Introduction to ISO 26000 on social responsibility

for small and medium-sized organisations

This introduction to social responsibility through the international ISO 26000 standard (currently being finalised[1]) is intended for **senior managers of small and medium-sized organisations (SMOs). Familiar with sustainable development issues or not and often short of time and resources**, they may initially be put off by the idea of reading a document more than 100 pages long.

ISO 26000, drawn up by the International Standards Organisation (a federation of standardisation bodies from 160 countries of which AFNOR is a member), is a **voluntary** international standard that has emerged from an international consensus. The word "standard" may be misleading, since ISO 26000 is more like a set of **guidelines**; as such it is not a blueprint for a turnkey management system. That is one of the reasons why the standard does not provide a basis for third-party certification by a specialist body.[2] ISO 26000 provides a common terminology, a rationale and suggestions for implementing a social responsibility policy in all kinds of organisations, especially small and medium-sized enterprises **(SMEs), too often missing from the sustainable development agenda. It is not an obligation in disguise**, conjured up to add to the already lengthy list of regulatory requirements that organisations have to comply with.

The architects of ISO 26000, drawn from organisations of all sizes (firms, trade unions, consumer bodies, local authorities, etc.), aim to offer an operational framework and a practical, pragmatic methodological approach for all types of organisation (large firms, small firms, local government bodies, NGOs, etc.).

Their problem has been that of squaring the circle: it is hard to be both general and practical, educational and concise. That is why the document runs to 100 pages.

So it seemed like a good idea to prepare **a short introduction that would be easy to read and summarise the key ideas and advice that the standard proposes for small and medium-sized organisations, especially SMEs**. That is what this document sets out to do.

[1] As things stand at present, and after three years of work on an international scale, some details on a few issues still need to be cleared up. In this introduction, we shall limit our references and advice to core matters that are no longer in dispute.
[2] There are several others that show the dangers its utilisation could pose for the credibility of ISO 26000 and for the organisation itself.

I TWO PRELIMINARY QUESTIONS

1) Why is this introduction intended for SMOs and not just SMEs?

Globalisation makes human organisations increasingly **interdependent and interactive**. Geographical frontiers no longer protect anyone. Risk and opportunity factors for an SMO may show up ten thousand kilometres away or ten, may have been around for ten years or appear overnight. That is certainly the case for organisations that operate in a market environment, but not only for them.

Social responsibility is incurred in the socio-economic sphere, meaning that sustainable development must be taken into account. That is a source of progress, and in some cases survival. It concerns all categories of player, organisations and stakeholders alike, bound up together in the approach because they are interdependent and, as such, have not only rights but also obligations. Social responsibility must also be sufficiently collective, and coordinated in a spirit of cooperation that seeks mutually beneficial relations and combined efforts, gradually replacing traditional ways of managing relations between organisations that too often are willing to settle disagreements through conflict.

SMOs, and not just SMEs, are familiar with these principles, being already accustomed to working together in networks and partnerships. As a result, SMEs will not be the only organisations to incur **social responsibility obligations**. This equitable approach smooths the way for the first exchanges with managers of SMEs.

Commentary
The fact that this text is intended **specifically** for SMOs does not in any way imply a "two-speed" approach to social responsibility or that there are two types of social responsibility, one for SMOs and the other for large organisations. The targets and the means of achieving them follow the same recommendations.

This introduction aims to help SMOs in the following areas:
- understanding the issues, which may be relatively new to them, and where they come from,
- taking the first steps according to the characteristics of the organisation,
- becoming accustomed to thinking about strategy, governance and formal procedures and taking action accordingly,
- identifying the resources and techniques required to provide sufficient monitoring capacity to ensure a sufficient level of economic intelligence.

For the same reasons and in the same spirit, this introduction intends to stress that **one of the aims of ISO 26000 is to oblige client large organisations (LOs) to treat SMOs responsibly and attentively**. Client LOs, whether private or public, have a considerable influence on the pace of rollout and effectiveness of the policy in other organisations, suppliers, subcontractors, outsourcers, etc. Oppressive or inequitable behaviour by LOs undermines their capacity to achieve sustainable development objectives, an attitude that ends up by being self-defeating. For example, it is irresponsible to systematically favour the lowest bidder. ISO 26000 raises this type of question and invites all the players in a value chain to coordinate their efforts in a spirit of solidarity to ensure sustainable development for all. A dominant organisation that does not behave in such a way with its service providers can hardly claim to be socially responsible for the impacts of its activities when service providers routinely contribute over 50% of the added value of the finished product. **To achieve its objectives, social responsibility must be proactive, global, collective and responsible**.

