations, activities, products  
2443 and services as well as those associated with the entities within its sphere of influence. In  
2444 developing this list of material issues, the organization should start by examining those  
2445 mentioned in Clause 6 but may also consider others. See help box.

2446 An issue is material if its actual or potential impact is significant or would substantially  
2447 influence the assessments and decisions of the organization or its stakeholders. Impacts  
2448 include those that affect the organization's own operations, activities, products or services, or  
2449 those of the entities within its sphere of influence. They also include the impacts generated  
2450 by the organization and such entities. Impacts may be determined using a range of  
2451 methodologies, including those based on measurement, calculation, or reasonable  
2452 estimation or on the judgement of experts of the organization and its stakeholders.

2453 When evaluating issues to determine if they have actual or potential significant impacts, the  
2454 organization may find it useful to focus on the profile and context information and ask  
2455 whether the issues and impacts are being addressed by peer organizations, covered  
2456 extensively in the media, raised in government or other stakeholder complaints or otherwise  
2457 communicated to the organization, or important to the success of organization.


2458 3) Where? What locations of operations and activities of the organization and other covered  
2459 entities might be addressed?

2460 Much of this information can be drawn from the profile.

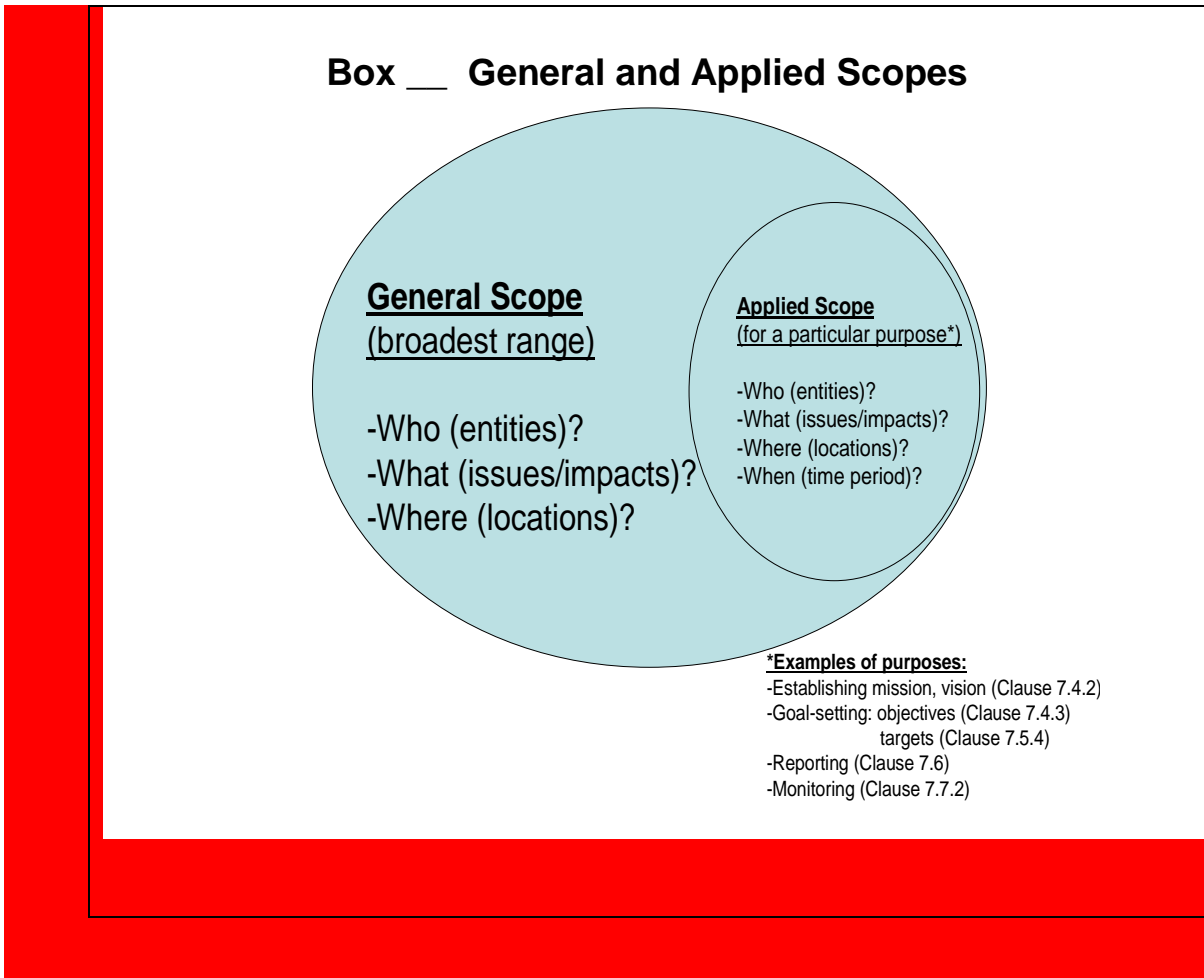
2461 This process may start either with the identification of issues and impacts or with the identification of  
2462 entities and locations, with the one often leading to the other.

2463 Once the general scope is defined in terms of the who (entities and people), what (impacts and  
2464 issues) and where (locations), the organization can later consider how to narrow this scope to develop  
2465 "applied scopes" for particular purposes or tools related to social responsibility. The applied scopes  
2466 will identify the who, what, where and when---that is, those entities and people, impacts and issues,  
2467 and locations, as well as time periods covered.

2468 When setting the applied scope for a particular purpose or tool, the organization may find it useful to  
2469 consider the significance and extent of the social responsibility impacts and stakeholder views that are  
2470 relevant to the purpose; the resources available; importance to the organization's success in  
2471 controlling various threats and realizing opportunities related to social responsibility; consistency with

2472 the organization's culture; public visibility or pressure to act; responsiveness to important social  
 2473 responsibility trends; and ease of implementation. When deciding which material issues to include  
 2474 within an applied scope, special consideration should be given to those issues of greatest potential  
 2475 impact or stakeholder concern, even if the issue is present at entities with which the organization has  
 2476 only  ed influence.

2477



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<b>HELP Box __ Examples of Possible Material Social Responsibility Issues for Various Types of Organizations</b>				
<b>Social Responsibility Issue</b>	<b>Example Organization</b>			
	<b>Large Food-Processing Company</b>	<b>Small Auto Repair Shop</b>	<b>NGO</b>	<b>Labour Union</b>
<b>Organizational Governance</b>	Chief executive compensation	Compliance with tax laws	Compliance with bylaws concerning election of officers	Fair member recruiting practices
<b>Human Rights</b>	Child labor on farms	Nondiscrimination in hiring	Promotion of human rights as core purpose	Diversity of leadership
<b>Labour Practices</b>	Employee health & safety	Fair wages	Excessive work hours	Employee development and

HELP Box __ Examples of Possible Material Social Responsibility Issues for Various Types of Organizations				
Social Responsibility Issue	Example Organization			
	Large Food-Processing Company	Small Auto Repair Shop	NGO	Labour Union
				benefits
The Environment	Water conservation	Solvent disposal	Greenhouse gases from travel	Paper recycling
Fair Operating Practices	Compliance with political funding limits	Non-predatory pricing	Responsible funding-solicitation practices	Anti-corruption; fair political campaign practices
Consumer Issues	Food safety; nutrition; responsible advertising	Quality of auto repairs; customer dispute resolution procedures	Promotion of consumer rights as core purpose	Protecting the privacy of data on potential members
Contributions to Community and Society	Charitable donations	Community volunteerism	Community education on citizen rights	Community impacts from union negotiations on outsourcing
Other Social Responsibility Issues [Editor's Note: Delete this row if no other issues can be identified]	?	?	?	?

2479

## 2480 7.3 Working with stakeholders

### 2481 7.3.1 Key considerations

2482 All organizations already undertake some form of stakeholder engagement by communicating with  
 2483 individuals or groups such as customers, employees, the government or communities. Stakeholder  
 2484 dialogue and engagement do not necessarily need an organization to develop a new communication  
 2485 system, but can entail building on existing experiences, approaches and results. Engagement may  
 2486 also be requested by stakeholders themselves and is not always initiated by the organization.

2487 Stakeholder engagement consists of three main components:

2488 — Identification of stakeholders;

2489 — Prioritization of stakeholders and their interests; and

2490 — The engagement process.

2491 An organization should engage with stakeholders on its overall actions related to social responsibility  
 2492 or on a specific issue or project accordingly to the prioritization it makes. The aims of the engagement  
 2493 should be clear from the outset to manage the expectations of those involved in the process.

