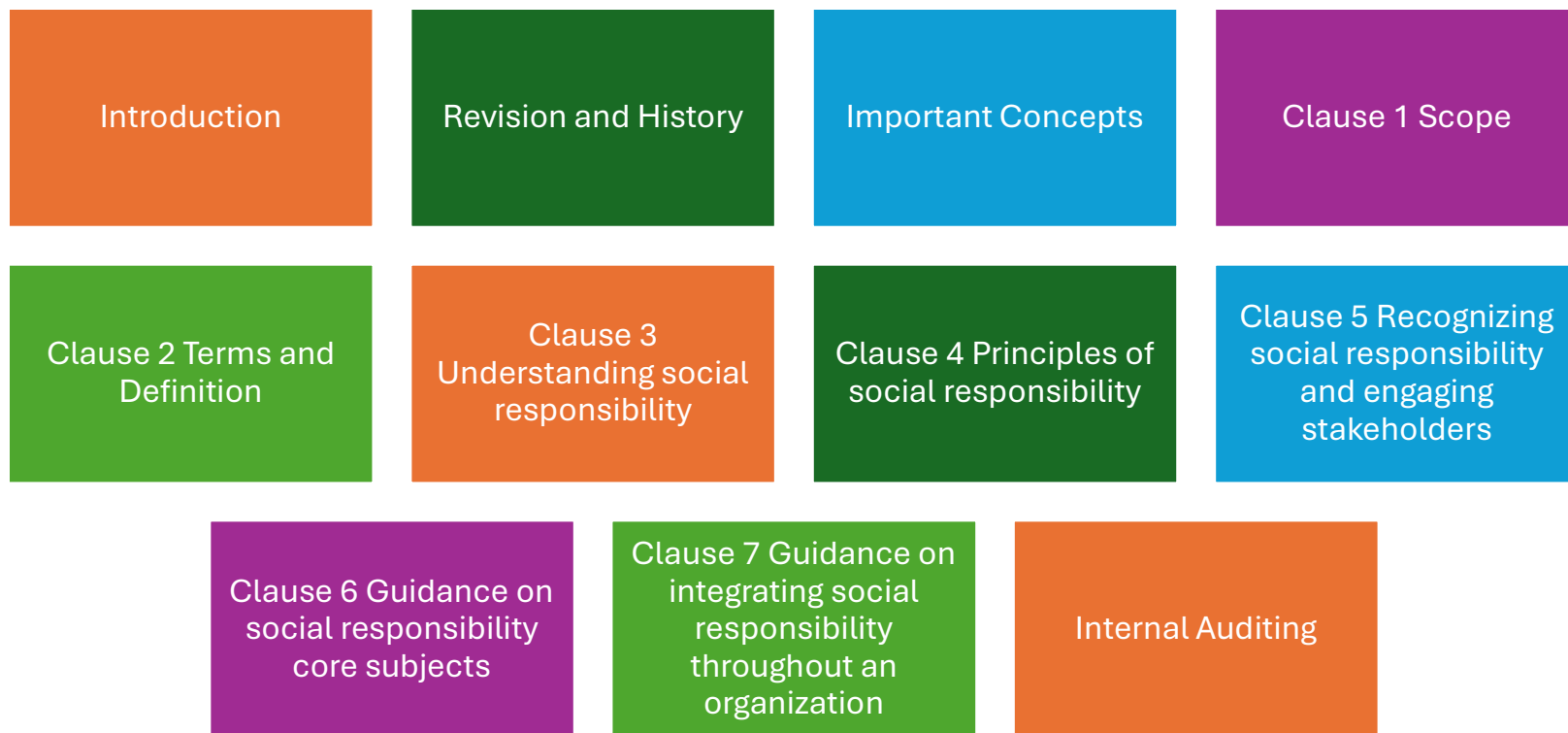# Free ISO 26000:2010 Internal Auditor Training

From Quality Asia Certifications Private Limited

Structure of the Course

Introduction	Revision and History	Important Concepts	Clause 1 Scope
Clause 2 Terms and Definition	Clause 3 Understanding social responsibility	Clause 4 Principles of social responsibility	Clause 5 Recognizing social responsibility and engaging stakeholders
	Clause 6 Guidance on social responsibility core subjects	Clause 7 Guidance on integrating social responsibility throughout an organization	Internal Auditing

Objectives of the course

Review	Review the foundational concepts and purpose of Social Responsibility (SR) in an organizational context.
Understand	Understand the scope and guidelines of ISO 26000:2010, including its core principles and structure.
Learn	Learn how to integrate social responsibility practices into your existing processes and corporate strategy.
Identify	Identify the actions needed to ensure consistent alignment with ISO 26000:2010 guidelines and promote ethical governance.
Learn	Learn auditing principles, techniques, and best practices for social responsibility in line with ISO 19011:2018 guidelines.

Trainer Introduction

- **Mr. Atul Suri**
- BE (Electrical), MBA
- Certified Lead Auditor:
    - ISO 9001, 14001, 45001, 50001, 22000, 27001, 13485, and 26000
- BEE Certified Energy Auditor (CEA)
- Professional Experience:
    - 30+ Years in the industry, with a strong foundation in engineering and management.
    - 20+ Years as a seasoned Management Systems Auditor and Trainer, delivering expertise across multiple sectors.
- Worked with Various Top Notch Certification Bodies as a Lead Auditor and Reviewer like Quality Asia, Intertek, Apave, Moody International, IRQS, etc

About Quality Asia

QUALITY ASIA

Mission: To empower organizations with world-class quality standards and sustainable practices.

Vision: To be the leading provider of quality assurance and certification solutions in India.

NABCB accredited: Quality Asia is accredited by the National Accreditation Board for Certification Bodies (NABCB), which means that their certifications are recognized internationally.

Ethical Certifications: We are committed to providing 100% audit and compliance services, ensuring transparency and integrity in every certification we issue.

Comprehensive Expertise: We specialize in ISO 9001, ISO 13485, ISO 27001, and more, offering a full spectrum of certification services tailored to your organization's needs.

Free ISO Internal Auditor Training: We empower your team with free training, helping you build internal expertise and maintain compliance with international standards.

Global Reach, Local Touch: Serving clients across multiple Indian cities and international locations, we combine global expertise with personalized local service.

Commitment to Excellence: Our mission is to support businesses in achieving and maintaining their certification, unlocking new opportunities and improving operational efficiency.

ABOUT FREE LIVE INTERNAL AUDITOR PROGRAM

- **Monthly Training Programs**
  - We offer a focused training session on a different ISO standard each month, ensuring continuous learning and up-to-date knowledge for your team.

- **Flexible Learning Options**
  - Missed a session? No problem! Our training programs are available for later viewing through the Quality Asia School on our website, allowing you to learn at your own pace. Log on to our Quality Asia website.