Social responsibility is not a new policy in addition to sustainable development. Implementing an SR policy in an organisation means taking actions and measures to take account of the requirements of sustainable development. **It is also the logical extension of existing measures**: Quality, Safety and Environment (QSE) policies are both forerunners and components of a social responsibility policy.

But although a social responsibility policy can begin with continuous improvement, it will soon require actions that break with the past, calling into question our existing corporate cultures, behaviours, habits, products and production methods.

Because it increasingly generates interdependence, globalisation is leading human organisations and humanity in general towards a very high level of solidarity and cooperation.

2) *Why should an SMO introduce an SR policy?*

- ✓ ***Because SMOs have long been key players in socio-economic life***

As the 21st century gets under way the world is realising with consternation that **economic success does not necessarily lead to greater welfare and social progress**. The role of the firm had already come under the spotlight in the 1990s under the term "social responsibility" (SR) or "corporate social responsibility" (CSR).

In fact, social responsibility is a long-standing concern. Given new prominence by the challenges facing contemporary society, it is spreading to all types of organisation.

In many societies, whether in Confucianist or Buddhist Asia, the Christian West or the Islamic nations, religious and moral principles have provided the framework for ethical principles applied to firms, administration and all other forms of organisation.

With industrialisation, the social issue became increasingly pervasive and urgent. The idea of social responsibility took shape hand in hand with the philanthropic activities of industrial magnates.

The renewed attention paid to the idea in recent times is due in particular to the emergence of urgent contemporary issues like global warming and biodiversity. What sort of a world will we live in tomorrow? The question of the choice of our development model and its sustainability is posed in acute form.

Social responsibility aims to reconcile ethics and business, still too often perceived as being intrinsically opposed to each other.

Even though it has a specific name, **social responsibility is a relatively simple idea** rooted in common sense. First and foremost, **being socially responsible** simply means **doing what is right** for the survival of the planet and the wellbeing of the life it supports, by assuming the consequences of our actions and behaving in a sustainable way. Every organisation is a player **in the society with which it**

interacts, and hence also on which it depends. That is how organisations must think of themselves, even if only to anticipate the possible risks and opportunities associated with that role.

A responsible organisation is **therefore** one which:

- **voluntarily incorporates social and environmental concerns into the economic management of its activities,**
- **assumes the impact of those activities and accounts for them periodically to its stakeholders.**

Being socially responsible means **directing an organisation in such a way as to increase its positive contribution to the society of which it is a part while reducing any negative impacts.**

It is also a way for an organisation to protect itself against judicial, reputation and image risks and to address the ethical demands of consumers as conveyed by the non-profit sector.

Social responsibility can bring economic progress to the organisation, insofar as it underlies **"overall" performance**,[3] i.e. **economic, social and environmental** performance. As managers are also responsible for the organisation's development (which may be economic growth or the achievement of non-market objectives like a social mission), improved performance is their primary aim. That in turn is increasingly determined by social, environmental and ethical responsibility. To be effective, social responsibility must become an integral part of the **organisation's very strategy**, implemented from day to day in everything it does.

The head of the organisation's personal conviction is an essential prerequisite if that is to happen. Only the head of the organisation is in a position to frame and carry out the decisions and actions, very often of a strategic and cultural nature, that the objective of sustainable development requires.

However, we must be clear about the **limits of social responsibility**: it does not under any circumstances seek to replace the general interest obligations incumbent on government. It expresses a **managerial desire**, in the organisation's medium- and long-term interest, to go beyond the legal and regulatory obligations incumbent on it.

Thus, it expresses a desire to get to grips with "**extra-legal**" obligations, **for a transitional period**, before regulations are introduced and for as long as they are not established at a sufficient level to achieve the sustainable development objective, with the concern to meet "market" expectations successfully and without abnormal risk.