2494 **7.3.2 The identification process**

2495 An organization should strive to identify all of the stakeholders, both internal and external, that have  
2496 interests in its activities and effects at the organizational and/or project/issue level. The organization's  
2497 existing relationships can be used as a starting point for the identification of stakeholders, but  
2498 consideration should also be given to stakeholders with whom an organization does not yet have  
2499 relationships. To identify stakeholders, the organization can ask itself a number of questions, for

2500  mple:

2501 — Who has interests that might be positively or negatively affected by us or our projects?


2502 — Who has been involved in similar matters in the same region in the past?

2503 — Who has said they would like to be involved?

2504 — Who has expertise that could be helpful in improving our approach to social responsibility?

2505 — Who would be dissatisfied or disadvantaged if they were excluded from the engagement?

2506 — Who would be particularly concerned by the sustainability, positively or negatively, of the  
2507 organization's activities, products and/or services?

2508 Once the identification process has taken place, the stakeholder list should be documented and  
2509 reviewed periodically as interests and relationships change and develop over time. See Help Box 7.3  
2510 for ideas of how different types of organizations can identify their range of stakeholders before  
2511  ritising them.

2512 **7.3.3 Prioritisation**


2513 Having identified the stakeholders, an organization should prioritise the stakeholders and their  
2514 interests.


2515 There are different means by which an organization might do this, including:

2516 — The stakeholders' relationship and/or relevance to the seven core issues (see Clause 6);


2517 — A risk-management approach, identifying which activities most significantly impact the interests of  
2518 the organization or its stakeholders;

2519 — Consider interests derived from stakeholders who have a legal relationship with the organization  
2520 and those based on national laws or internationally recognized conventions, principles or  
2521 recommendations;

2522 — Match organizational resources to the cost and complexity of the engagement process – ranging  
2523 from simpler to more  lenging ones.

2524 Through prioritization, it is likely that an organization will end up engaging more effectively with a  
2525 smaller number of stakeholders, making the process more manageable. The prioritization of  
2526 stakeholders and their interests helps to indicate relationships, and thus to integrate stakeholder  
2527 needs and issues into the organizational strategies and actions (see Clause 7.4, including its  Box.)

2529 **7.3.4 The engagement process**

2530 The stakeholder engagement process aims to develop trust between the organization and its  
2531 stakeholders, with the ultimate objective of improving the organization's social responsibility. Trust is  
2532 developed through a combination of performance and transparency, and involves two-way  
2533 communication regarding interests of social responsibility between the organization and its  
2534 stakeholders. To secure their trust, organizations should engage with stakeholders in a manner  
2535 appropriate to the situation and conditions. Provisions should be made for legitimate concerns to  
2536 preserve confidentiality by, for example, restrictions on trade secrets, or individuals'  ical records.

2537

### 7.3.4.1 Engagement plan

2538 Before any engagement is undertaken, an organization should be prepared. The development of a  
 2539 stakeholder engagement and communication plan can be helpful in identifying specific means of  
 2540 communicating with stakeholders, including communication methods and frequencies. The plan  
 2541 should be communicated to stakeholders, be easily accessible as a document, and should evolve  
 2542 time.

2543 Organizations should consider that stakeholders themselves may not be prepared for the engagement  
 2544 process. Organizations should assess stakeholder needs and provide them with some capacity  
 2545 building in order to enable them to fully participate in the engagement process.

2546 Stakeholders should be engaged at an early stage of a project or decision-making process to be  
 2547 confident that their interests are understood. An organization should be prepared for critical or  
 2548 negative stakeholder feedback, which may provide clues for improvement.

### 2549 7.3.4.2 Engagement techniques

2550 Paths for stakeholder engagement should be appropriate to their resources and communication styles.  
 2551 These range from group dialogue to telephone and e-mail. Regardless of the paths used, records of  
 2552 dialogue should be maintained for reference.

2553 It may be advantageous to develop partnerships with stakeholders to proactively achieve particular  
 2554 goals. Partnership and collaboration are sources of creative thinking that can produce win-win  
 2555 solutions to existing conflicts, and may avoid potential conflicts, that may occur between an  
 2556 organization and its stakeholders.

2557 Meaningful stakeholder engagement is not an isolated activity. It is a decision-making method that  
 2558 involves a degree of cultural and procedural change within an organization. It has the potential to  
 2559 result in continuous learning within and outside organization. This mutual learning process is likely  
 2560 to strengthen trust between an organization and its stakeholders. Trust, in turn, fortifies credibility.  
 2561 Ultimately, decisions are made by the organization, which should account for them (explain these  
 2562 decisions) to the stakeholders.

HELP Box — Who are Your Stakeholders?: Some Examples for Various Types of Organizations				
Social Responsibility – The Seven Core Issues	Example Organization			
	Large Food-Processing Company	Small Auto Repair Shop	NGO	Labour Union
Organizational Governance	Stockholders/ Investors Owners	Principals (President, Secretary, Treasurer)	Board of Directors; Contributors	Board of Directors; Heads of Locals
Human Rights	Farmers in supply chain (including overseas plantations)	Workers (full and part time)	Workers (full and part time)	Members
Labour Practices	Employees / Staff	Workers (full and part time)	Workers (full and part time)	Employers
The	Environmental impact on local	Environmental impact of “end of	Environmental impacts of NGO	Environmental impacts of labour

HELP Box __ Who are Your Stakeholders?: Some Examples for Various Types of Organizations				
Social Responsibility – The Seven Core Issues	Example Organization			
	Large Food-Processing Company	Small Auto Repair Shop	NGO	Labour Union
<b>Environment*</b>  *note: since “the environment” is non-human, human judgments on environmental impacts control the stakeholder process	water supplies -Members of local community whose water supplies are affected by the processing	life” disposal of batteries, etc. -  Governmental environmental regulators and NGOs– (advocates for the environment)	operations (for example, consider greenhouse gas emissions due to airplane travel)	union operations (for example, consider “green purchasing” of office supplies to minimize waste)
<b>Fair Operating Practices</b>	Governmental agencies;  Entities under contract	Governmental agencies; Suppliers	Contributors	Members involved in voting for union leaders
<b>Consumer Issues</b>	People who buy and eat the product	Customers	Clients (those who are funded by the NGO)	Protection for “whistle blowers” who identify unsafe practices at work
<b>Contributions to Community and Society</b>	Local / regional community residents	Local / regional community residents	Local / regional community residents	Local / regional community residents

2563

2564 *Notes to IDTF: NOTES from Drafting team (Miles Watkins, Annette Kleinfeld, Carolyn Schmidt) – Our*  
 2565 *only unresolved issue relates to the current WD Rev.3 Clause 4.2.1 (Context) – most of the stress is*  
 2566 *on international norms, etc., and it concludes saying that “stakeholders do not replace broader society*  
 2567 *in determining norms of behavior”. Thus, this “stakeholder context” section does not point toward*  
 2568 *meaningful stakeholder engagement as an important SR tool in itself. We suggest that Clause 4*  
 2569 *drafters consider the wording from WD 3, Clause 5.3 (principle of recognition of stakeholders and their*  
 2570 *concerns). We want to keep the “stakeholder” sections clear, encouraging and conducive to two-way*  
 2571 *dialogue.*

2572 *Please note that we have added a Help Box 7.3, modeled on the Help Box 7.2. There is also a related*  
 2573 *“Help Box 7.4”. In our judgment, these will be useful tools to encourage any organization to prioritise*  
 2574 *and engage with its stakeholders in a planned, productive and useful way.*

2575 **7.4 Integrating social responsibility into the organization**

2576 **7.4.1 Key considerations**

2577 This section provides guidance on how to develop policy, strategies, and objectives for setting the  
 2578 specific SR agenda of the organization, how to decide what core issues of social responsibility (see  
 2579 Clause 6) are most significant for the organization, and which stakeholder groups have priority along  
 2580 the entire organizational value chain.

2581 When aiming for a credible and effective approach, social responsibility increasingly should become  
2582 an integral part of the organizational structure, culture and identity. This means, the concept of SR  
2583 should be integrated into the organization's mission, vision, overall goals, strategies, processes, and  
2584 value orientation, and should focus on the core products, services and activities of the organization.

2585 The process of integration should be supported by the organization's leadership. Embedded in the  
2586 organization's mission and/or vision and policies, and developed through interactive dialogue with  
2587 stakeholders. The person or team responsible for implementing SR should be located at a level  
2588 sufficiently high in the organization to resolve any challenges that could arise. The organization should  
2589 also provide adequate resources for the implementation to ensure that the SR activities can be carried  
2590 out effectively.