- **Our Mission**
  - We are dedicated to increasing awareness about ISO standards and enhancing internal auditor competence. Our goal is to uplift industry operational standards by empowering professionals with the knowledge and skills they need to drive excellence in their organizations.
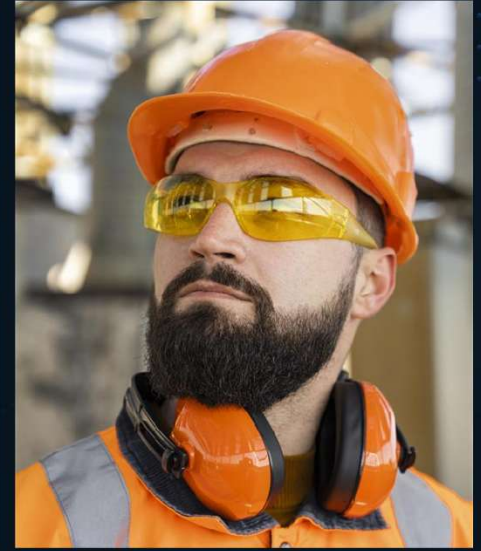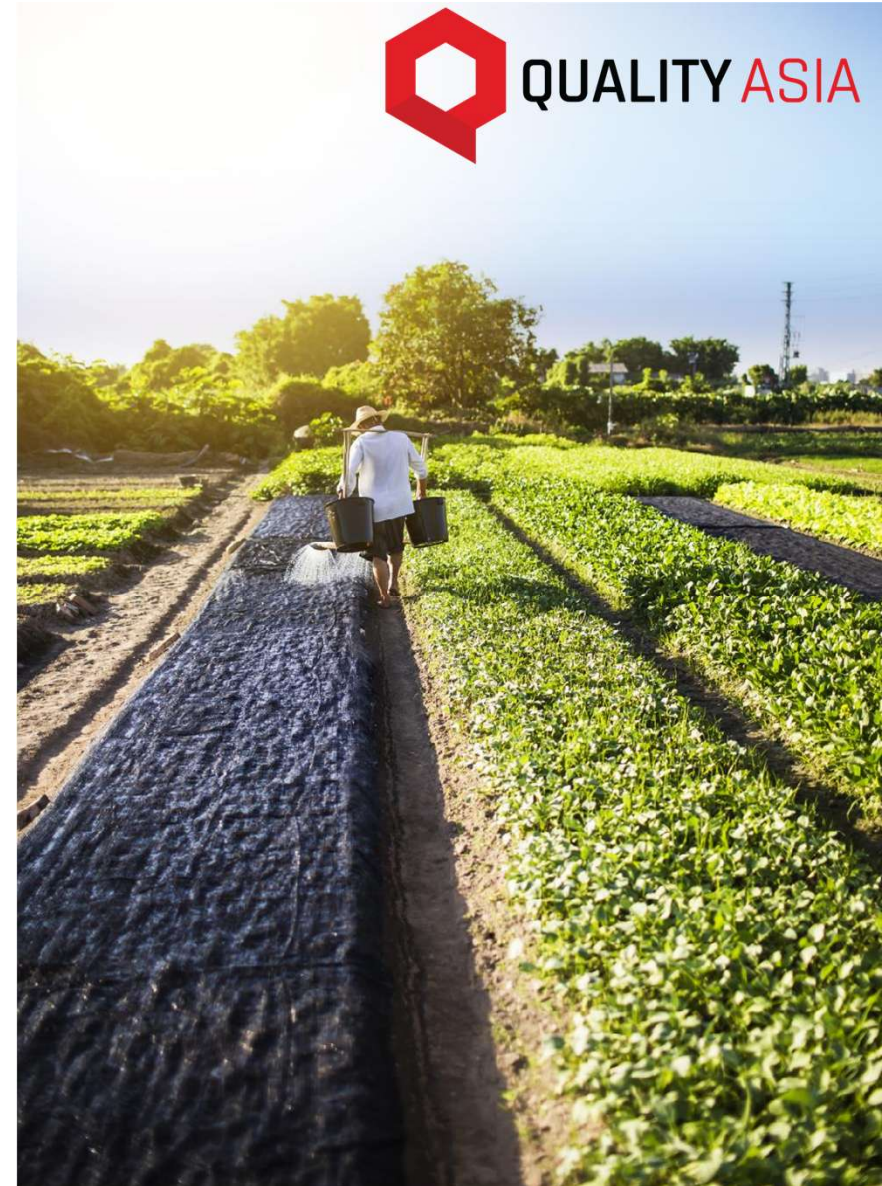
ISO 26000.
SOCIAL
RESPONSIBILITY

- The concept of social responsibility and ISO 26000

SOCIAL RESPONSIBILITY

• The responsibility of an organization for the **impacts** of its decisions and activities **on society and the environment** through **transparent and ethical behavior** that:

- contributes to **sustainable development**;

- considers the expectations of **stakeholders**;

- complies with the applicable **law**;

- is consistent with **international norms of behavior**;

- is **integrated** throughout an organization and **practiced** in its relationships.

SUSTAINABLE DEVELOPMENT

- Development that is able to **meet the needs of the present** without compromising the ability of **future generations to meet their own needs**.

About ISO 26000

- **What is ISO 26000?**
  - An international guidance standard on social responsibility.
  - Helps organizations operate in a socially responsible manner.
  - Published by ISO in 2010.
- **Why is it important?**
  - Encourages ethical business conduct.
  - Helps organizations contribute to sustainable development.
 - Strengthens relationships with stakeholders.

How does ISO 26000 define Social Responsibility?

- Social Responsibility (SR) is the responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that:
  - Contributes to sustainable development, including the health and welfare of society
  - Takes into account the expectations of stakeholders
  - Is in compliance with applicable law and consistent with international norms of behavior, and
  - Is integrated throughout the organization and practised in its relationships.

Importance of Social Responsibility

- Addresses global concerns such as human rights, labor practices, and environmental impact.

- Enhances corporate reputation and stakeholder trust.

- Aligns businesses with ethical and sustainable practices.

- Helps organizations meet regulatory and societal expectations.
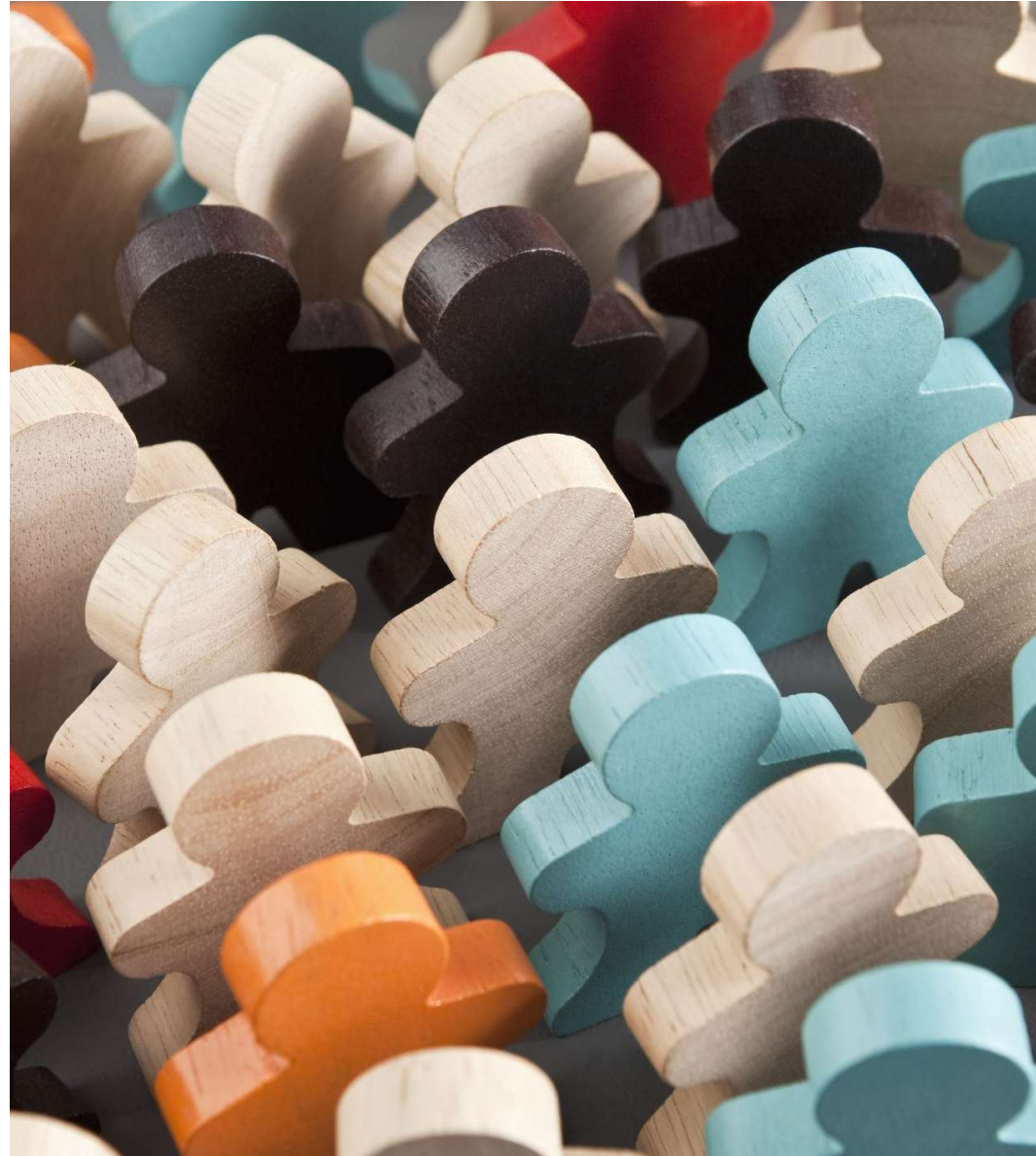
- Increasing social responsibility contributes to a "virtuous cycle" where each action strengthens the organization and the community, encouraging sustainable development

Loyalty of workers and customers

Good community relations

Fair operating practices

Implementing ISO 26000

- Understanding and assessing social responsibility impacts.

- Engaging stakeholders in decision-making.

- Integrating social responsibility into business strategy.

- Monitoring, evaluating, and improving CSR initiatives.

Benefits of Implementing ISO 26000

⭐ Enhanced brand reputation and trust.

⚖️ Improved regulatory compliance.

📈 Increased employee and customer satisfaction.

🌳 Positive social and environmental impact.