Social responsibility does not explicitly identify **what the organisation <u>must</u> do** but helps it to identify **what it <u>can</u> do to increase not only its added value but also its benefits for society and hence its image.**

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[3] An expression and method developed, inter alia, by the Centre des Jeunes Dirigeants, www.cjd.fr + quote www.pme.gouv.fr Key Figures 2008

- ***To obtain advantages for the organisation***

Social responsibility contributes to an organisation's success, especially in the medium and long term. The advantages of a social responsibility policy are specific to each organisation according to the social context in which it operates, its sector, its size, etc. The motives described below do not therefore apply equally to all SMOs.

Main internal advantages

- **Being the first to come up with responses** to new expectations, **to niches,** and **bringing them to market.**
- Attracting **new talents** in the workforce.
- **Retaining staff**, avoiding costly staff turnover.
- Increasing staff **motivation** and the spirit of enterprise.
- Improving the skills of staff and service providers and **exchanges of skills** between staff.
- **Reducing production costs** through improved productivity and better use of resources and energies.
- Complying more fully with legal obligations and hence **reducing legal risks** (accidental pollution, disputes with stakeholders, consumer organisations, NGOs and local authorities, etc.).
- Encouraging **innovation** and making anticipation central to strategy.
- Favouring **more enlightened decision-taking** through extensive dialogue and consultation.
- Improving the organisation's capacity to anticipate and **withstand crisis** and adversity.

Main external advantages

- Creating a climate of **trust** with "clients" on the market or in the environment.
- **Anticipating** new demands and trends on the market and in the environment.
- Winning and **keeping clients** and business partners.
- Giving the organisation greater **local legitimacy** to work in the local community by helping to develop the places where it operates.
- Improving its **integration into the competitive process** by complying with social and environmental requirements included in public and private calls for tender.
- Reducing **reputation and image risks.**
- Stabilising and improving **relations with stakeholders**, clients, local discussion partners, subcontractors and suppliers and limiting potential conflicts, to the point of making such players fully-fledged partners in the design of products or services.
- Complying more fully with **legal obligations** and reducing external legal risks.
- Anticipating **changes to the law.**
- Responding early to the expectations of banks, insurers and investors, who are increasingly demanding in their socially responsible investment.
- Improving **risk management.**

Broadly speaking, social responsibility helps to **minimise risks while maximising opportunities.**

- ***To take a progress-based approach***

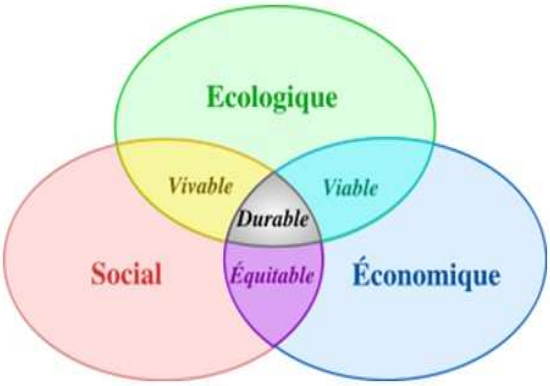
Exercising social responsibility is a **gradual and long-term process, guided by management** in close cooperation with the entire workforce. Setting social responsibility as an objective means defining a **long-term** policy that will involve correcting short-term visions and concerns that can no longer ensure the organisation's sustainability. It means that management has to gradually stretch the time horizon and geographical range of its strategic vision in order to frame longer-term strategies.

Just as the starting point varies for each organisation, there is no **definable finishing line.** And even if one could be defined, it too would be **specific to each organisation** and valid only for a limited length of time.

For any given organisation, exercising social responsibility therefore consists not in reaching a finishing line but in creating a continuous dynamic that becomes reality step by step. Any organisation involved in SR, even one with a long track record, is a **learning organisation** whose head is convinced that a commitment to sustainable development will bring added value in the medium to longer term.

The ISO 26000 standard aims precisely to bring the tools for **building a progress-based strategy** within the reach of SMOs. It offers **results-oriented decision-taking and problem-solving.** It raises a number of practical issues like energy consumption and diversity policy, and it provides a pragmatic way of identifying opportunities for strategic repositioning.

