



AN

ISO 26000 PROJECT

**GUIDELINES FOR IMPLEMENTING ISO 26000 – GUIDANCE
ON SOCIAL RESPONSIBILITY OF BUSINESSES.**

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DESCRIPTION OF THE TOOL::

It is very important to develop context on the current position of the organization regarding social and environmental issues. The social responsibility program should embrace all current practices and build upon them. If an organization already has social and environmental programs in place, it is an indication that these are issues and concerns important to the organization. It is also crucial at this stage to identify any relevant legal requirements and industry standards that the organization is subject to. These as well should be incorporated within the social responsibility program.



Take Note

Programs are endeavours undertaken by organizations to achieve specific goals and objectives which may or may not be directly tied with the overall vision, mission, purpose and values of the firm. One point that requires clarification is the difference between programs and projects. We can think of programs as a larger umbrella term that may include several projects, policies and procedures. For example, waste minimization program in a manufacturing firm can result in process improvement projects such as LEAN, Six Sigma, other projects such as employee training and development, technological upgradation etc. Each project is a series of procedures i.e. activities guided by specific policies to direct decision making.

Policies here refer to guidance on behaviour and decision making. Recruitment policies that prohibit gender discrimination or favour recruitment of marginalized sections of the society etc. have important social ramifications.

Procedures refers to processes' organizations pursue that may have environmental and social impact. For example, vendor selection process may give preference to local suppliers.

OBJECTIVES::

- To identify and assess relevant programs i.e. those having environmental and social impact.
- To identify and assess relevant policies/procedures i.e. those having environmental and social impact.
- To identify all legal requirements.
- To identify industry, national and international standards and norms that the company aspires to.

METHODOLOGY::

There are two parts to this tool. The first part concerns identifying any existing social and environmental **programs** and **policies/procedures** in the firm. The second concerns identifying relevant legal requirements and industry standards.





For the first part (Part A) four questions need to be answered. An affirmative response to any of these questions will require completing one or more of the templates – whichever is/are relevant.

The second part (Part B) largely involves research and identifying relevant laws and industry standards that apply to the business. Social responsibility requires adherence to all applicable laws as well as compliance with industry standards. Industry standards may not be statutory requirements (required by law) however, such standards are assimilation of best practices and hence should be taken into consideration.

Steps

Step 1: Answer the following four questions. An affirmative response to any of these questions will require completing one or more of the following templates – whichever is/are relevant.

Q1)	Does the current vision or the mission statement mention anything specifically concerning social dimension and environmental dimension?	If yes, complete the Vision and Mission assessment template
Q2)	Does the organization champion any social and environmental values and principles?	
Q3)	Does the organization have any specific social or environmental programs?	If yes, complete the Program assessment template
Q4)	Does the organization have any specific social or environmental policies/procedures?	If yes, complete the Policies/Procedures assessment template

VISION AND MISSION ASSESSMENT TEMPLATE

	Description	Source	Supporting Programs, If any	Supporting Policies, If any
Vision Statement	<i>Copy the relevant portion of the firm's vision/mission statement</i>		<i>List supporting programs</i>	<i>List supporting policies</i>
Mission Statement				
Organizational Values	<i>List the relevant values.</i>			
Organizational Principles	<i>List the relevant principles.</i>			





Step 2: Refer to step 1. If any supporting programs has been listed, list them in the programs details template below. Also list any relevant programs i.e. related with social responsibility regardless of whether it supports the firm's vision or mission statements.

PROGRAM DETAILS TEMPLATE

P_ID	Name	Area	Objectives *	Duration	Status *

* List the program objectives. If program objectives are unavailable i.e. none has been framed, write NA

• There are two values for status. 1) The program is autonomous and functions independently in which case it will take the value AUT 2) The program is an undertaking of a department/s in which case it will take DEPT. NAME

Step 3: Assess individual programs using the program assessment template provided below and compute individual program scores.

PROGRAM/S ASSESSMENT TEMPLATE

P_ID	Name	Staffing	Resource Availability	Strategy	Process Structure	Output Documentation	Outcome Achievement	Accountability	Final Score

The following section elaborates on each of the columns listed in the programs assessment template:

P_ID: Refers to serial number used to uniquely identify each program i.e. P_01

Name: Used to identify program by its name i.e. *Employee Star Program (volunteer program)*.

Staffing: Concerns staffing of human resources related to the program. Five criteria are used to evaluate staffing.

i) Number of Staff

Rating Scale	Description
1	Inadequate to none. Does not meet the minimum requirement.