Adopting ISO 26000 principles can create long-term value for organizations, employees, and society

Structure of the Standard

Clause 1 Scope

Clause 2 Terms and Definition

Clause 3 Understanding social responsibility

Clause 4 Principles of social responsibility

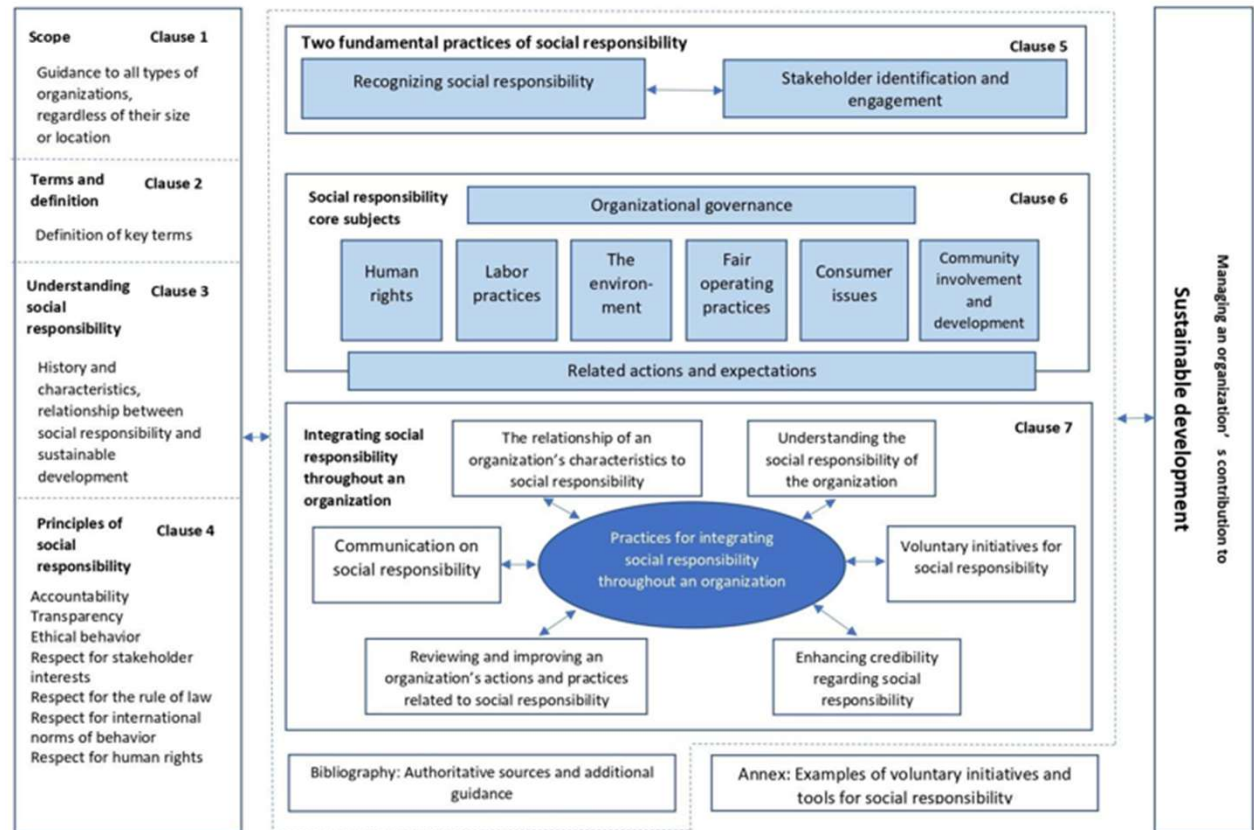Clause 5 Recognizing social responsibility and engaging stakeholders

Clause 6 Guidance on social responsibility core subjects

Clause 7 Guidance on integrating social responsibility throughout an organization

SCHEMATIC OVERVIEW OF ISO 26000:2010

SOCIAL RESPONSIBILITY OF ORGANIZATIONS

- "Social contract"
- *Businesses have obligations towards the society.*

- The elements of social responsibility reflect the expectations of society.

- Today the relationship with society and the impact on environment are factors for judging a company's performance.

- Social responsibility applies *not only to businesses*.

Examples of linkages between International norms and ISO 26000

Which option best encapsulates the primary purpose of the Introduction in ISO 26000:2010?

To specify mandatory certification criteria for organizations.   8%

To provide a historical overview and establish the significance of social responsibility.   83%

To outline detailed technical specifications for operational processes.   4%

To present comprehensive financial performance metrics.   4%

Previous question

Treemap | Bar

< 5 of 5 >

Hide correct answer

Clause 3 Understanding Social Responsibility

S. No.	Clause No.	Clause name
1.	3.1	The Social responsibilities of organization – Historical Background
2.	3.2	Recent Trends in social responsibility
3.	3.3.	Characteristics of Social Responsibilities
4.	3.4	The state and social responsibility

Clause 3.1 Historical Background

- The concept of **social responsibility** gained traction in the **1970s**, though its origins date back to the **19th century**.

- Early focus: **Business sector** (Corporate Social Responsibility - CSR).

- Over time, non-business organizations recognized their role in **sustainable development**.

Evolution of Social Responsibility

- **Philanthropy (Early Approach):** Donations & charity.

- **Labour Practices & Fair Operations (Late 19th - Early 20th Century):** Worker rights, fair wages.

- **Human Rights & Environmental Concerns (Mid-20th Century):** Anti-discrimination, pollution control.

- **Consumer Protection & Anti-Corruption (Modern Era):** Ethical marketing, transparency.

Changing Expectations of Society

- Social responsibility evolves based on **societal concerns**.

- Organizations must **adapt to new expectations** and challenges.

- **Future trends** may include:
    - **AI ethics & data privacy**
    - **Sustainable supply chains**
    - **Corporate governance & accountability**

3.2. Recent Trends in Social Responsibility

Growing Awareness of Social Responsibility

- **Increased Globalization** enables cross-border business and societal interactions.

- **Instant Communication & Digital Transparency** allow stakeholders to monitor organizations closely.

- **Enhanced Mobility & Accessibility** drive comparisons of corporate policies worldwide.

- **Learning & Adaptation** – Organizations can adopt best practices from around the world.

Global Interdependence and Responsibility

- **Worldwide concerns** such as:
    - Climate change 🌍
    - Poverty reduction 💰
    - Health & safety ⚕️
    - Ethical supply chains 🔗

- **Organizations must go beyond local issues** and consider global social responsibility.

- Key international frameworks promoting social responsibility:
    - **Rio Declaration on Environment & Development**
    - **Johannesburg Declaration on Sustainable Development**
    - **Millennium Development Goals (MDGs)**
    - **ILO Declaration on Fundamental Principles & Rights at Work**

Evolving Roles of Organizations

- NGOs & businesses are **stepping in** where governments face challenges.
- **Private sector & NGOs** provide health, education, and welfare services.
- **Changing dynamics:**
  - Expanding government capabilities → Private sector roles evolve.
  - Public-private partnerships (PPPs) foster collaborative social responsibility.

Social Responsibility in Economic & Financial Crises

- **Sustaining social responsibility** during crises is crucial.

- **Impact on vulnerable groups** increases during downturns.