- ***To contribute to sustainable development and hence to sustainability per se***



By committing to social responsibility, an organisation helps, at its own level, to make sustainable development a reality and put it into practice. Sustainable development is **founded on three pillars: economic, social and environmental. Targeting a new objective and moving at a new pace**, it is a **development model that "meets the needs of present generations without sacrificing the ability of future generations to meet their own needs."**[4]

The aim is to achieve a state of **sustainability** for our global socio-economic system. **Social responsibility is how organisations contribute to sustainable development.**

Environmental – Economic – Social – Liveable – Viable – Equitable - Sustainable

[4] Brundtland Committee's report for the United Nations in 1987.

II Social responsibility according to ISO 26000

- ***Definitions***

Intended for all types of organisation, whatever their size, ISO 26000 provides a number of fundamental definitions.

✓ **Social responsibility**

An organisation expresses social responsibility in the way it assumes the impacts (positive and negative) of its decisions and activities on society and the environment through transparent and ethical behaviour that:

- contributes to sustainable development, including health and the welfare of society,
- takes stakeholder expectations into account,
- complies with the applicable law and is consistent with international norms of behaviour,
- is integrated throughout the organisation and practised in its activities and its relationships with all players on which it is able to exert an influence.

✓ **Stakeholders and their relations with the organisation**

The concept of social responsibility highlights the fact that each organisation, interdependent with others, is often at once producer, consumer, supplier and client, exerts influence and is itself influenced by others. As such, it is therefore a stakeholder of one or more other organisations. **A stakeholder is an individual or group that has:**

- **an interest in any decision or activity of an organisation,**
- **the potential for positively or negatively impacting performance.**

Every organisation forms part of a set of operators, formally or informally linked by interdependent and interactive relations, of a "society" or an "environment", and must be understood as such.

Enterprise – Shareholders/Investors – Employees – Consumers/Customers – Suppliers/ Subcontractors – Public authorities – Local residents/Community – Media – NGOs/Non-profit sector

Taking an interest in social responsibility means seeing the organisation within that environment.

The organisation's activities have an influence not only on stakeholders but also on society in the broader sense, and society may have expectations or requirements (justified or not) about what constitutes responsible behaviour.

The organisation must take stakeholders' interests into account in its decisions. Dialogue with stakeholders is therefore extremely important.

Commentary: It is no longer the case that an organisation can shield itself from the majority of market or social risks, especially legal risks, just by complying with laws and regulations.

Until new regulations have defined at what point "sufficient" account has been taken of the requirements for achieving the global objective of sustainable development, **it is up to the organisation to estimate them** so as not to be under threat, sometimes to the point of survival, from **extra-legal** demands made by stakeholders, generally from outside the organisation. In the current climate managers of organisations have to adopt a new attitude, pay exceptional attention and even assume unaccustomed responsibilities in that area.

The main way for them to achieve this is through in-depth **dialogue with each stakeholder**. They must then steer a course between internal and external demands that may be contradictory or irrelevant.

That is why ISO 26000 underlines the importance of dialogue with stakeholders. Managers, especially of SMOs, must become accustomed to this new exercise and train themselves in it. The key priorities are to estimate:
- the relevance of each stakeholder's expectations in relation to sustainable development objectives,
- the conditions under which the organisation can meet them and the risks of not doing so,
- the potential extent of each stakeholder's influence (positive or negative) on the organisation's performance,

bearing in mind that **threatening the organisation's own survival would be the greater fault from a social responsibility standpoint.**

For the manager, this dialogue phase will be preceded by another, new and complex phase: determining **who stakeholders are** and which ones are significant. They may be easy to identify, being nearby and already familiar, or more remote, not making themselves known until the organisation's "project" has already been presented or even begun.

For each organisation, a stakeholder's status may change from significant to non-significant according to the time and place. No list of an organisation's stakeholders is ever final. Stakeholder identification must be an ongoing process.

In a nutshell, opportunities for exchanges should be engineered so that the organisation can create a climate of sufficient mutual trust for it to take the most enlightened decisions.

✓ The organisation's actions within its sphere of influence

An organisation has the ability to influence the activity of other organisations or stakeholders with which it has a relationship, such as suppliers and customers, members of professional bodies and players operating in the same area. These constitute its **sphere of influence**. It should use that influence to help other organisations become socially responsible and implement social responsibility policies to promote sustainable development.

Commentary: Depending on the context and the time at which it exercises its activities, an SMO may play several roles at the same time. In its activities (even within a given project), an SMO may therefore, at a given time, act as an organisation seeking to be socially responsible or as a stakeholder expressing its expectations to other players.