2591 The more an organization integrates its SR activities into its own cultural and structural context, the  
2592 more it can improve its legal compliance, accountability, transparency, ethical conduct, while  
2593 recognizing its stakeholders and their concerns (the "SR issues" described in the Organizational  
2594 Governance category, Clause 6). In so doing, the more its implementation of SR will effectively  
2595 contribute to improved operations, stakeholder relationships, sustainable development and the welfare  
2596 of society.

2597 Guidance for SMOs: SMOs may have fewer stakeholder categories, and fewer "core issues" that they  
2598 are directly involved in. SMOs may use the Help Boxes (Clause 7.3 and Clause 7.4) to identify those  
2599 stakeholders and issues material (relevant, significant) to them, and to exclude those not relevant,  
2600 before proceeding too far into the process.

#### 2601 **7.4.2 Adopting principles of social responsibility and connecting them to the organization's** 2602 **statements**

2603 The organization's activities should be based on the principles of social responsibility as stated in  
2604 Clause 5. (Legal compliance, respect for internationally recognized instruments, recognition of  
2605 stakeholders and their concerns, accountability, transparency, respect for fundamental human rights  
2606 and respect for diversity.) These principles should be specified and clearly defined. Then, it is  
2607 essential to connect these principles to the organizational values and rules of conduct.

2608 A written mission and/or vision statement can be helpful to define an organization's overall values and  
2609 goals. Usually, these instruments are used by organizations to state its commitment to take on social  
2610 responsibility and to align the organization with the principles of SR mentioned in Clause 5. "Mission  
2611 statement" refers to the organization's primary and daily activities. It helps to guide strategic planning  
2612 and to allocate resources. A "vision statement" is long-term oriented, describes the future profile of the  
2613 organization and strives to inspire by invoking important values.

2614 The organization may find it useful to use a written code of conduct or ethics code approved by its  
2615 leadership. Such a code specifies the social responsibility commitment by translating the principles  
2616 and values into behaviours.

2617 A code of conduct, or ethics code, provides general guidance to employees, members, constituents,  
2618 neighbours, students, local governments, suppliers, consumers, owners/shareholders and other  
2619 stakeholders on how an organization should behave ethically and in accordance with its values,  
2620 principles and mission. It can assist staff and members in daily decision-making. Also, the  
2621 organization increases its accountability to and transparency toward stakeholders when its code of  
2622 conduct or ethics code is made publicly available. Any organization can create its own code, or it can  
2623 choose to follow existing ethics codes, charts of values, or professional association codes which are  
2624 relevant for its context.

2625 In all of the above activities, the organization may find it useful first to consult internal stakeholders  
2626 in developing these statements, and then to involve external stakeholders for review and feedback.

#### 2627 **7.4.3 Developing objectives and strategies for SR**

2628 The organization should first examine its existing policies (if any) for dealing with the seven SR "core  
2629 issues" explained in Clause 6: organizational governance, human rights, labour relations, the  
2630 environment, fair operating practices, consumer issues, and contribution to the community and society.

2631 The organization should choose a clear approach, centralized or decentralized, bottom up or top down,  
2632 or a combination, for the implementation process. As a starting point both the specific features of the  
2633 organizational culture as well as local customs should be identified and taken into consideration.

2634 By identifying and prioritising the stakeholders (see Clause 7.3, including Help Box 7.3) the  
2635 organization has already identified issues to be considered in the strategy formulation and objective  
2636 setting process. Organizations can use the stakeholder-issue-matrix (Help Box 7.4, attached) to  
2637 systematically approach the seven core issues mentioned in clause 6 with reference to their  
2638 stakeholders.

2639 With this information, the organization can connect its significant SR issues to organization-wide  
2640 policies, define its objectives for improvement of its SR performance, and develop strategies and  
2641 processes to implement those objectives.

2642 To develop an effective strategy, the organization should link its SR objectives to clearly understood  
2643 goals. When selecting goals, the organization should be realistic (not overly ambitious), especially at  
2644 the start Clause 7.2.3 provides guidance on analysing the scope, boundaries and context of the  
2645 organization, in order to identify its “applied scope” – within which it should take responsibility.

2646 An organization’s strategies for handling issues of social responsibility may include information on  
2647 how to:

2648 — Determine the procedures for addressing identified issues;

2649 — Engage with stakeholders, including dealing with situations where stakeholders’ interests are in  
2650 conflict with each other or with the organization (Clause 7.3);

2651 — Develop its overall framework to manage the implementation of social responsibility including  
2652 performance, progress and reporting. (see Clause 7.5 7.7);

2653 — Fairly share the implementation costs of social responsibility throughout the supply chain through  
2654 adequate purchasing practices (e.g. prices, delivery times, long-term supplier relationships);

2655 — Handle issues in different countries, locations and/or specific local situations, taking into account  
2656 differences in culture as well as in social and economic conditions.

2657 In all of the above activities, the organization may find it useful to consult internal stakeholders when  
2658 developing these statements, and then involve external stakeholders for review feedback.

2659 The organization should allocate sufficient resources (staff, time, money, leadership support, etc.) to  
2660 ensure that the planned SR goals can actually be accomplished. All stakeholders (employees,  
2661 members, constituents, neighbours, students, local governments, suppliers, consumers, partners,  
2662 stockholders, etc.) should be included in and/or informed of the SR efforts. The organization should  
2663 develop practices to communicate its objectives and goals in orienting its activities to SR, and to  
2664 incorporate stakeholders' feedback.

2665 NOTE “Objectives” refers to mid-or long-range goals; “targets” refers to short term goals. (See Clause 7.5.4)

2666

2667

2668 *Note to IDTF: Help Box: Stakeholder-Issue-Matrix (Note: not all boxes are filled out – but enough to give a representative idea of how to use this.)*

	Core Issues						
Stakeholders	Organizational Governance Legal compliance Accountability Transparency Ethical conduct Recognition of stakeholders and their concerns	Human rights Civil and political rights Social, economic and cultural rights Vulnerable groups Fundamental right at work	Labour practices Employment and employment relationships Conditions of work and social protection Social dialogue Health and safety at work Human development	Environment Environmental aspects of activities, products and services Promoting sustainable consumption and production Sustainable resource use Climate change Ecosystems	Fair operating practices Anti-corruption and anti-bribery Responsible political involvement Fair competition Promoting SR through the supply chain	Consumer issues Fair operating, marketing and information practices Protecting consumers' health Mechanism for product recall Provisions and development for socially and environmentally beneficial goods and services ....	Contribution to Community and Society Contribution to social development Contribution to economic development Community involvement
Employees	Train employees for fair and ethical business conduct		Compliance with international recognized labour standards at all locations			Awareness building and behavioural trainings in case of product recalls	Identify situations (health issues, safety practices, community problems such as alcohol and drug abuse) where organization can engage workers to improve community situation and their own productivity
Clients Customers Consumers	Provide information on treatment of workers / suppliers, notify clients etc. of good conditions and improvements			Provide information on environmental impact / biodegradability etc. of products			
Shareholders / Owners / Investors (if	Provide owners with clear economic reports, including setbacks			Openly discuss the need to address issues such as climate change	Explain and enforce anti-corruption policies		

organization is a for-profit business)	Members (if organization is a not-for-profit entity, such as a Labour Union, NGO, Foundation, etc.)		Examine inclusion policies as they apply to vulnerable groups (people with physical disabilities, racial or religious minorities, etc.)				
Local / regional community residents	Establish communication links with residents		How to notify residents of environmental impacts of organization's activities, especially in case of accidents		Providing clear guidelines to ensure that organization does not go beyond its mandate and become politically involved against the wishes of its members		
Suppliers / Contractors (partners in value chain)			Involve partners in efforts to identify problems and improve conditions				
							Inform consumers of actions taken by the organization, which improve conditions for suppliers (take credit for SR actions!)