2	Adequate. Barely meets the minimum requirement.
3	Well staffed..

ii) Skill level of Staff

Rating Scale	Description
1	Inadequate. Huge skill gaps.
2	Adequate. Meets the basic skill requirements.
3	Highly skilled and seasoned experts in the field.

iii) Quality and frequency of training

Rating Scale	Description
1	Very low quality; Training frequency low to none.
2	Quality and Frequency - average.
3	Quality and Frequency - High.

iv) Management structure

Rating Scale	Description
1	No management structure to oversee and supervise the program.
2	Basic management structure
3	Well defined management structure with clear roles and responsibilities for the staff.

v) Salary structure

Rating Scale	Description
1	No incentive pay provided for the program.
2	Some incentive pay provided. No independent program salary structure.
3	Independent program based salary structure.





A single score is computed for staffing based on the five criteria. Template ??? illustrates how the Staffing score is computed.

P_ID	Name	No. of Staff	Skill Level	Training	Management Structure	Salary Structure	Final Sc
P_01	xyz	1	2	1	1	2	7

Interpretation

Rating	Final Score
1	5 <= Score <7
2	8 <= Score < 12
3	12 <= Score

Resource Availability: Resources refer to all types of resources other than human resource.

Rating Scale	Description
1	Acute shortage of resources.
2	Adequate resource availability. Barely meets the minimum requirements.
3	Excellent resource availability. Sufficient resources for effective operation of the program well into the future.

Strategy: Refers to plan of action aimed at achieving program objectives.

Rating Scale	Description
1	No strategy. Mostly adhoc and verbal planning.
2	Explicated and documented strategy but not well monitored and controlled.
3	Explicated and documented strategy that is well monitored and controlled.

Process Structure: Refers to how well defined and documented the processes are in the program.

Rating Scale	Description
1	Informal process structure that is neither measured, evaluated nor improved.
2	Partially documented processes. However, the processes are neither measured, evaluated nor improved.





3	Well documented process model. Processes are measured, evaluated and improved upon regularly.
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Output Documentation: Refers to outputs from the program usually in the form of reports.

Rating Scale	Description
1	No documented outputs from the program.
2	Outputs are documented but in an ad-hoc manner. Reporting process is not systematic and the report formats are not well developed.
3	Systematic data gathering and reporting process. Reports follow a well define structure that covers all key areas of the program.

Outcome Achievement: Refers to how well the program is designed to measure outcomes as defined by the program objectives.

Rating Scale	Description
1	No reviews, audit or assessment to ascertain achievement of outcomes. Even if carried out, it is performed verbatim.
2	Reviews and assessments carried out periodically. Some documentation and communication of results. No clear set of indicators to assess achievement of outcomes.
3	Systematic reviews, audits and assessments. Clear documentation and communication of results using specific indicators to measure achievement of outcome.

Accountability: Answers one key question – Is there a single individual that can be held accountable for the operation of the program?

Rating Scale	Description
1	No single person is accountable for the program because the management structure is lacking.
2	No single person is accountable for the program despite having a management structure because none have been appointed to the position of responsibility for a long period of time.
3	Clear management structure with a single person in charge of the program i.e. program head, project manager, chairman, president etc.

Step 4: Next, evaluate policies/procedures. Most organizations may not have environmental and social programs but may have several policies and procedures that have environmental and social impact; Procedures refers to processes' organizations pursue that may have





environmental and social impact. Policies and procedures are assessed using policy/procedure assessment template.

Conducting policy/procedure evaluation consists of several sub steps.

Step 4.1: The first step is identifying relevant policies and procedures using the policy/procedure detail template.

POLICY/PROCEDURE DETAIL TEMPLATE

S.No.	Identifier [Policy Name / Procedure Name]	Policy/Procedure Handbook & No.	Area*	Date framed	Department
1	Non discriminatory policy	Organizational Policy Handbook Ver 2.0 Policy no. 128	Human Rights	Dec 1, 1996	Human Resource
2	Supplier selection	NA [procedure]	Environment (Sustainable practices)	Jan 1, 2010	Procurement

* The ISO 26000 identifies seven core areas concerning social responsibility. They are as follows:

- | | |
|------------------------------|--|
| 1) Organizational Governance | 6) Consumer Issues |
| 2) Human Rights | 7) Community Involvement and Development |
| 3) Labour Practices | 8) Others This option is listed in case a policy |
| 4) The environment | does not fit in any of the above categories and |
| 5) Fair Operating Practices | is not part of ISO 26000 defined areas. |

Note: A policy can fit in one or more of the above areas.