Thus, it is in each organisation's interest to behave equitably at all times in the expectation that other organisations and stakeholders will do likewise.

✓ International standards of behaviour

The organisation must comply with international standards of behaviour, **i.e. universally recognised international treaties, customary international law and the generally accepted principles of international law like International Labour Organisation conventions and United Nations human rights treaties. ISO 26000 gives a list.**

As far as human rights are concerned, the standard is set out in the International Bill of Human Rights, which includes the 1948 Universal Declaration of Human Rights and the 1966 Covenants. One of these covenants concerns **civil and political rights**, including the right to freedom, equality before the law and freedom of expression and assembly; the other concerns **economic, social and cultural rights**, including the right to work, food, health, education and social security. A responsible organisation operating in countries with weak governance must endeavour not only to **respect human rights but also not to benefit from their violation by others**.

As far as labour law is concerned, the standards are mostly contained in the International Labour Organisation's eight core conventions and include the prohibition of child labour and forced labour, health and safety, equal treatment and non-discrimination, and freedom of association and negotiation in the workplace.

However, ISO 26000 does not give any indication about benchmark international treaties since there is less consensus on the subject and most rules are currently produced at national or regional level (EU directives, for example).

Commentary: In the current uncertain legal environment, compliance with international rules is a safeguard. Why?

- Because they are widely regarded as authoritative, having been adopted either unanimously (in which case they are called "universal") or by a very large majority of states.
- Because NGOs, one of the most proactive stakeholder categories, often use them as a yardstick. Complying with international rules provides protection against judicial mishaps and/or loss of image.

They are also necessary to build a sustainable planet. If it is to be equitable, with no "piggybacking", the emerging new model must be applied internationally and trustworthy regulators must be tasked with ensuring that it is applied fairly. That is the role of the international institutions that act as guardians of the treaties.

✓ Principles of social responsibility

A socially responsible organisation, whatever its size, must apply a number of principles of behaviour set out and explained in ISO 26000 (Chapter 4 contains seven principles, which have been reduced to five here in order to avoid repetition).

1) Accountability

An organisation should be accountable for its positive and negative impacts on society in the broad sense, i.e. human beings and its environment. Before taking action, it should carry out the impact studies that may reasonably be expected of it in its given context. It thus performs what lawyers call "due diligence", meaning the actions inherent in its assumption of social responsibility, without anyone from the outside requiring it to do so. Accountability implies accepting responsibility for any wrongdoing or negative impacts, including indirect impacts, in order to ensure that they are not repeated.

2) Transparency

An organisation should be transparent in its decisions and activities provided that such transparency does not call into question the legal basis of competition with other organisations. As far as possible, an organisation should be transparent about the nature and location of its activities, how its decisions are made, the criteria against which it evaluates its performance relating to social responsibility and the likely or known impacts of its activities on society. Such information should be readily available to the legitimate stakeholders concerned. However, the transparency requirement does not in any way imply the disclosure of proprietary or strategic information that would breach business confidentiality in a market economy or the organisation's ethical code.

3) Ethical behaviour

An organisation should behave ethically, i.e. in compliance with the key rules of business ethics in its area of activity, namely honesty, equity and integrity in the business world. This includes, for example, the refusal of bribery, non-discrimination and unbiased communication.

4) Respect for stakeholder interests

An organisation should be attentive to its stakeholders' expectations and give them due consideration in its decision-making process insofar as its resources and powers allow. This does not mean systematically consenting to demands but being careful to listen and pay attention in order to give an answer, positive or negative. As some stakeholders (future generations or biodiversity, for example) are mute, the organisation must take steps – and publicise them – to consider their interests.

5) Respect for the rule of law

The first stage of social responsibility is respect for the prevailing national law in all places where the organisation operates, even those where the local system of governance is failing. This implies that the organisation should ensure that it is kept regularly informed about legislative developments. Respect for national law, which may be "weak" in some countries, is backed up by compliance with universally recognised international rules of labour law, human rights and the environment, which ISO 26000 describes. In countries with weak systems of governance, these international standards of behaviour offer organisations protection from the risk of being found complicit in their breach and hence exposed to judicial redress. Because they are universal, victims or other stakeholders can invoke them before national courts that award themselves "universal competence".