2669

2670

- 2671 **7.5 The implementation of social responsibility in daily practice**
- 2672 *Note to IDTF 7.5.0 or Helpbox for SMO guidance: "How to get started!" Is this kind of guidance*  
2673 *helpful for SMO's (in the beginning of a section as it was proposed in Vienna?)*
- 2674 **Establishing structure**
- 2675 Invite some employees who are interested in social responsibility to join a small multi functional team  
2676 (including members for example of the communication, the HR, the marketing, the controlling  
2677 department) that will support and coordinate the integration.
- 2678 Think of a simple reward or recognition that will work within your existing rewarding system.
- 2679 Arrange for management to be available in case of difficulties in implementing social responsibility.
- 2680 **Raising awareness**
- 2681 Before starting, inform all employees of the own organization about the ideas (or vision) and  
2682 objectives of the management with regard to integrating social responsibility.
- 2683 Explain that integrating social responsibility is a chance to improve services, products or activities and  
2684 stakeholder relationships.
- 2685 **Building competencies**
- 2686 Explain that it is a learning process for everyone and for the organization itself.
- 2687 Organize one or more information sessions or workshops to discuss ideas within the own organization.  
2688 Invite stakeholders or local experts for relevant issues who are cooperative and willing to participate.
- 2689 **Setting targets**
- 2690 Start with one or two core issues that have been selected as material using the guidance provided in  
2691 7.2 and 7.4.
- 2692 Choosing the issues may be guided by:
- 2693 — Issues that affect stakeholders where the relationships are very close (for example, your own  
2694 employees);
- 2695 — Issues expected to require a short implementation time or limited resources to address;
- 2696 — Issues for which some expertise already exists within the organization.
- 2697 The criteria above can help to explain to the own organization and to external stakeholders why other  
2698 material core issues are being addressed later in time.
- 2699 Translate the objectives for the selected issues into short-term targets that are clear, measurable,  
2700 achievable, time bound and realistic.
- 2701 **Implementing**
- 2702 Define actions for addressing each issue and objective and monitor the progress.
- 2703 Consider reviewing the successful actions of similar organizations in similar situations (examples of  
2704 best practice) when defining the actions for addressing each issue.
- 2705 Try to measure the results as much as possible, because it will motivate people and will help the  
2706 organization with evaluation in the learning process.

2707 **7.5.1 Key considerations**

2708 Organizations should consider the following when implementing social responsibility:

2709 People are a key success factor!

2710 Therefore, an organization should raise awareness and build its own competencies and capabilities.  
2711 People at all levels of an organization should be involved in implementing a strategy, policy, goals,  
2712 and objectives as well as a code of conduct.

2713 The same is true for other stakeholders: Determining short-term targets and defining action plans and  
2714 indicators should be done, as far as possible, through engagement with stakeholders (see Clause 7.3).

2715 Be creative with existing structures, systems and capacities!

2716 When integrating social responsibility into an organization, make use of existing systems, methods  
2717 and capacities as much as possible. For example, make use of management, quality and information  
2718 systems, especially of their tools and structures such as decision-making and determining rewards.  
2719 Organizations should not duplicate existing structures, but may need to modify them, such as in  
2720 working with multiple stakeholders.

2721 Find the right balance while striving for necessary and realistic changes!

2722 Feasibility and a realistic perspective are more important when integrating social responsibility into an  
2723 organization than striving for results that are too ambitious to be achieved. Setting a realistic agenda  
2724 and integrating it into the organization's daily practices involve a learning process for the organization  
2725 and all its stakeholders. The most important factor is that an organization gets started seriously (i.e. by  
2726 focusing on core products, services and activities), stays on this path and tries to improve its practices  
2727 continuously!

2728 **7.5.2 Establishing structure and reviewing operations against strategy**

2729 To effectively integrate social responsibility into daily practice, an organization should review existing  
2730 structures at the operational level against strategy (see Clause 7.4) and modify these structures,  
2731 where necessary, with regard to their relevance, support and applicability.

2732 To begin, the organization should determine whether it already has appropriate procedures to engage  
2733 with internal and external stakeholders and to address their feedback (see Clause 7.3.). In addition, it  
2734 should determine how existing procedures can be modified to better engage stakeholders.

2735 **Example box:**

2736 If an organization regularly holds interviews with its employees or conducts an employee survey, it  
2737 should review the form or survey and the content of these interviews against its social responsibility  
2738 strategy. It could also determine if the form used for internal stakeholder dialogue could be used for  
2739 external stakeholder dialogue as well.

2740 A next step is to choose an appropriate approach for the implementation process in general: As a  
2741 starting point, both the specific features of the organizational culture as well as local customs should  
2742 be identified and taken into consideration. Against this background, it should be considered whether  
2743 the process design should be rather centralized or decentralized, bottom up or top down, or a  
2744 combination of these.

2745 *Note to IDTF: We think this paragraph needs some further, more precise guidance]*

2746 Further areas that should be looked at in order to support the implementation of strategy are:

2747 — Developing an effective communication strategy within organization;

2748 — Determining rewards and recognition for successful implementation or for innovative and valuable  
2749 ideas and integrating rewards into existing human resources systems;

- 2750 — Identifying people at all levels within the organization and determining their authorities and  
 2751 responsibilities to integrate social responsibility into existing decision-making procedures;
- 2752 — *Note to IDTF: Some more guidance to be defined?*
- 2753 **7.5.3 Raising awareness and building competencies**
- 2754 An organization should explain at all levels the principles of social responsibility, the specific issues of  
 2755 social responsibility that have been identified as significant for the organization and their  
 2756 consequences, for the mission, the vision, the code of conduct and the policies of the organization.
- 2757 A success factor is that the top management of the organization is itself committed to these principles,  
 2758 values and issues and, therefore, is willing to promote, motivate and stimulate social responsibility in  
 2759 an open, transparent and convincing way to the internal stakeholders.
- 2760 The following actions can help the organization to further raise awareness about social responsibility:
- 2761 — Encouraging participation, for example in teams, and stimulating the involvement of employees  
 2762 from all levels;
- 2763 — Communicating regularly about the organizational efforts;
- 2764 — Organizing information sessions with the use of internal or external experts or stakeholders;
- 2765 — Informing designers, whose work typically occurs at the start of service or product life cycles,  
 2766 about the possibilities or consequences of addressing or not addressing core issues of social  
 2767 responsibility.
- 2768 Integrating social responsibility in daily practice requires building internal competencies. A simple way  
 2769 is identifying people within and around the organization who already have knowledge of and  
 2770 experience with the core issues, for example, specialists in environmental or human resources issues,  
 2771 members of an in-house consultancy, quality employees, suppliers, and communication experts.
- 2772 The organization may identify people who are willing or who are especially well suited to actively  
 2773 support implementation. Organizing training sessions with the use of internal or external experts or  
 2774 stakeholders can help to improve the own competencies.
- 2775 Other options in building competencies can be achieved through various actions, including:
- 2776 — Studying best or worst practices of your own and your organization's industry or sector;
- 2777 — Creating multi-level and/or multi-functional teams to exchange knowledge and ideas;
- 2778 — Organizing workshops to enable people to identify quick wins and successes in their own work;
- 2779 — Stimulating innovative and valuable ideas for the activities, goods or services of the organization  
 2780 and providing research or development specialists or designers with opportunities to do pilot  
 2781 projects;
- 2782 — Sharing and discussing with employees and stakeholders the organization's social responsibility  
 2783 achievements, for example workshops.
- 2784 **7.5.4 Setting social responsibility targets**
- 2785 The establishment of concrete and practical short-term targets at the operational level requires a  
 2786 translation of the long - and mid-term objectives defined in Clause 7.4.
- 2787 This should be done for an organization's activities, products and services, including their life cycles,  
 2788 as well as for the different departments and functions, down to the individual employee.

2789 In setting the targets it is crucial that they are clear, specific, measurable, time bound and realistic! In  
2790 doing so an organization enlarges the acceptance of changes caused by implementing SR and  
2791 enhances the credibility both internally and externally.

2792 An organization should develop these targets in consultation with its stakeholders, especially with its  
2793 own employees and internal experts as far as possible, and take into consideration that engagement  
2794 is a learning process. It should prioritize the defined targets and the concrete activities while  
2795 considering:

2796 — Own potentials, strengths and (economic) power;

2797 — Degree of organizational and management maturity;

2798 — Regional, national, local and cultural differences of its subsidiaries;

2799 — Differences in economic development of the places where it is active.

2800 Setting concrete targets in social responsibility can be further supported by the following actions:

2801 — Defining opportunities, new ideas, quick wins and innovative activities by stimulating people  
2802 (because integrating social responsibility sometimes needs new ways of thinking and working);

2803 — Creating possibilities to do pilot projects and invite interested stakeholders to participate;

2804 — Defining risks, threats, negative impacts and difficult changes and ways to minimize those risks at  
2805 operational level by doing risk analysis and where necessary setting up crisis management  
2806 procedures;

2807 — Defining timelines and budget.

2808 One approach is to check and regularly monitor the efforts and achievements working with indicators  
2809 of social responsibility (see 7.5.6).