In the template above, two examples are illustrated. The first is a policy and the second is a procedure.

Step 4.2: We start by framing clear outcome statements. An outcome statement should be independent of solutions, measurable, controllable i.e. can be prioritized. For every outcome statement a clear set of indicators should be developed to evaluate the achievement of the desired outcomes. The recommended structure for an outcome statement is that it must have direction of improvement, unit of measure, object of control and contextual clarifier.

Direction	Metric	Object of control	Contextual clarifier
Minimize	the time it takes	to get the songs in the desired order	for listening

Table 1: Example of outcome statement and its corresponding components (Ulwick, 2017b).

Also, every outcome should have well defined goals or targets that can be used as a benchmark to evaluate the degree of achievement. All the while it is important to record the outputs realized from the policies/procedures. The policies/procedures constitute activities implemented towards the realization of the outcome.



**POLICY/PROCEDURE OUTCOME ASSESSMENT TEMPLATE**

Action/Activities	Outcome Statement	Indicators	Target	Outcome achievement	Score
Non-discriminatory policy	<u>Increase</u> harmony and employee empowerment amongst employees in the workplace.	Percentage of employees belonging to the minority category that trust leadership and coworkers.	95% should trust the leadership and coworkers.	Only 63% trusts the leadership and coworkers.	1
		Percentage of employees belonging to the minority category engaged in meaningful project work.	60% should be engaged in meaningful project work.	48% engaged in meaningful project work.	3
Vendor selection process	<u>Decrease</u> ecological footprint of raw materials used in the production process.	Percentage of carbon emissions resulting from freight transportation of raw materials.	50 tons of CO ₂ /yr	120 tons of CO ₂ /yr	1



While assessing outcome achievement, it is recommended practice to possibly explore the cause of what factors contributed towards the achievement of the outcome or what factors prevented the achievement of the outcomes. The following are sets of factors to consider in both cases:

If outcome has not been achieved	If outcomes has been achieved.
Was the policy/procedure adequately implemented to realize the outcome?	Could the outcome have been the result of alternative actions i.e. can it be clearly attributed to the policy/procedure under consideration?
Does the policy/procedure require additional policies/procedures to realize the outcome?	Is the before the policy/procedure and after the policy/procedure implementation appropriate to the situation?
Is the before the policy/procedure and after the policy/procedure implementation appropriate to the situation?	
Is the policy/procedure too new to have realized its desired outcomes?	

[Source: UNDP]

One very important aspect that should be stressed is the role of the **stakeholders**. Outcomes must be evaluated in consultation with the stakeholders who may be internal i.e. functional departments, program units, management, employees etc. or they may be external i.e. local community, the immediate biodiversity and ecology etc.

Step 4.3: Next, compute **relevancy score** for the policy/procedure. Too many ad hoc policies handicap the organization and creates a bureaucracy. Likewise procedures that fail to achieve its target outcomes are best removed. Relevancy in both cases are evaluated using the following two criteria:

- 1) Outcome achievement** – refers to how well both policies/procedures achieve their outcomes.

Outcome achievement indicator	Score
No documentation and measurement of outcome achievement.	1
Partial outcome achievement <i>i.e. between 45% to 70% of the target</i>	2
Significant outcome achievement <i>i.e. above 70% of the target</i>	3

- 2) Area of focus** – Does the policy/procedure support any one of the core 7 areas of ISO 26000?

Area of focus	Score
Policy/procedure does not support any of the core areas	1





Policy/procedure supports one or more core areas

2

TEMPLATE 3: POLICY/PROCEDURE SCORE TEMPLATE

PP_ID	Name	Outcome Achievement (OA)		Area of focus (F)		Relevancy Score
		Wt	Score	Wt	Score	

Note: It is strongly recommended that the following wt. distribution be used: **.80** for outcome achievement and **.20** for focus area.

$$\text{Relevancy Score} = (OA_{wt} \times OA_{score}) + (F_{wt} \times F_{score}) \dots \dots \dots \text{eqn 1}$$

Score interpretation

- If the score is **1**, discard the policy/procedure as it serves no purpose.
- If the score is **1.2**, review policy/procedure. The policy/procedure has failed to achieve meaningful outcome but is related to one or more of the core areas of ISO 26000.
- If the score is **1.8** or **2.6**, keep policy/procedure. The policy/procedure is relevant to the organization although it is not directly related with any of the ISO 26000 core areas.
- If the score is **2** or **2.8**, keep policy/procedure. The policy/procedure is highly relevant and complementary to the organizational aims and objectives.