- ***Main spheres of action***

There are seven areas, described in Chapter 6 of ISO 26000, in which a socially responsible organisation should account for its actions and its compliance with the principles described above. For each one, the organisation should identify the most relevant actions for its activity with regard to its impacts on society and the environment, stakeholder expectations and its constraints and opportunities.

1) Organisational governance

Organisational governance is the statutory system through which the organisation makes and implements decisions about its strategy and behaviour in pursuit of its objectives. Social responsibility sets the organisation the challenge of organising itself so as to address several issues: transversality, coherence, due diligence, stakeholder identification, anticipation of risks, controlled communication, sufficient transparency, etc. It should also encourage the involvement of the entire workforce, given that the personal commitment of managers is an essential precondition for any relevant initiative since they are in the best position to shape the taking and implementation of the strategic and cultural decisions and actions that the sustainable development objective requires.

2) Labour practices

The spirit of social dialogue is central to social responsibility since it shapes the relationship with employees and their representatives, a key stakeholder group. It should be apparent in all types of negotiation, consultation and exchange. The organisation should also take steps to protect and integrate vulnerable groups. In France, these will be mostly women, people with disabilities, immigrants and people requiring particular help into work (people on income support, ex-prisoners, etc.). The organisation should be careful not to exercise any discrimination and to favour diversity.

3) The environment

Environmental issues are highly regulated in many countries nowadays, even if the means for ensuring compliance are often insufficient. Every organisation should have a thorough knowledge of the general and specific laws and regulations that apply to it. As the texts are liable to change quickly, however, organisations are encouraged to act innovatively and in a forward-looking way. In addition, as players in sustainable development, organisations should participate in the invention of a new development model for the global social and economic order, running at a more measured pace that the current model and obeying globally accepted and respected rules that are stricter than the current ones. The abrupt shift in various factors and forms of behaviour in recent decades has rendered our economic development model unsuitable because it is capable of irreversibly damaging or even destroying our planet and the life it supports.

4) **Fair operating practices**

This area is also extensively regulated by law in many countries and by customary business practice. But one topic in particular has been the subject of international treaties coupled with tough penalties: the prohibition of bribery, governed inter alia by the Merida Convention.

5) **Consumer issues**

One of an organisation's primary tasks is to meet the expectations of the stakeholder group consisting of users, customers or consumers depending on the type of activity. More and more countries are introducing legislation to protect consumers and organisations have to monitor developments. Anticipating increasingly demanding expectations, they must also come up with their own proposals to address them.

6) **Community involvement**

It is widely accepted today that in the general interest organisations should maintain relationships with the communities (or human groups) within which they operate, with the aim of turning their local roots to positive advantage. Community involvement enables the organisation to engage in dialogue with the complex stakeholder group made up of the communities on which it is liable to have an impact by increasing the social acceptance of its activities. This results in better mutual understanding that in turn can open up business opportunities. Effective community involvement can thus improve the quality of community life and increase the organisation's capacity to achieve its own economic or social objectives.

III Recommendations for the first steps

As social responsibility is very wide-reaching, a small or medium-sized organisation with limited resources and often relatively informal management structures must tackle it in stages. **Not being able to do everything does not mean doing nothing!**

Initially, the organisation should focus on simple actions suited to its objectives and compatible with its resources and possibilities. The following recommendations are based on the following premises:

1) they are intended for organisations that are conventionally but properly managed (since they continue to exist and operate),
2) such organisations understand that the new actions to be taken do not undermine but complement any management rationalisation actions already undertaken (QSE, etc.).

In this context, ISO 26000 makes a number of recommendations. They are highly **operational and can help an organisation to embark on two of the key processes**:

1) initial steps towards **raising awareness and putting SR into practice**,
2) **stakeholder identification**, an essential process.

Initial steps towards raising awareness and putting SR into practice

Managers can be advised to take action in four areas:

- updating and/or extending the knowledge of their **market** or sphere of action by carefully studying the characteristics of the relevant players and factors and the risks and opportunities involved, having first expanded the time horizon and geographical range of their observation and vision;

- extending their knowledge of the **organisation** and its strengths and weaknesses in the light of the new challenges and issues in order to identify and forestall hindrances and obstacles that could delay or prevent improvements or changes that the SR policy will lead them to decide and implement (preparation for change management);

- drawing up and implementing a **priority action plan to be incorporated into the organisation's annual plan of action**, emphasising that SR-specific priority actions must be budgeted and included in the annual budget otherwise they may never be carried out;

- extending the scope of and tools for **periodic evaluation** (annual, in the context of preparing financial statements) of the results achieved in relation to targets in new areas (social, environmental, ethical, etc.).