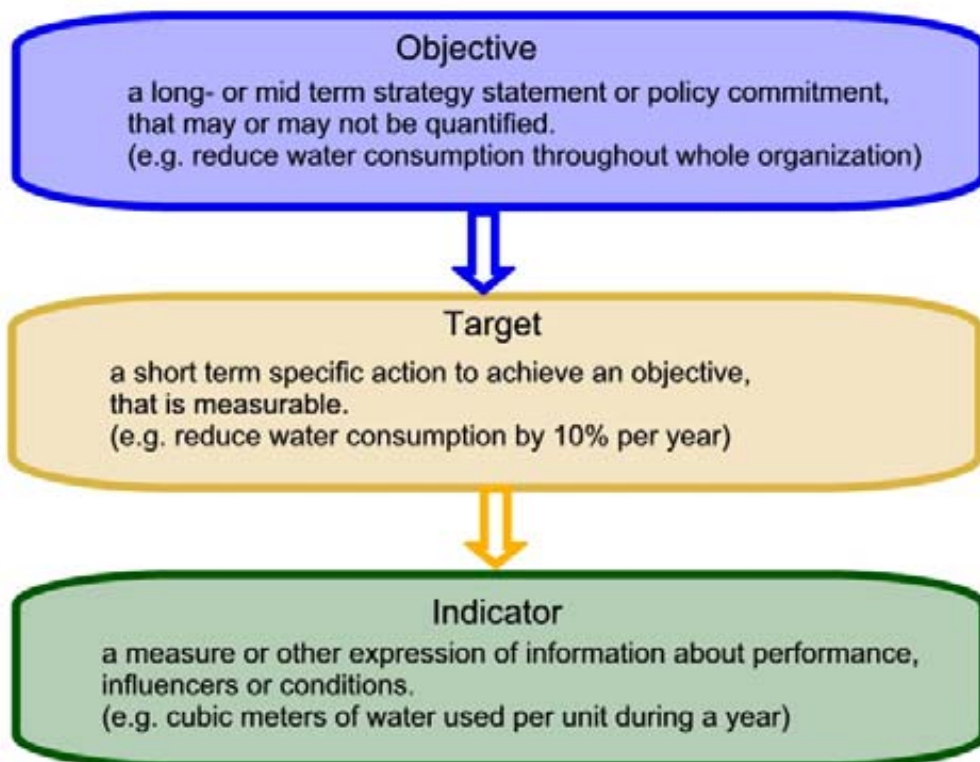
2810 Monitoring the efforts and fulfillment of SR targets could also be done, for example, by asking a  
2811 representative (focus) group of the respective stakeholders, whether or not they consider the  
2812 communicated targets to have been fulfilled, and if not, why not.

2813 **Example box:**

2814 If one of the targets has been to improve the tidiness and the climate (temperature, humidity, etc.) of  
2815 the working place, the respective group of stakeholders, here the employees of the organization will  
2816 be easily able to confirm or deny its fulfillment by organization.

### 2817 **7.5.5 Working with Indicators of social responsibility**

2818 Indicators will help an organization in measuring and monitoring the targets and activities for social  
2819 responsibility.



2820

2821 Although this is an approach more often used by larger organizations, not all kinds of targets need a  
 2822 sophisticated system of indicators and not all indicators need heavy statistics, so smaller  
 2823 organizations can work with a smaller set of indicators too.

#### 2824 **7.5.5.1 Types of indicators**

2825 There are several types of indicators:

2826 — Metric indicators express a quantitative measure or rating (i.e. numbers or a percentage);

2827 — Initiative indicators are an expression of the status about a specific project or task;

2828 — Descriptive indicators express a qualitative description of conditions;

2829 — Leading indicators measure attitudes, behaviors, efforts or conditions that may eventually affect  
 2830 the outcome; and

2831 — Lagging indicators measure the outcome of the organization's activities.

2832 A key performance indicator is a measure of performance critical to the success of an organization.

2833 Key performance indicators are not restricted to those items that can be applied across the entire  
 2834 organization; they can also be developed for sub-units, specific projects, processes or activities.

2835 Organizations may find it useful to establish a set of indicators that are complementary. Such  
 2836 indicators may be established to address various levels of the organization, such as headquarters,  
 2837 country or regional level, facility level or various stages of a process, or various organizations in a  
 2838 supply chain, or cause-and-effect.

2839 For any particular social responsibility objective, a mix of indicator types can be most effective in  
 2840 driving the desired action.

2841 **7.5.5.2 Considerations for selecting or defining indicators**

2842 The indicator should be:

2843 — Appropriate for the purpose of the measurement and consistent with the kind of information  
2844 stakeholders would want to see;

2845 — Appropriate for the scope and location of operations the organization covers;

2846 — Easy for intended audiences to understand;

2847 — Suitable for benchmarking; and

2848 — Able to measure data or other information that can be provided reliably and within the time  
2849 required.

2850 Ideas for indicators can also be obtained from existing instruments like the GRI Sustainability  
2851 Reporting Guidelines (*Note to IDTF: Regarding reference to GRI final check is needed with the results  
2852 of the ad hoc group working on this key issue*) as well as from peer social responsibility reports and  
2853 other sources.

2854 NOTE An organization does not need to select or define indicators that call for information that is private,  
2855 proprietary or otherwise legally protected from disclosure, or that is impractical to obtain or disclosure.

2856 In addition, indicators should not impose an excessive burden in measuring and reporting results.

2857 **7.5.5.3 Indicator development principles**

2858 An organization should take into account principles for indicator development, such as stakeholder  
2859 inclusiveness, comparability, materiality, accuracy, reliability, accessibility (how easy is it to get the  
2860 information?), timeliness and clarity, which are described in more detail in the GRI Sustainability  
2861 Reporting Guidelines (*Note to IDTF: Regarding reference to GRI final check is needed*)

2862 **Example box:** (*Note to IDTF: With some indicator examples, like below*)

2863 — % of employees being represented by a legal trade union at the beginning of a working season;

2864 — average number of hours spent on education by employees per per year.

2865 **7.5.6 Action plans and instruments**

2866 Action plans can help with implementing social responsibility in a structured way taking into account  
2867 the organization's capacities and verifying at the same time the appropriateness of the targets set  
2868 before. Developing action plans could include:

2869 — Defining implementation milestones that include or link to actions that are part of the stakeholder  
2870 engagement plan (see Clause 7.3) and communication plan (see Clause 7.6);

2871 — Allocating resources, for example budget, human resources, specific expertise, technology and  
2872 information systems; and

2873 — Describing methods for executing the plan, for example, project management.

2874 An organization should first consider existing instruments, frameworks and tools and explore how  
2875 specific actions and measures of social responsibility d be integrated.

2876

2877 **Practical help box: "Using tools and frameworks"**

2878 *Note to IDTF: What are the greater needs for this help box?*

2879 1) Do we rather need guidance on integrating SR into existing frameworks and tool including simple  
 2880 tools SMOs will be more likely to use

2881 and / or

2882 2) Do we need guidance on ideas for / on creating new tools such as

2883 - the "Issue Matrix" from Sweden: Match the SR (core) issues towards 3 perspectives: value chain,  
 2884 processes and stakeholders. In matching use a degree of impact from high, medium till low. Use 3  
 2885 phases: analysis, implementation and evaluation

2886 or

2887 - the Issue Matrix from Kim Christensen (mentioned in Vienna), where the SR (core) issues are  
 2888 matched with the stakeholders (see usage in 7.4)

2889 We think that innovative tools and ideas of the WG SR experts should be included in the Guidance  
 2890 Document itself (as was done already with the Issue Matrix in 7.4)! In this way ISO 26000 will clearly  
 2891 add value to the existing practices an).

2892

2893 **Help Box xx: Integrating SR into existing frameworks and tools**


2894 This help box could provide guidance on how to use in the SR context

2895 --- the "classic" EFQM model or the modified EFQM model "Sustainable Excellence"

2896 --- a classic (ISO compatible) PDCA management system, or

2897 --- a tool for strategic evaluation like the (Sustainable) Balanced Scorecard

2898 --- interviews, contracts with employees, clients, suppliers, etc.

2899 Note to IDTF: here we would have a chance to explain that ISO 26000 is not an MSS itself, but will  
 2900 make use of existing MSS's. Some drafters felt that it would be enough to use the PDCA circle as an  
 2901 example here and only refer to the existing modifications of the other tools, maybe in  Annex.