- **Opportunities for improvement:**
  - Better integration of **social, economic, and environmental policies**.
  - Strengthening corporate ethics and transparency.
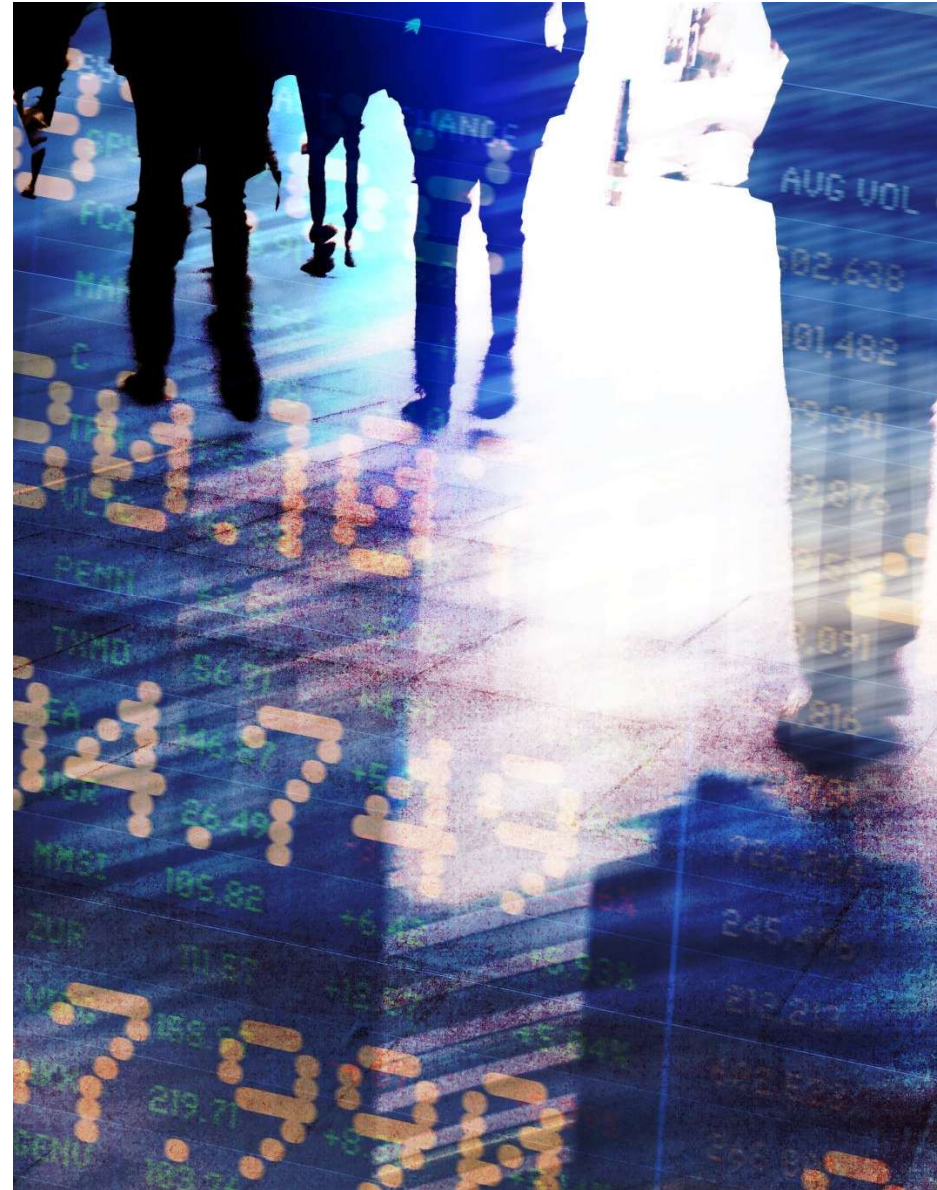
Financial Influence on Social Responsibility

- Stakeholders shaping social responsibility through financial power:
    - **Consumers & Customers** demand ethical sourcing & sustainability.
    - **Donors & Investors** prioritize ESG (Environmental, Social, Governance) factors.
    - **Regulations & Community Right-to-Know Laws** increase corporate accountability.

Growing Importance of Stakeholder Communication

- Organizations must **engage with stakeholders** transparently.

- Rise of **Social Responsibility Reporting**:
  - Sustainability reports 📑
  - ESG disclosures 📊
  - Ethical sourcing certifications ✅

- **Transparency fosters trust** and enhances corporate reputation.

Clause 3.3 Characteristics of social responsibility

- **Definition:** Organizations should integrate social & environmental concerns in decision-making.

- **Key aspects:**
  - Ethical & transparent behavior.
  - Compliance with laws & international norms.
  - Contribution to sustainable development.
  - Integration across all functions & relationships.

- **Stakeholder Impact:**
  - Individuals or groups affected by an organization's decisions.
  - May include employees, customers, suppliers, communities, etc.

Expectations of Society

- **Beyond legal compliance:**
  - Organizations must go beyond just following laws.
  - Ethical responsibilities arise from global societal values.
- **Respect for international norms:**
  - Universal Declaration of Human Rights.
  - Johannesburg Declaration on Sustainable Development.
- **Identifying core social responsibility issues:**
  - Environment 🌍
  - Human rights 🤝
  - Fair labor practices 👷
  - Consumer responsibility 🏪

Role of Stakeholders in Social Responsibility

- **Stakeholder engagement is essential.**

- Organizations should:
  - ✅ Identify stakeholders with an interest in decisions & activities.
  - ✅ Assess their concerns & impacts.
  - ✅ Engage in meaningful communication.

- **Stakeholders ≠ Society:**
  - Organizations must balance stakeholder interests with broader societal expectations.

Integrating Social Responsibility

- **Social responsibility should be embedded in daily operations:**
    - Not just an external CSR initiative.
    - Should be a core part of strategy.
    - Accountability must be assigned at all levels.
- **Key implementation areas:**
    - ✅ Decision-making processes.
    - ✅ Organizational activities & policies.
    - ✅ Value chain collaboration.

Philanthropy vs. Social Responsibility

- **Philanthropy (charitable giving) is beneficial, BUT:**
  - It should not replace true integration of social responsibility.
  - Real impact comes from sustainable business practices.
  - Example: A company donating to an environmental cause should also ensure its own operations are eco-friendly.

Collaboration & Influence in Social Responsibility

- **Organizations must collaborate to create real impact:**
    - Working with peers & competitors (ethically).
    - Engaging with suppliers & value chains.
    - Partnering with NGOs & governmental bodies.
- **Influence matters:**
    - Companies should promote responsible practices across their networks.

Gender Equality and Social Responsibility

- **What is Gender Equality?**
  - Equal rights, responsibilities, and opportunities for all genders.
  - Eliminating discrimination and bias in decision-making.
- **Why Gender Equality Matters?**
  - It is a fundamental human right.
  - Promotes social and economic development.
  - Enhances workplace productivity and innovation.
- **Gender Equality as a Social Responsibility**
  - Organizations play a key role in advocating for equal opportunities.

The Impact of Gender Discrimination

- **Gender roles influence perception and participation.**
  - Society assigns different expectations to men and women.
  - These roles may limit access to opportunities and resources.
- **Consequences of gender bias:**
  - ✅ Limits individuals' potential.
  - ✅ Restricts economic and social development.
  - ✅ Creates disparities in employment and leadership opportunities.

Integrating Gender Equality in Organizations

- Organizations should review decisions and activities to **eliminate gender bias** and **promote equality** in:
    - **Governing structures and leadership roles** – Striving for gender balance in management.
    - **Recruitment and job assignments** – Equal opportunities for hiring and promotions.
    - **Training & career advancement** – No gender-based barriers to skill development.
    - **Equal pay for equal work** – Eliminating wage gaps between genders.
    - **Workplace safety & health** – Addressing specific concerns for men and women.
    - **Product & service development** – Ensuring no gender-based bias in business offerings.
    - **Community impact & advocacy** – Supporting gender-equal development initiatives.

Gender Equality in Stakeholder Engagement

- **Why Stakeholder Engagement Matters:**
  - Ensures inclusivity in decision-making.
  - Identifies challenges faced by different gender groups.
  - Builds trust and credibility for the organization.
- **Ways to Promote Gender Equality in Engagement:**
  - ✅ Encourage participation of all genders in consultations.
  - ✅ Address gender-related concerns in policy decisions.
  - ✅ Partner with organizations advocating for gender rights.

Monitoring and Evaluating Gender Equality

- **Organizations should track progress using:**
  - **Indicators & targets** – Measuring gender diversity in leadership, equal pay, etc.
  - **Best practices** – Learning from successful gender-equality programs.
  - **Regular assessments** – Evaluating policies and workplace conditions.
- **Continuous Improvement Approach:**
  - Identify areas of inequality.
  - Implement corrective measures.
  - Measure results and refine policies.

Small and Medium-sized Organizations (SMOs) & Social Responsibility

- **What are SMOs?**
  - Small and medium-sized businesses, including micro-enterprises.
  - Defined based on employee count & financial size (varies by country).
- **Why Social Responsibility is Important for SMOs?**
  - ✅ More flexible and innovative in implementing CSR strategies.
  - ✅ Stronger connections with local communities.
  - ✅ Leadership has a direct impact on business ethics and sustainability.

Practical Ways SMOs Can Implement Social Responsibility

- 1 **Adopting simple and cost-effective CSR actions** – Social responsibility doesn't have to be expensive.
2 **Focusing on key social & environmental impacts** – Addressing what is most relevant to the business.
3 **Seeking external support** – Engaging with government agencies, industry bodies, and NGOs.
4 **Collaborating with peer organizations** – Joint efforts in sustainability and stakeholder engagement.

Supporting SMOs in Social Responsibility

- **Larger organizations can support SMOs by:**
  - ☑ Providing guidance on CSR best practices.
  - ☑ Assisting in compliance with social responsibility standards.
  - ☑ Encouraging ethical partnerships and sustainability efforts.

- **SMOs can contribute by:**
  - ☑ Aligning business strategies with social responsibility goals.
  - ☑ Engaging in ethical supply chain management.
  - ☑ Creating inclusive and sustainable workplace policies.