From a managerial standpoint, this simply amounts to applying **the classic four-stage process of regularly updating** the objectives of any type of organisation, generally undertaken on an annual basis:

1) reviewing the state of the market or sphere of action and of the organisation in relation to the new circumstances,
2) analysing the risks and opportunities offered by the new circumstances,
3) choosing priorities in view of the new circumstances,
4) measuring or evaluating results with an appropriate instrument because "you can't manage what you don't measure".

Managers do not therefore have to learn a new process in order to embark on their SR policy.

Identifying stakeholders

Several questions can help managers to identify their stakeholders.

- Who are the key players in my business?
- Who are the key players in the place where I operate?
- Who do I have legal obligations to?
- Who can be affected positively or negatively by our activities?
- Who could help us to deal with a specific impact?
- Who has already been consulted about similar issues?
- What players have asked to be involved?

Having **identified its stakeholders and their expectations** and having **reviewed its spheres of action and determined its most relevant actions,** the organisation must define how it intends to **put its actions into practice**.

Methods and tools for helping to carry out this review and to choose implementing actions are available free, on the market or online (a non-exhaustive list is given in Section V below).

Commentary:

- Carrying out the process once only would be a waste of time. An **annual review is the only solution.** No one-off review has ever been a success.

- Although a social responsibility policy can begin with continuous improvement, it will soon require **actions that break with the past**, calling into question our existing corporate cultures, behaviours, habits, products and production methods.

The economic model that has served the human race so well in recent times must be urgently and profoundly changed. If things carry on as at present, our planet and the life it supports will be brought to the edge of the precipice.

Attitudes that are unusual today will have to become common practice, such as:

- voluntary cooperation between buyers and sellers, customers and service providers,
- constructive and sometimes permanent exchanges between suppliers and NGOs, including cooperation in product design and production methods,
- a constant concern to establish mutually beneficial relationships between players and to resolve differences by negotiation rather than conflict.

We will need new organisational forms for our research and production structures like:

- the extended firm and centres of excellence for research, design and production,
- creativity and innovation circles.

Other useful questions to ask when putting SR into practice

- Is SR compatible with the organisation's values?
- What objectives am I trying to achieve by committing to social responsibility?
- Will SR help me to achieve them?
- What are the expected benefits of SR for the organisation? For stakeholders?
- What principles of behaviour and what spheres of action does SR refer to?
- What resources are needed to implement an SR policy (human resources, material resources, time, etc.)? Is it easy to implement?
- What are the potential difficulties?
- What are the relevant tracking indicators?
- What is the scope of SR with regard to the sphere of influence?
- What developments can be expected?

IV Conclusions

Social responsibility as proposed in ISO 26000 and summarised in this guide is not a policy or a methodology restricted to large organisations. It is within the reach of SMOs. Properly understood and applied, it serves their immediate, short- and medium-term interests.

The dynamism and local links typical of SMOs make them great ambassadors for and promoters of social responsibility. Sustainable development will not happen without the support of responsible SMOs.

SMOs, public or private, can and should "do SR", starting now, for several reasons:

- Because as key players in the socio-economic sphere, they are an important constituent of the leading group of those who can help to adapt or change the current model and pace of economic development before they kill off the planet. Small and medium-sized enterprises make up 97% of Europe's economic fabric[5] and in some sectors account for up to 80% of total employment,[6] giving them considerable economic and social influence.

- Because their own survival is at risk if they wait too long before equitably taking account of certain justifiable expectations or demands from their market or their environment.

- Because the new market or environment also offers them opportunities for development and innovation.

- Because social responsibility is a policy for the long haul and it is preferable to start early so as not to have to take action under time pressure.

- Because in all conscience a concern for the living conditions of their own descendants demands it of their senior managers and staff.

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[5] www.pme.gouv.fr Key Figures 2008
[6] European Commission report "Opportunity and Responsibility", DG Enterprise and Industry, http://ec.europa.eu/enterprise/csr/documents/ree_report.pdf

Overview of ISO 26000