## 2902 7.6 Communicating on Social Responsibility

### 2903 7.6.1 Key considerations

2904 Effectively communicating with internal and external stakeholders about social responsibility serves  
 2905 many purposes. Such communication:

2906 --- Raises awareness within an organization about its strategies, plans, performance and challenges  
 2907 for social responsibility, engaging and motivating employees to support the organization's  
 2908 activities in social responsibility;

2909 --- Enhances an organization's reputation for responsible action, openness, integrity and  
 2910 accountability, to strengthen stakeholder trust and confidence in the organization;

2911 --- Better aligns plans, actions and roles concerning social responsibility with the interests of the  
 2912 organization's stakeholders;

2913 --- Helps meet the reasonable requests of stakeholders for information that can be used to assess  
 2914 the organization's performance on social responsibility;

2915 --- Facilitates benchmarking among peer organizations, which can stimulate improvements in  
 2916 performance on social responsibility;

2917 — Provides information that can be used to begin stakeholder engagement and respond to  
2918 stakeholder concerns;

2919 — Addresses legal and other requirements concerning the disclosure of social responsibility  
2920 information;

2921 — Shows the extent of conformity with commitments to social responsibility to which the organization  
2922 subscribes; and

2923 — Provides a framework for ensuring prompt and adequate responses to emergencies related to  
2924 issues of social responsibility.

### 2925 **7.6.2 Planning and selecting forms of communication and media**

2926 A communications plan can enhance the cost-effectiveness of communication about social  
2927 responsibility. The plan can identify, for example, the purpose/ desired outcome, audience, content,  
2928 extent, timing/sequence, methods and forms of communication; the parties who will do the  
2929 communicating; and the internal and external personnel and other resources needed.

2930 The following factors should be considered in developing the plan:

2931 — The budget and other resource limits, including whether an internal or external professional will be  
2932 used to help develop and/or implement the plan;

2933 — The potential value of using multiple forms of communication to deliver key messages to reach the  
2934 most stakeholders;

2935 — Alignment of the communications plan with the organization's existing strategic and operational  
2936 plans;

2937 — The cultural, social, educational, economic and political background of those stakeholders who  
2938 make up the primary audience for the communication, as well as their values, views and  
2939 concerns;

2940 — The expected level of participation by the intended audience, that is, whether they will provide  
2941 feedback, help decide solutions or convey the information to others;

2942 — Ease of access to the information by the intended audience; and

2943 — Type and level of assurance to which the information will be subject.

### 2944 **7.6.3 Types of communication on social responsibility**

2945 When developing effective communications to internal and external stakeholders, the organization  
2946 should consider various types of communication, including periodic public reporting and other ways to  
2947 communicate with stakeholders.

2948


2949 To be effective, communication about social responsibility must be accessible to and credible with its  
2950 stakeholders. Such communication should, as appropriate:

2951 — Be informed by dialogue among the organization and its stakeholders;

2952 — Use a variety of communication tools and techniques to ensure reasonable access to the intended  
2953 audience and others who may need the information;

2954 — Be both regular and ad hoc on specific issues;

2955 — Identify and address short-term targets and long-term objectives;

- 2956 — Discuss both achievements and problems;
- 2957 — Be transparent, honest, ethical and accurate as well as responsive to the reasonable requests and  
2958 needs of stakeholders without divulging protected information;
- 2959 — Be consistent and comparable over time and be comparable with applicable, reasonably available  
2960 performance benchmarks;
- 2961 — Be feasible and practical for the organization;
- 2962 — Be timely, clear, succinct and complete for the ose intended.

2963 **7.6.3.1 Periodic public reporting**


2964 An organization should regularly and publicly communicate performance and other information about  
2965 its operations, products, services and activities related to social responsibility. It should address those  
2966 social responsibility issues (see Clause 6) that are material (see Clause 7.2) to the organization and  
2967 its stakeholders. [If any of the seven core issues from Clause 6 are not addressed in at least some  
2968 way, the organization should explain why in order to enhance credibility.] The communication should  
2969 contain a mix of quantitative data and qualitative explanatory and contextual information that provides  
2970 a fair and complete picture of social responsibility performance, including achievements and shortfalls  
2971 and how those shortfalls will be addressed. This information may include, for example, plans,  
2972 objectives, targets, performance, compliance, issues, commitments, approaches and stakeholder  
2973 engagement activities. See, for example, the GRI Sustainability Reporting Guidelines, which suggest  
2974 specific information that might be included in simple social responsibility reports as well as more  
2975 sophisticated ones. These Guidelines provide model indicators as well as reporting principles for  
2976 enhancing the comparability, credibility and usefulness of the reported Information.

2977 [Clause 7.X provides guidance on assurance processes that may be used to enhance the credibility of  
2978 social responsibility reports.]

2979 **7.6.3.2 Other communication about social responsibility**

2980 A wide range of other internal and external disclosures relating to social responsibility may be used to  
2981 address the needs of an organization and its stakeholders. This communication may be made on a  
2982 regular or ad hoc basis, as appropriate. Examples include:

- 2983 — Communication within the organization to raise general awareness about social responsibility and  
2984 related activities and inform further dialogue about them;
- 2985 — Communication with stakeholders concerning claims about the social responsibility of activities,  
2986 products and services. [See Clause 7.8 concerning assurance processes that may be used to  
2987 enhance the credibility of these claims.];
- 2988 — Communication to suppliers about procurement requirements related to social responsibility;
- 2989 — Communication in crisis situations that may have implications for social responsibility; and
- 2990 — Communication with stakeholders on specific issues or projects related to social responsibility  
2991 (see Clauses 7.3 and 7.6.5).

2992 There are many tools, methods and media that may be used for sharing information. These include,  
2993 for example, reports, newsletters, magazines, posters, advertising, letters, voicemail, live performance,  
2994 video, websites, podcasts (website audio broadcasts), blogs (website discussion forums), product  
2995 inserts and labels, and advertising. It is also possible to communicate through the media using press  
2996 releases, interviews, editorials articles.

2997 **Box 24 Suggestions for improving the cost-effectiveness of communication**

2998 Here are some suggestions for improving the cost-effectiveness of communication that may be of  
2999 particular use for small and medium-sized organizations:

- 3000 — Incorporate information into existing communication channels, for example an internal newsletter,  
3001 quarterly external mailing, or available electronic means;
- 3002 — Set priorities for the information content and eliminate or postpone communication on lower  
3003 priority items;
- 3004 — Focus on the content of the communication, and minimize glossy photos, sophisticated graphics,  
3005 and other features that can add effort and cost;
- 3006 — Choose an appropriate frequency of reporting; for example, issue reports every two years rather  
3007 than annually, but provide more frequent updates of specific initiatives on the Internet;
- 3008 — Where external assurance is desired to boost credibility, use a voluntary advisory group or other  
3009 volunteers to conduct external assurance of an organization's report, limit assurance activities to  
3010 the most important data, and/or invite existing auditors to undertake report assurance while they  
3011 are already in the organization on other matters;
- 3012 — Use performance and other data that has been reviewed and is readily available, such as  
3013 environmental and health and safety reports; diversity information reported to the government;  
3014 charitable donations from tax reports; energy consumption from energy and fuel bills, and  
3015 associated greenhouse gas emissions which can be calculated from this data; water consumption  
3016 from water bills; and key priorities from an organization's strategic plan;
- 3017 — Use guidance on social responsibility communications specifically designed for SMOs, such as  
3018 the guidance on periodic social responsibility reporting for small organizations provided by the  
3019 Global Reporting Initiative and the Global Compact;
- 3020 — Narrow the geographical distribution of the information and expand it over time; and
- 3021 — Use employees to plan for and prepare the communication or seek the help of an outside  
3022 communication professional who is willing to provide social responsibility communication services  
3023 for free. Contact a professional communication association to help.

3024 **7.6.4 Stakeholder dialogue on communication about social responsibility**

3025 In addition to engaging stakeholders on social responsibility issues as provided in Clause 7.2 and 7.3,  
3026 an organization should also periodically discuss its communications about social responsibility with its  
3027 stakeholders. These discussions can help the organization:

- 3028 — Assess the adequacy and effectiveness of the content, media, frequency and scope of  
3029 communication so that it can be improved as needed;
- 3030 — Set priorities for the content of future communication;
- 3031 — Secure external assurance of reported information from stakeholders, if this approach to  
3032 assurance is used; and
- 3033 — Identify best communication practices.

3034 **7.7 Examining activities and practices of social responsibility**

3035 *Note to IDTF: This subclause has been revised after reading of 7.x, which is expected to be 7.8.*  
3036 *Comments on WD3 has been included and all about credibility and assurance has been removed.*

3037 **7.7.1 Key considerations**

3038 The effectiveness of an organization's activities and practices can be enhanced by regular evaluation  
3039 and examination. The focus should be on keeping track of performance of practices and the results of  
3040 the activities. The results of the examination and the regular monitoring of activities and  
3041 measurements of performance should be communicated internally and externally to provide for

3042 organizational learning, drive performance improvement and enhance the dissemination of  
3043 experiences and competencies.