Social Responsibility & Sustainable Development

- **Are they the same?**
  ❌ No, but they are closely linked.

- **Sustainable Development:**
  ✅ Meeting present needs without compromising future generations.
  ✅ Balances economic, social, and environmental dimensions.

- **Social Responsibility:**
  ✅ Focuses on an organization's impact on society and the environment.
  ✅ Helps organizations contribute to sustainable development.

Key Concept - Sustainable Development

- **Defined in 1987 (Brundtland Report: Our Common Future)**

- **Three Dimensions of Sustainable Development:**
  1. **Economic** – Growth, innovation, responsible investment.
  2. **Social** – Equity, inclusion, human rights.
  3. **Environmental** – Resource conservation, climate action.

- **Why is this important?**
  ✅ A sustainable future requires an integrated approach to these dimensions.

Why Social Responsibility Supports Sustainable Development

- Organizations' social responsibility efforts help achieve **sustainability** by:
  - ✅ Reducing environmental impact.
  - ✅ Promoting ethical business practices.
  - ✅ Encouraging social well-being (fair wages, safe working conditions).
  - ✅ Enhancing long-term economic resilience.

- 📌 **Key Point:** Organizations must align their activities with broader sustainability goals, not just profit-making.

Social Responsibility in Action

How can organizations contribute to sustainable development?

- **Environmental Responsibility** 🌱
  - ✅ Reducing carbon footprint & waste.
  - ✅ Sustainable resource management.

- **Social Contribution** 🤝
  - ✅ Ethical labor practices.
  - ✅ Diversity, equity, and inclusion (DEI) initiatives.

- **Economic Impact** 💰
  - ✅ Fair trade & responsible investments.
  - ✅ Ethical supply chain management.

The Role of the State in Social Responsibility (Clause 3.4)

- **What is the state's role?**
  - ✅ Ensuring public interest & law enforcement.
  - ✅ Protecting human rights (different from corporate social responsibility).
  - ✅ Supporting socially responsible business practices.

- **How does the government support social responsibility?**
  - 1 Creating policies & regulations.
  - 2 Providing incentives for responsible business practices.
  - 3 Raising awareness & promoting ethical conduct.

State vs. Organizational Responsibility

Aspect	State's Role	Organization's Role
Legal Compliance	Enforces laws & regulations	Operates within legal frameworks
Human Rights	Protects citizens' rights	Ensures ethical practices
Sustainability	Sets national policies	Implements sustainable practices
Economic Growth	Creates economic policies	Drives responsible business

Why This Matters for Businesses & Organizations

Long-term sustainability depends on:
✅ Ethical business practices.
✅ Compliance with social & environmental regulations.
✅ Active contribution to social well-being.

Ignoring social responsibility risks:
❌ Damage to reputation.
❌ Legal consequences.
❌ Loss of consumer trust.

Clause 4 Principles of Social Responsibilities

S. No.	Clause No.	Clause name
1.	4.1	General
2.	4.2	Accountability
3.	4.3	Transparency
4.	4.4	Ethical behavior
5.	4.5	Respect of stakeholder interest
6.	4.6	Respect for the rule of law
7.	4.7	Respect for International norms of behavior
8.	4.8	Respect for human rights

PRINCIPLES OF SOCIAL RESPONSIBILITY

ETHICAL BEHAVIOR

The organization should behave ethically.
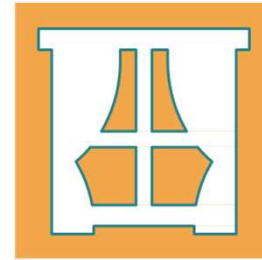
TRANSPARENCY

The organization should be transparent in its decisions and activities that impact on society and the environment.

RESPECT FOR STAKEHOLDER INTERESTS

The organization should respect, consider and respond to the interests of its stakeholders.

ACCOUNTABILITY

The organization should be accountable for its impacts on society, the economy and the environment.

PRINCIPLES OF SOCIAL RESPONSIBILITY
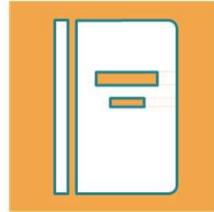
RESPECT FOR INTERNATIONAL NORMS OF BEHAVIOR

The organization should respect international norms of behavior, while adhering to the principle of respect for the rule of law.
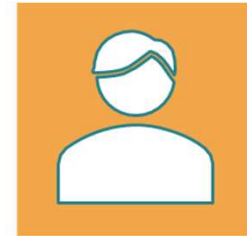
RESPECT FOR HUMAN RIGHTS

The organization should respect human rights and accept their importance and their universality.

RESPECT FOR THE RULE OF LAW

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

4.2. Accountability

- An organization should be accountable for its impacts on society, the economy, and the environment.

- Accept appropriate scrutiny and respond accordingly.

Key Aspects of Accountability:

- Obligation of **management to be answerable** to stakeholders.

- Compliance with **laws and regulations**.

- Answerability to **affected parties** and **society in general**.

- Varies based on **impact and circumstances**.

Importance & Implementation of Accountability

Why Accountability Matters:

- Enhances **trust and credibility**.

- Encourages **better decision-making** and oversight.

- Helps prevent and address **wrongdoings**.

How to Implement Accountability:

- Regularly assess and report on **social, environmental, and economic impacts**.

- Take action to **prevent and correct** negative consequences.

- Align decisions with **stakeholder expectations and regulatory frameworks**.

4.3. Transparency

- An organization should be **transparent** in its **decisions and activities** that impact society and the environment.

- Disclosures should be **clear, accurate, complete, and accessible** to relevant stakeholders.

Key Aspects of Transparency:

- Information should be **timely, factual, and objective**.

- Helps stakeholders assess **organizational impact**.

- Transparency does **not** mean disclosing **proprietary, privileged, or legally restricted information**.

Areas of Transparency

- **Purpose, nature, and location** of activities.
- **Controlling interests** in the organization.
- **Decision-making processes** and accountability structure.
- **Performance evaluation** criteria and standards.
- **Financial transparency** – sources, amounts, and use of funds.
- **Impacts on society, economy, and environment**.
- **Stakeholder engagement** – selection and engagement criteria.

4.4. Ethical Behaviour

- An organization should **behave ethically**, upholding values of **honesty, equity, and integrity**.

- Ethical behaviour involves **concern for people, animals, and the environment**.

- Decisions should consider **stakeholder interests** and **societal impact**.

Key Aspects of Ethical Behaviour:

- Organizations should **identify and communicate core values**.

- Ethical governance structures should be in place.

- Promote adherence to **ethical standards** in all activities.

How to Ensure Ethical Behaviour

- Develop and apply **ethical standards** relevant to the organization.

- Implement **oversight mechanisms** to monitor and enforce ethics.

- Prevent and **resolve conflicts of interest**.

- Encourage **ethical reporting** without fear of retaliation.

- Address **legal and cultural challenges** that may conflict with ethics.

- Ensure ethical treatment of **human subjects in research**.

- Promote **animal welfare** in operations affecting their lives.

4.5. Respect for stakeholder interests

- An organization should **respect, consider, and respond** to the interests of its stakeholders.

- Stakeholders include **owners, employees, customers, suppliers, communities, and regulators**.

- Beyond legal obligations, organizations should **recognize and address stakeholder concerns**.

Key Aspects of Stakeholder Respect:

- Stakeholders may have **rights, claims, or interests** that impact the organization.

- Organizations should balance stakeholder needs with **broader societal expectations**.

- Engagement should be **fair, transparent, and responsive**.

Effective Stakeholder Engagement

- **Identify** key stakeholders and their interests.

- **Recognize and respect** stakeholder concerns and legal rights.

- **Engage and communicate** with stakeholders who significantly impact operations.

- **Consider stakeholder influence** in decision-making processes.

- **Align stakeholder expectations** with sustainable development goals.

- **Incorporate stakeholder views** when making decisions.