**Take Note**

*The details of both **program assessments** and **policies/procedure assessment** are available in the organizational assessment report. This is an input to that document.*





GRI AND ISO 26000 RECOMMENDATIONS

The following are ISO 26000 guidelines concerning the above practices:

4.6 Respect for the rule of law

The principle is: an organization should accept that respect for the rule of law is mandatory.

An organization should:

- comply with legal requirements in all jurisdictions in which the organization operates, even if those laws and regulations are not adequately enforced;
- ensure that its relationships and activities comply with the intended and applicable legal framework;
- keep itself informed of all legal obligations; and
- periodically review its compliance with applicable laws and regulations.

4.7 Respect for international norms of behaviour

The principle is: an organization should respect international norms of behaviour, while adhering to the principle of respect for the rule of law.

- In situations where the law or its implementation does not provide for adequate environmental or social safeguards, an organization should strive to respect, as a minimum, international norms of behaviour.
- In countries where the law or its implementation conflicts with international norms of behaviour, an organization should strive to respect such norms to the greatest extent possible.
- In situations where the law or its implementation is in conflict with international norms of behaviour and where not following these norms would have significant consequences, an organization should, as feasible and appropriate, review the nature of its relationships and activities within that jurisdiction.
- An organization should consider legitimate opportunities and channels to seek to influence relevant organizations and authorities to remedy any such conflict.
- An organization should avoid being complicit in the activities of another organization that are not consistent with international norms of behaviour.

Source: International Standard. (2010) ISO 26000. Guidance on social responsibility (First Edt.). Reference number. ISO 26000:2010(E)





PART B

LEGAL & STANDARDS ASSESSMENT





OVERVIEW::

Part B of the assessments concerns legal laws, industry, national and international standards. Legal compliance is a must for all businesses and a core principle of social responsibility. Standards constitute best practices and serve as guiding framework for organizations but since a plethora of standards exists – a preliminary assessment is needed to ascertain and prioritize applicable standards.



OBJECTIVES::

- To identify and perform preliminary assessment of all applicable legal laws and regulations
- To identify and perform preliminary assessment of various applicable industry, national and international standards
- To prioritize applicable laws and regulations and standards.

METHODOLOGY::

In performing our assessment, four criteria have been used. They are as follows:

- **Area:** area refers to core area that the law / standard is about. Area can be classified into three broad categories – environment, social, and economics with sub classifications listed in brackets.
- **Cost:** refers to projected financial cost incurred by the firm while complying with the legal regulations and standards.
- **Penalty for non compliance:** refers to penalty for failure to comply with the legal regulations. Generally, standards do not have non compliance penalty as it is entirely voluntary activity.





- **Resulting benefits from adaptation:** refers to benefits resulting from the implementation and adoption of the legal laws and standards.

**Caution**

This is not an assessment of the legal laws or standards per se. This is a preliminary assessment to ascertain which legal laws and standards are applicable to a firm.

TEMPLATE 4: LEGAL LAWS & REGULATION ASSESSMENT TEMPLATE

LEGAL LAWS									
S.No	Name	Source	Description	Assessment Criteria				Total	Priority
				Area [10]	Projected Cost [30]	Penalty for noncompliance [30]	Benefits [30]		
1	Environmental Consent permit		Environmental consent is clearance for the project issued by Central Pollution Control Board.	3 X 10 = 30	3 X 30 = 90	4 X 30 = 120	3 X 10 = 30	270	1

Each Area should have a numeric rating on a scale of 1 to 4. I have refrained from defining the criteria ranking scales since it is highly contextual i.e. depends upon the legal laws and regulations under consideration. In the given example, a score of 3 is given for area because this concerns primarily economics and environment but does not touch upon social dimension. Projected cost has a ranking of 3 because compliance may require installation of heavy machineries, equipment and clean technology. The penalty for non compliance has a score of 10 because the government imposes a penalty of 10% of Profit Before Depreciation, Interest, and Taxes (PBDIT) on the firm. Benefits are given 8 because implementation requires compliance in many areas thus ensuring a safe and clean project. Weights have been issued in brackets but can be changed accordingly.

This same template can be adapted for standard assessment as well.







RESOURCES

<https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm#coherence-block>