3044 Disclosing examination results will also be a learning process for stakeholders and is likely to  
3045 strengthen trust between an organization and its stakeholders. Engaging stakeholders in examination  
3046 is an ongoing process with dialogue and feedback that adds to an organization's awareness of its  
3047 risks and opportunities. Stakeholder feedback is valuable for an examination of the organization's  
3048 overall objectives and specific targets for social responsibility.

### 3049 **7.7.2 Keeping track of performance**


3050 Keeping track of performance and examine its activities is a process that helps to collect information  
3051 about what is happening on the practices implemented and the actions planned after a certain period  
3052 of time and at regular intervals.

3053 At appropriate intervals, an organization should examine its actions and performance on social  
3054 responsibility in relation to the specific targets but also in relation to how the single action adds to the  
3055 overall objectives and strategy of the organization. The organization should keep records of the  
3056 examinations. The organization should communicate this information by appropriate means to the  
3057 relevant stakeholders. The organization should verify that the information to be disclosed to others is  
3058 accurate, complete and reliable.

3059 The examination should look into:

3060 — What worked and why? – what did not work and why?


3061 — What could have been done differently?

3062 — s for adjustments and changes.

3063 In gathering information and data for the examination the organization may face some challenges.  
3064 Some issues and actions may be costly to examine, others are difficult to examine quantitatively and  
3065 objectively and others might lack available data. An organization should evaluate the costs and efforts  
3066 compared to the benefits of gathering specific data.

3067 Examination of performance should include examination of activities that are as objectively verifiable  
3068 as possible. Some objective measures may be difficult to obtain. In such cases advice from  
3069 stakeholders can be used as a starting point to identify appropriate indicators for an initial examination  
3070 before setting up more comprehensive examination activities.

3071 The monitoring process and examination should include performance against an organization's  
3072 commitments to social responsibility and the significant and controversial issues by using generally  
3073 accepted indicators of social responsibility for the type and nature of the organization.

3074 An organization should gather information and keep records of its activities and performance on social  
3075 responsibility and present it in a form that could be reviewed by top management. The information  
3076 should include achievements on all issues of social responsibility, including those explained not  
3077 relevant for  time being.

### 3078 **7.7.3 Improvement options**

3079 The result of a systematic examination of the achievements of SR practices and actions should  
3080 include an identification activities that should be improved. The ideal examination identifies areas and  
3081 success and areas where the organization will learn that it needs to improve its performance.

3082 The results of the examination should also be used while management is addressing challenges and  
3083 reviewing the organization's statements, objectives, allocated resources, targets and actions plans, as  
3084 necessary. Large organization can benefit from including SR expertise in the internal management  
3085 review team.

3086 If lack of compliance with the organization's statements, strategies, objectives and targets is identified,  
3087 this should be used for continuous learning and improvements. Appropriate measures should be  
3088 established and taken to overcome the challenges.

3089 Results of examinations should be communicated to the organization's stakeholders to provide  
3090 adequate and constructive feedback. An organization should respond to any stakeholder reactions  
3091 within a reasonable time frame and should make publicly available both the stakeholder feedback and  
3092 the response.

3093 **Box xx Documents to be examined**

3094 Depending on the nature and size of an organization, various types of documentation may be included  
3095 in an examination of SR performance:

3096 — Data records of key performance indicators (see Clause 7.5.4) measured at regular intervals, for  
3097 example compliance with relevant laws and organizational commitments;

3098 — Results of environmental, health and safety audits;

3099 — Results of supply chain audits;

3100 — Results of assessments of ethical behaviour, governance and other activities;

3101 — Evaluation results of specific activities of social responsibility, both successes and failures;

3102 — Records of actions on complaints from employees, customers, neighbours, citizens and others;

3103 — Records of training;

3104 — Employee and customer satisfaction surveys;

3105 — Documentation of the public perception of the organization, for example from newspapers and

3106 — Results of assessment of compliance with other specifications, codes, guidelines, best practice  
3107 documents and benchmarks to which the organization subscribes.

3108

3109

3110 **Box 25 Types of review documents**

3111 Depending on the nature and size of an organization, many/[various] types of review documentation  
3112 may be available including:

3113 — Data records of key performance indicators (see Clause 7.5.4) measured at regular intervals, for  
3114 example compliance with relevant laws and organizational commitments;

3115 — Results of environmental audits;

3116 — Results of supply chain audits;

3117 — Results of assessments of ethical behaviour, governance and other activities;

3118 — Evaluation results of specific activities of social responsibility, both successes and failures;

3119 — Records of actions on complaints from employees, customers, neighbours, citizens and others;

3120 — [Records of training];

3121 — [Records of health?];

- 3122 — Employee and customer satisfaction surveys;
- 3123 — Documentation of the public perception of the organization, for example from newspapers and
- 3124 — Results of assessment of compliance with other specifications, codes, guidelines, best practice
- 3125 documents and benchmarks to which the organization subscribes.

3126 **7.8 Enhancing credibility**

3127 *Note to IDTF: Our initial formulation of the title was “Enhancing credibility of an organization’s social*  
 3128 *responsibility approach” but after discussion the team decided to call this sub-clause simply*  
 3129 *“Enhancing credibility”, much like the stakeholders sub-clause is called simply, “Working with*  
 3130 *stakeholders”. However, if the longer version is preferred, the wording “SR approach” is chosen as we*  
 3131 *think “approach” is the broadest possible concept, including the organization’s “commitment, strategy,*  
 3132 *implementation, monitoring, assessment, reporting, communication and improvement”. It is noted that*  
 3133 *French speakers tend to ascribe to “SR Policy” the above meaning, while for Spanish speakers “SR*  
 3134 *Policy” is also a narrow concept, limited to “intentions” and not necessarily actions.*

3135 **7.8.1 Key considerations**

3136 ISO 26000 is not intended for third-party certification

3137 *Note to IDTF: check consistency with lines 244-245: “third party conformity assessment measures”*  
 3138 *should be deleted.*

3139 Organizations can, however, enhance the credibility of each element of their social responsibility  
 3140 approach by seeking appropriate forms of assurance, that increase confidence of both management  
 3141 and the organization’s stakeholders in the data and information that is collated and communicated.  
 3142 Assurance can also include the evaluation of the performance achieved by the organization,  
 3143 confirming how well the organization implements its overall social responsibility approach and  
 3144 enabling the identification of areas for further improvement.

3145 *Note to IDTF: “Assurance” must be added to the definitions — we formulate a proposal in the Help-*  
 3146 *Box here.*

3147 As illustrated earlier (*Note to IDTF: This wording assumes that this sub-clause will become 7.8;*  
 3148 *otherwise it will need to be reworded accordingly*) in Clause 7, the elements of the SR approach  
 3149 include the organization’s commitments, strategies, objectives, targets, as well as its operations,  
 3150 communication, the processes of stakeholder engagement and the activities of performance  
 3151 assessment.

3152 **HELPBOX: What is Assurance?**

3153 Assurance is an internal or external evaluation that can be directed to the quality of an organization’s  
 3154 specified reports, as well as include an evaluation of the organization’s actual performance, together  
 3155 with the underlying competencies, systems and processes that enable the organization to fulfil its  
 3156 social responsibility commitments. Assurance also includes the communication of the results of this  
 3157 evaluation to enhance the organization’s credibility towards its stakeholders.

3158 **7.8.2 Benefit of relationships based on trust**

3159 Demonstrating that socially responsible behavior is integrated into existing organizational systems and  
 3160 actual operations facilitates the process of building relationships based on trust with all the  
 3161 organization’s stakeholders. This, in turn, generates positive outcomes in terms of reduced costs (e.g.  
 3162 of negotiations, contracting, complaints and monitoring) and increases the opportunities for mutually  
 3163 beneficial collaboration.

3164 Moreover, the process of obtaining assurance enables organizational learning that facilitates future  
 3165 performance improvements to enhance the organization’s SR approach and overall effectiveness, by  
 3166 enhancing its credibility among stakeholders.

3167 **7.8.3 Levels and forms of assurance**

3168 Assurance can cover different elements of the SR approach, from the communication (and reporting)  
3169 to the internal processes and systems that enable the implementation of the SR approach, as well as  
3170 to the actual results achieved by the organization. Therefore, assurance can be provided at different  
3171 levels and in different forms, that are not mutually exclusive, but, rather, reinforce each other.