QUALITY ASIA
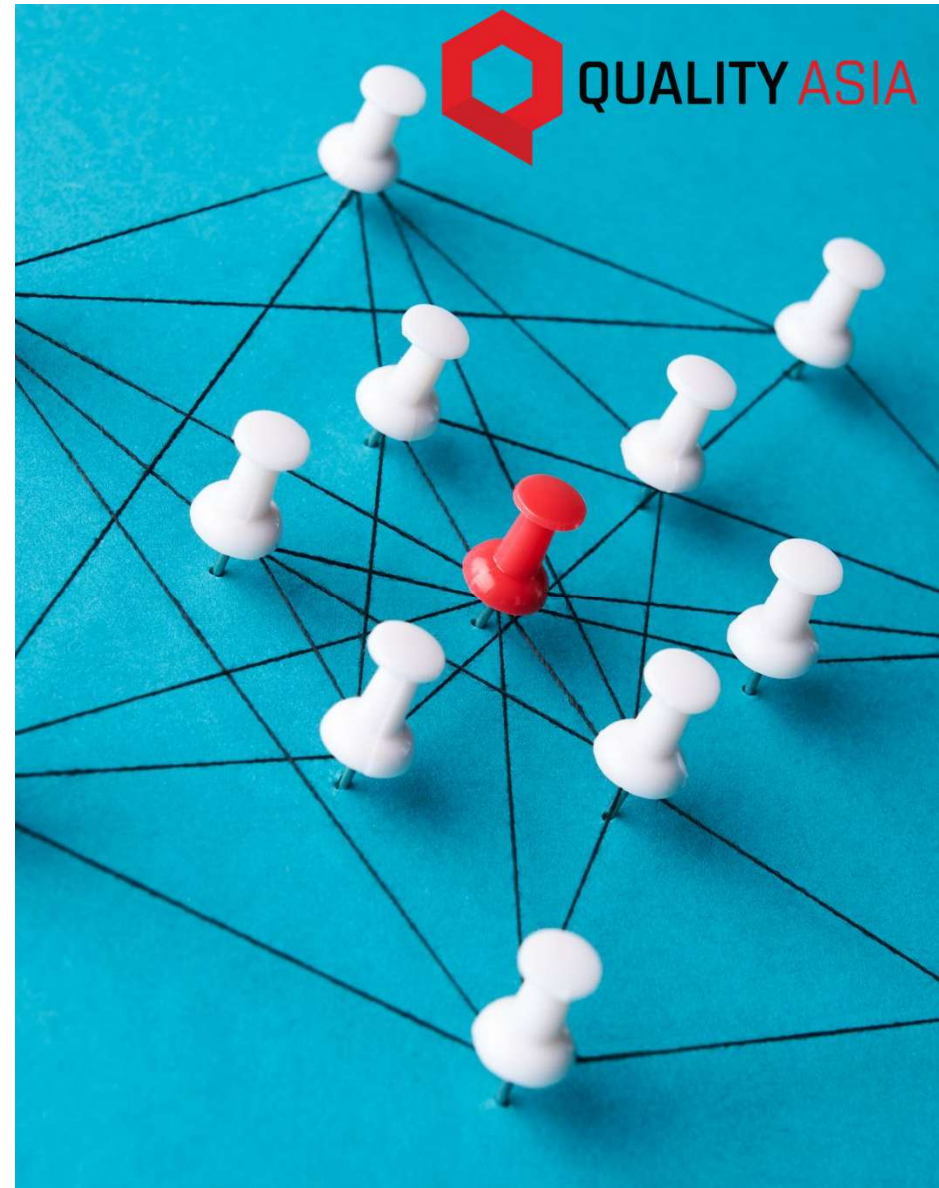
4.6. Respect for the rule of law

- Organizations must **comply with all applicable laws and regulations**.

- The **rule of law ensures fairness, transparency, and accountability**.

- No organization or individual is **above the law**, including governments.

Key Aspects of Legal Compliance:

- Laws and regulations must be **written, publicly disclosed, and fairly enforced**.

- The organization should **proactively ensure compliance**, not just when laws are enforced.

- Compliance prevents **legal risks, penalties, and reputational damage**.

Ensuring Compliance with the Rule of Law

- **Follow all legal requirements** in every jurisdiction of operation.

- **Ensure activities and relationships** align with applicable legal frameworks.

- **Stay informed** of changes in laws and regulations.

- **Train employees and stakeholders** on legal obligations.

- **Regularly review compliance** through audits and assessments.

4.7. Respect for international norms of behaviour

- Organizations must respect **international norms of behaviour** while complying with national laws.

- **Global ethical standards** should guide decisions, even when local laws are weak or conflicting.

- Aligning with **international human rights, environmental, and social standards** ensures responsible operations.

Key Principles:

- **Follow global ethical practices** even if local laws are inadequate.

- **Strive to respect international norms** where legal conflicts exist.

- **Review relationships & activities** if compliance with international norms is at risk.

Implementing International Norms of Behaviour

- **Apply global best practices** where local laws fall short.

- **Influence policymakers & stakeholders** to support ethical improvements.

- **Avoid complicity** in unethical activities of other organizations.

- **Engage with international frameworks** like the **UN Global Compact, ILO Guidelines**.

- **Regularly assess and update policies** to reflect evolving global norms.

4.8. Respect for human rights

- Organizations must **respect and promote human rights** as defined in the **International Bill of Human Rights**.

- **Human rights are universal**—they apply in all **countries, cultures, and situations**.

- Businesses should **avoid contributing to human rights violations** and take proactive steps to uphold them.

Key Responsibilities:

- **Recognize and respect** fundamental human rights.

- **Ensure fair treatment** of all individuals, regardless of nationality, gender, or background.

- **Avoid benefiting** from situations where human rights are not protected.

- **Follow international norms** where local laws fail to safeguard human rights.

Implementing Human Rights in Organizations

- **Adopt policies** aligned with the **UN Guiding Principles on Business & Human Rights**.

- **Conduct due diligence** to identify and prevent human rights violations.

- **Train employees & suppliers** on ethical labor practices.

- **Support initiatives** that promote diversity, inclusion, and worker rights.

- **Report transparently** on human rights efforts and challenges.

The principle of respect for stakeholder interests means that organizations should:

Consider the views and interests of all affected stakeholders

87%

Only engage with stakeholders when legally required

0%

Prioritize business profitability over stakeholder concerns

12%

Engage only with direct customers and suppliers

0%

Hide correct answer

Hide correct answer

# Clause 5 Recognizing social responsibilities and engaging stakeholders

S. No.	Clause No.	Clause name
1.	5.1	General
2.	5.2	Recognizing social responsibilities
3.	5.3	Stakeholder identification and engagement

5.1 General

- This clause addresses two fundamental practices of social responsibility: the recognition by an organization of its social responsibility, and the organization's identification of, and engagement with, its stakeholders. As with the principles described in Clause 4, these practices should be kept in mind when addressing the core subjects of social responsibility described in Clause 6.

- The recognition of social responsibility involves identifying the issues raised by the impacts of an organization's decisions and activities, as well as the way these issues should be addressed so as to contribute to sustainable development.

- The recognition of social responsibility also involves the recognition of an organization's stakeholders. As described in 4.5, a basic principle of social responsibility is that an organization should respect and consider the interests of its stakeholders that will be affected by its decisions and activities.

5.2 Recognizing social responsibility

In addressing its social responsibility an organization should understand three relationships
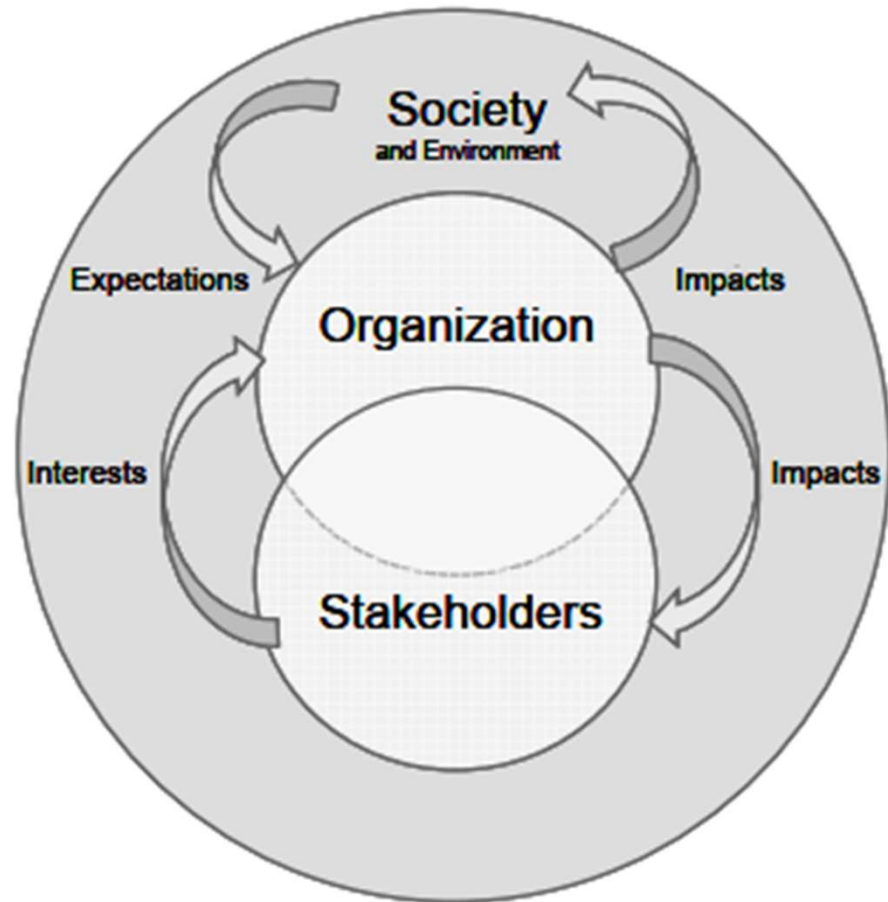
Impacts, interests and expectations

- **Between the organization and society**
  - An organization should understand and recognize how its decisions and activities impact on society and the environment. An organization should also understand society's expectations of responsible behaviour concerning these impacts. This should be done by considering the core subjects and issues of social responsibility (see 5.2.2);

- **Between the organization and its stakeholders**
  - An organization should be aware of its various stakeholders. These are the individuals or groups whose interests could be affected by the decisions and activities of the organization (see 3.3.1); and

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

Identifying Relevant Social Responsibility Issues

- Organizations should review all **core subjects** to determine their relevance.

- Assess **impact significance** based on:
    - **Stakeholder concerns**
    - **Effect on sustainable development**

- Consider **legal, contractual, and ethical commitments** when defining responsibilities.

Social Responsibility

Impact · Charity · Goals · Growth · Partnership · Ethics · Ecology

Integrating Social Responsibility into Decision-Making

- Evaluate how **decisions & activities impact stakeholders**.

- Consider interactions with **other organizations** in the value chain.

- Develop policies aligning with **laws, contracts, and ethical guidelines**.

- Commit to a **continuous review** of responsibilities.

Social Responsibility and an Organization's Sphere of Influence

- An organization is responsible for the **impacts of its decisions and activities**.

- **Formal control:** Direct authority over decisions & activities.

- **De facto control:** Ability to dictate actions of another organization without formal authority.

- Influence extends **within and beyond the value chain**.

Responsibilities vs. Influence

- Organizations are responsible for **negative impacts caused by their own decisions & activities**.
- Influence over other organizations **does not always create responsibility**.
- If a relationship **contributes to harm**, the organization should **exercise its influence**.
- Voluntary influence may be applied **to encourage responsible practices**.

Areas Within the Sphere of Influence

- **Value Chain** (Suppliers, Distributors, Partners)
- **Formal & Informal Associations**
- **Industry Peers & Competitors**
- **Stakeholder Networks**

Managing Sphere of Influence Responsibly

- Conduct **due diligence** to avoid contributing to negative impacts.

- Assess relationships for **potential risks and ethical concerns**.

- Where responsibility exists, take steps to **mitigate harm**.

- Apply **ethical decision-making** even where influence is voluntary.

STAKEHOLDERS

—

- They have interests in the decisions and activities of an organization.
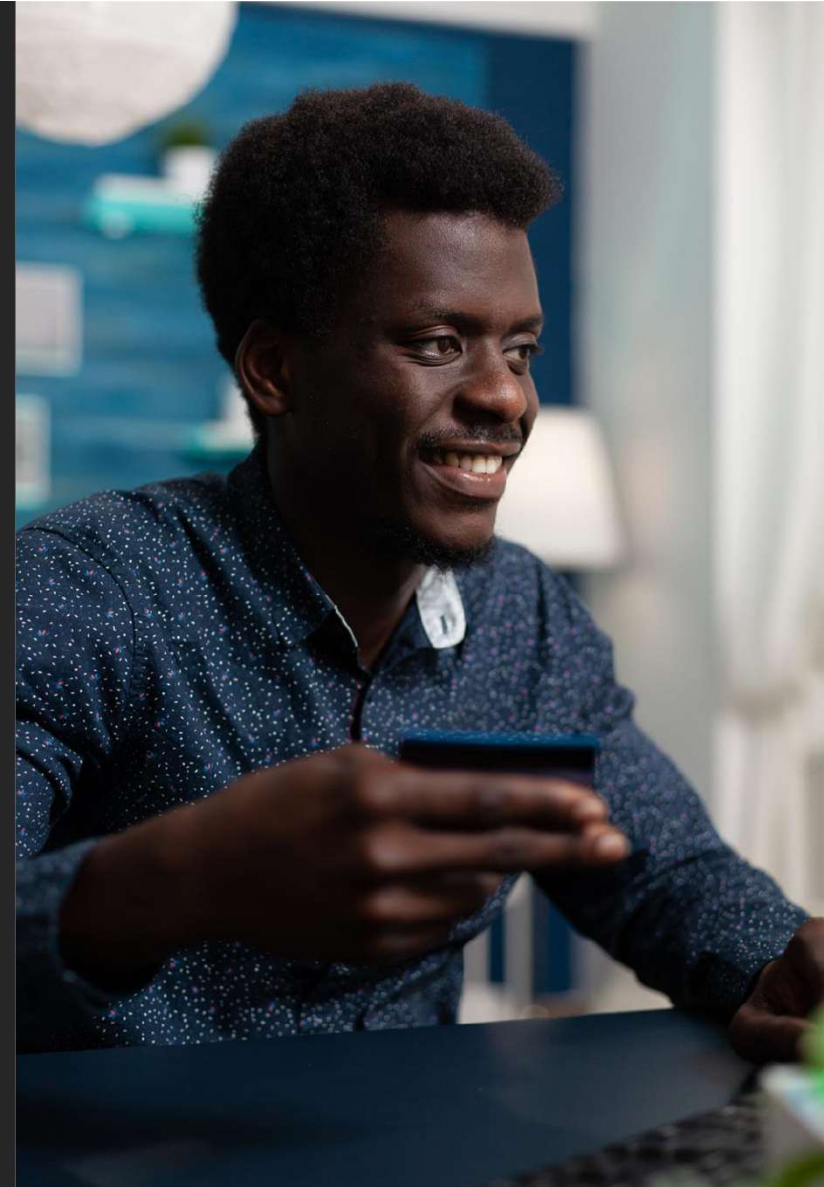
To identify stakeholders an organization should ask itself the following questions:

- To whom does the organization have legal obligations?
- Who might be positively or negatively affected by the organization's decisions or activities?
- Who is likely to express concerns about the decisions and activities of the organization?
- Who has been involved in the past when similar concerns needed to be addressed?
- Who can help the organization address specific impacts?
- Who can affect the organization's ability to meet its responsibilities?
- Who would be disadvantaged if excluded from the engagement?
- Who in the value chain is affected?

STAKEHOLDER ENGAGEMENT

- For a better understanding of the consequences of decisions and actions.
- To determine if the organization's claims about social responsibility are perceived as credible.
- To reconcile existing conflicts.
- To fulfil legal obligations.
- To improve transparency.
- To form partnerships and achieve mutually beneficial objectives.

Understanding CSR in India

QUALITY ASIA

CSR is **mandatory** for certain companies under the **Companies Act, 2013**.

Companies must spend **2% of their average net profits** on CSR activities.

Focus areas include **education, healthcare, environmental sustainability, rural development, and social welfare**.

The Companies Act, 2013

List of activities under Schedule VII

Promotion of education

Eradication of extreme hunger and poverty

Gender equity and women empowerment

Reducing child mortality and improving maternal health

Combating HIV-AIDS, malaria and other diseases

Contribution to Prime Minister's relief fund and other such state and central funds

Environmental sustainability

Social business projects

And such other matters as may be prescribed

Employment enhancing vocational skills

Role of the board and the CSR committee

Net worth > 500 Crore INR
Turnover > 1000 Crore INR
Net profit > 5 Crore INR

Role of the board

— Form a CSR commiittee

— Approve the CSR policy

— Ensure implementation of the activties under CSR

— Ensure 2% spend

— Disclose reasons for not spending the amount (if applicable)

CSR committee

— Three or more directors with at least one independent director

— Formulate and recommend a CSR policy to the board

— Recommend activities and the amount of expenditure to be incurred

— Monitor the CSR policy from time to time

QUALITY ASIA

1. Developing a CSR strategy and policy + Operationalising the institutional mechanism

2. Due diligence of the implementation partner + Project development

3. Project approval + Finalising the arrangenment with the implementing agency

Project implementation

4. Progress monitoring and reporting

5. Impact measurement + Report consolidation and communication

CSR Process

Example 1 – Tata Group

- **Initiative:** Tata Trusts – Rural Development & Healthcare
- **Key Projects:**
    - Tata Strive: Skill development for youth.
    - Water conservation programs in rural India.
    - Cancer care hospitals and community healthcare initiatives.
- **Impact:** Millions benefited through healthcare and education programs.