3172 Organizations can seek assurance at different levels, including:

3173 — Data and information communicated (controlling the accuracy);

3174 — Organizational processes (evaluating the reliability); and

3175 — Performance on SR issues (evaluating the quality of achieved performance and identifying areas  
3176 for improvement).

3177 Assurance also can be obtained in different forms, by engaging with people and organizations  
3178 providing different skills, competencies and methodologies to meet the specific assurance needs of  
3179 the organization. Accordingly, assurance can be provided by a wide range of subjects, from internal  
3180 personnel to professional assurance firms, but also from NGO or SR experts, who bring their specific  
3181 knowledge and legitimacy on SR issues. Organizations can obtain assurance, for example, by:


3182 — Using internal personnel to conduct audit and other controls;

3183 — Holding open-house events to promote dialogue with external stakeholders and seek their feed-  
3184 back on the various elements of the organization's SR approach;

3185 — Establishing a stakeholder panel with the task to review specific elements of the organization's SR  
3186 approach, such as its strategy, targets or performance results;

3187 — Using external audits – both commissioned ('second party audits') and independent ('third party  
3188 audits') to evaluate specific aspects related to SR, such as workplace conditions;

3189 — Seeking systematic assurance on the organization's reports, underlying systems and actual  
3190 performance from external experts and/or organization(s) who have competencies on social  
3191 responsibility issues and assurance practices.

3192 Each organization should choose the most appropriate level and form of assurance in relation to its  
3193 context, the material issues and the objectives identified in its  approach.

3194 **BOX of examples – Forms of Assurance**

3195 **How to choose the right form of assurance?**

3196 **EXAMPLE 1 - A European pharmaceutical company**

3197 The approach taken by a European medium-size pharmaceutical company to its SR assurance is a  
3198 'modular approach', which can be summarized as follows:

3199 The basic idea is that in SR assurance, different skills and competencies are needed, and different  
3200 organizations can provide the best answer to different questions.

3201 Therefore, the modular approach is articulated as follows:

3202 — When it is about seeking assurance over => we rely on the work of hard DATA and FIGURES  
3203 professional ACCOUNTANTS

3204 — For assurance about social, ethical and we seek dialogue with the environmental ISSUES that are  
3205 crucial => representatives of all in the different business activities relevant STAKEHOLDERS

3206 — When it is about assurance of the => we ask the opinion SYSTEMS concerning the overall  
3207 SR strategy of SR EXPERTS

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## EXAMPLE 2 - A SMO in Costa Rica

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The approach taken by a SMO in Costa Rica to its SR assurance is an 'integrated approach', which can be summarized as follows:

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The basic idea is that in SR assurance, different skills and entrepreneurial competencies are promoted to enhance continuous improvement and an organizational culture.

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Therefore, the integrated approach is articulated as follows:

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— Acknowledge and integration =>Self assessment report of the SR principles and core issues

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— Identification of strengths and =>Second or third party improvements opportunities assessment

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— Analyze and prioritize the improvement =>Developing of action opportunities identified plan

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### 7.8.4 Linkages between ISO26000 and existing SR standards

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The credibility of the type of assurance adopted is further enhanced when it is conducted based on established standards in the SR field that are generally accepted for the purpose intended.

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Two main different types of standards enhancing the credibility of an organization's SR approach exist: general SR standards and specific SR standards. The former take a general approach to SR, while the latter are often issue-based (e.g. on working conditions), or focus on one specific activity (e.g. the banking sector) or organizational process (e.g. reporting).

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General SR standards: SR standards of this nature help organizations to view the wide range of social, environmental and ethical issues that are relevant for its overall SR approach, and focus on the relationships between the organization and all its stakeholders. At the international level, relevant examples of these standards are:

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— The UN Global Compact principles: Ten general principles to guide business behavior in the areas of human rights, labor, the environment and anti-corruption.

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— The AA1000 Series: Standards providing the basis for improving the sustainability performance of organizations, including a specific assurance standard, AA1000AS, whose core principles of materiality, completeness and responsiveness apply to the overall approach of assurance.

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— *Note to IDTF: Other relevant examples?*

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Other general SR standards exist at Regional or national level, such as, for example, ValuesManagementSystem in Germany, SD21000 in France, the Q-RES Guidelines in Italy, etc. *(Note to IDTF: these are only a few of the many, many relevant examples that could be done – and it would be nice to have other examples from developing countries. Instead of having a long list here in the text, a further Help-Box could be added here.)*

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Specific SR standards: These are standards that, focussing on specific SR issues or processes, enhance the credibility of an organization's SR approach by demonstrating its adoption of practices that are broadly accepted. Therefore, they provide guidance to develop the organization's SR approach and can include external evaluation of the organization's reporting, management systems and actual performance on specific SR issues, such as, for example:

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— ISO14000, a series of international standards on environmental management, providing a framework for the development of an environmental management system and the supporting audit program;

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— SA8000, helping organizations to manage ethical working conditions throughout global supply chains, and to monitor and improve their actual performance;


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— OSHAS 18001, helping organizations to control occupational health and safety risks through monitoring and improving health and safety management systems;

3251 — GRI, Guidelines providing a framework of principles and indicators that organizations can use to  
3252 measure and report their economic, environmental, and social performance;

3253 — Forest Stewardship Council standards promoting environmentally responsible, socially beneficial  
3254 and economically viable management of the world's forests;


3255 — *Note to IDTF: Other relevant examples?*

3256 The above list is intended to provide some examples of existing SR standards, and is not to be  
3257 considered an exhaustive list of SR standards endorsed by ISO26000. There are many other  
3258 international, regional or national-based SR standards and initiatives that can be usefully applied by  
3259 organizations in conjunction with ISO26000 as way to enhance the credibility of their  approach.

3260 *Note to IDTF: Check that reference to ALL THE STANDARDS IN THIS SUB-CLAUSE is in*  
3261 *accordance with the criteria developed by the ad hoc task group to refer to international standards and*  
3262 *initiatives.*

### 3263 7.8.5 Communicating about SR performance

3264 Assuring the accuracy, reliability and completeness of communications about social responsibility is  
3265 important for both public reporting and other forms of communications. For public reporting, an  
3266 internal and/or external party should review the reported information and the processes used to collect  
3267 and report it. At the very least, all information covered in the report should be subject to internal  
3268 assurance by the organization's own personnel, preferably those independent of the people who  
3269 prepared the report. To further enhance the credibility of the report, an organization may seek  
3270 assurance by an independent third party or parties such as external stakeholders. A similar process  
3271 may be followed for assuring the accuracy and reliability of other communications. An organization  
3272 should communicate with stakeholders concerning claims about the social responsibility of activities,  
3273 products and services and these claims should be verified through internal review and assurance. For  
3274 enhanced credibility, these claims may be verified through external assurance.

3275 From this interactive communication, the organization can determine how to continue making  
3276 improvements, and is able to enhance its SR approach and overall effectiveness, and its credibility  
3277  ng stakeholders.

## 3278 7.9 Implementing guidance for small and medium organizations

### 3279 7.9.1 Key Considerations

3280 Small and Medium Organizations play a key role in the societies and economies of every country and  
3281 world region. They often practice Social Responsibility as a part of their owners' and managers' vision  
3282 of their role in the community, and often without putting a formal label on their SR activities. SMOs are  
3283 an important sector for ISO 26000, as their decisions taken collectively can have a great impact on  
3284 sustainable development and the welfare of societies.

3285 Clause 7.X is meant to encourage small and medium organizations to be comfortable with ISO 26000,  
3286 and to understand how to implement the practical guidance of the standard with flexibility according to  
3287 their size and context.


### 3288 7.9.2 General guidelines for implementation in small and medium organizations

3289 — According to the typical functioning of small organizations, internal management setup and  
3290 procedures can be flexible and do not need to be formally expressed.

3291 — Organizations are encouraged to prioritize issues according to their nature and size, and  
3292 according to their stakeholders' perceptions. SMOs should consider each of the seven core  
3293 issues (see Clause 7.2, especially Help Box) when planning their Social Responsibility activities,  
3294 but are not under obligation to act on each of those issues

3295 — Collective approach to the implementation is encouraged. Two or more small organizations that  
3296 operate in similar conditions can share resources to implement ISO26000. Even when collective

3297 actions are carried out by groups of organizations, each of them is individually accountable for its  
3298 actions.

3299 — Collective organizations like trade associations, chambers of commerce, umbrella associations  
3300 (for NGOs) are encouraged to develop their own suggestions for implementation, based on their  
3301 own needs and  text.

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