Example 2 – Reliance Industries

- **Initiative:** Reliance Foundation – Rural Transformation & Education
- **Key Projects:**
    - Bharat India Jodo (BIJ) for rural development.
    - Digital learning initiatives for underprivileged children.
    - Healthcare services through mobile medical units.
- **Impact:** Over 50 million people impacted across India.

Example 3 – Infosys Foundation

- **Initiative:** Supporting Education & Healthcare
- **Key Projects:**
    - Midday meal programs for schoolchildren.
    - Building public libraries and digital learning centers.
    - Rural healthcare facilities and sanitation projects.
- **Impact:** Strengthening India's education and healthcare infrastructure.

Example 4 – ITC Limited

- **Initiative:** Sustainability & Rural Empowerment
- **Key Projects:**
    - E-Choupal: Digital platform to empower farmers.
    - Afforestation programs for environmental conservation.
    - Women empowerment through self-help groups.
- **Impact:** Improved livelihoods for over 4 million farmers.

Example 5 – Mahindra & Mahindra

- **Initiative:** Education & Livelihood Programs
- **Key Projects:**
    - Project Nanhi Kali: Education for underprivileged girls.
    - Mahindra Pride Schools: Vocational training for youth.
    - Sustainable farming initiatives.
- **Impact:** Over 500,000 girls educated, thousands of youth skilled.

How should an organization determine which social responsibility issues are relevant to its activities?

By conducting an assessment of its impacts and stake-holder concerns ✓ ████████████████████████ 82%

By following only the mandatory legal requirements 0%

By considering only financial risks and ignoring social and environmental concerns ████ 10%

By engaging in social responsibility only when required by government policies ██ 7%

Treemap | Bar

< 5 of 5 >

Hide correct answer

Clause 6 Guidance on social responsibilities core subjects

S. No.	Clause No.	Clause name
1.	6.1	General
2.	6.2	Organizational governance
3.	6.3	Human Rights
4.	6.4	Labour practices
5.	6.5	The Environment
6.	6.6	Fair operating practices
7.	6.7	Consumer issues
8.	6.8	Community involvement and development

Guidance on social responsibility core subjects
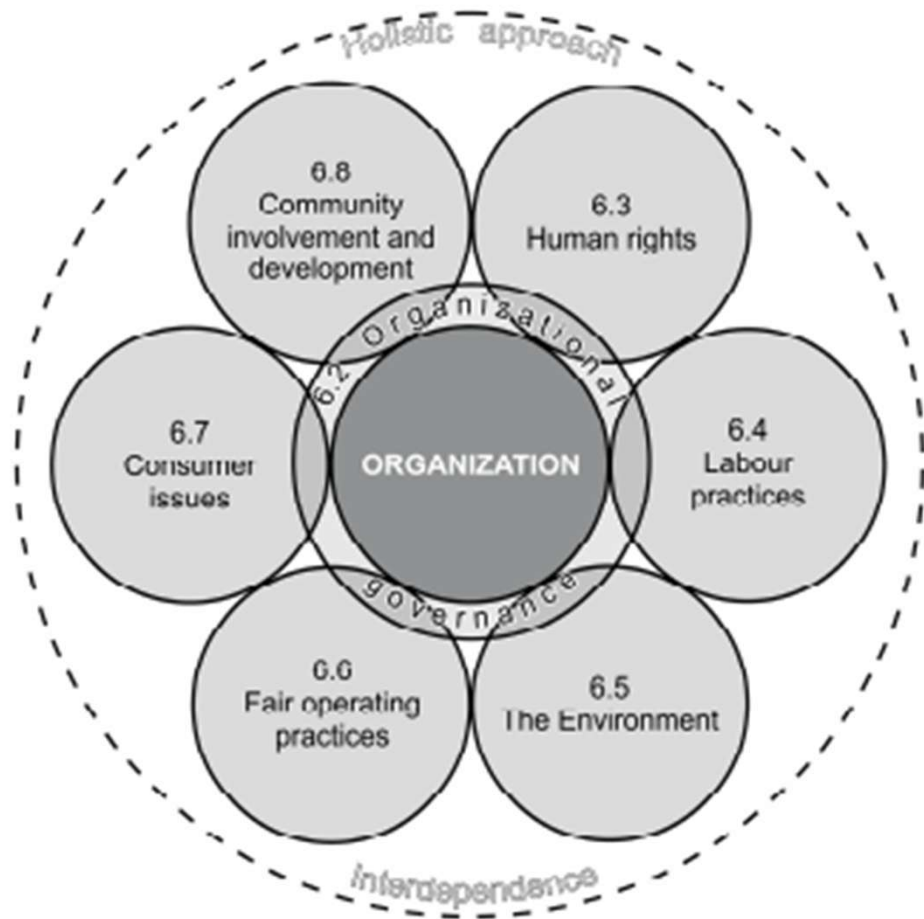
SOCIAL RESPONSIBILITY CORE SUBJECTS

ORGANIZATIONAL GOVERNANCE

HUMAN RIGHTS

LABOUR PRACTICES

THE ENVIRONMENT

FAIR OPERATING PRACTICES

CONSUMER ISSUES

COMMUNITY INVOLVEMENT AND DEVELOPMENT

6.2. Organizational governance

- Organizational governance refers to the way a business is run.

- The principles are: **accountability** (making sure that people who act for the business are held responsible for their actions), **transparency** (openness in explaining how the business operates, makes decisions, handles money, etc.), **ethical conduct** (treating others with honesty and fairness), **consideration of stakeholders' interests** and obeying the laws.

- Following good governance principles will help the business to improve its social, environmental and economic "triple bottom line".

- This benefits the business, all of its stakeholders, the natural environment and the community in which the business operates.

Action suggestions:

- Create and model a company culture where the principles are practiced

- Commit to respecting laws, including the responsibility to pay taxes to the government bodies and communities in which you operate

- Efficiently use financial, natural and human resources, while ensuring fair representation of historically under-represented groups (including women and racial and ethnic groups) in senior positions in the organization

- Balance the needs of the business and its stakeholders, including immediate needs, and those of future generations

- Establish a permanent two-way communication process between the business and its stakeholders

- Encourage greater participation by employees in decision making on social responsibility issues

- Delegate authority proportionately to the responsibilities assumed by each member or employee of the business

- Keep track of decisions to ensure they are followed through, and to determine responsibilities for the results of the business' activities, either positive or negative

6.3. HUMAN RIGHTS

- BASIC RIGHTS THAT **ANY HUMAN** IS ENTITLED TO.

  - Inherent

  - Inalienable

  - Universal

  - Indivisible

  - Interdependent

- Civil and political rights.
- Economic, social and cultural rights.

HUMAN RIGHTS ISSUES (8)

DUE DILIGENCE

HUMAN RIGHTS RISK SITUATIONS

AVOIDANCE OF COMPLICITY

RESOLVING GRIEVANCES

DISCRIMINATION AND VULNERABLE GROUPS

CIVIL AND POLITICAL RIGHTS

ECONOMIC, SOCIAL AND CULTURAL RIGHTS

FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

DUE DILIGENCE

- An organization should **exercise due diligence** to identify, prevent and address the actual and potential human rights impacts resulting from its activities or the activities of those with whom it has relationships.

- **Due diligence process:**

- human rights policy;

- assess activities that may affect human rights;

- track performance and adjust;

- address negative impacts on human rights.

HUMAN RIGHTS RISK SITUATIONS

- **Recognize** those circumstances and environments where the **risk of human rights abuse** is high (e.g., conflict, poverty, culture of corruption, activities using children, illegal work, etc.).

- Detail the due diligence process and make decisions based on the responsibility to respect human rights.

- *Do not use the complexity of the situation as excuse for inaction.*

AVOIDANCE OF COMPLICITY

- 3 forms of complicity:

- Direct

- Beneficial

- Silent

AVOIDANCE OF COMPLICITY

- **Do not provide goods or services** to entities that use them for
- human rights abuses.

- **Be informed** about the conditions in which products and services are obtained.

- **Avoid relationships** with entities that abuse human rights.

- Do **not participate in the displacement** of people from their lands.

- Consider **public statements** to indicate that human rights abuses are not to be condoned.

RESOLVING GRIEVANCES

- Establish a mechanism to **report** human rights abuses
- and **seek remedy**.

- Do not restrict or limit the right to use **legal channels**.

DISCRIMINATION AND VULNERABLE GROUPS

• A socially responsible organization will ensure **equal opportunities and respect** for all individuals.

• Establish a **mechanism for reporting** cases of discrimination and seek redress.

• Ensure **no discrimination against vulnerable groups** (e.g., women, people with disabilities, children, indigenous people, migrants and migrant workers, minorities, etc.) .
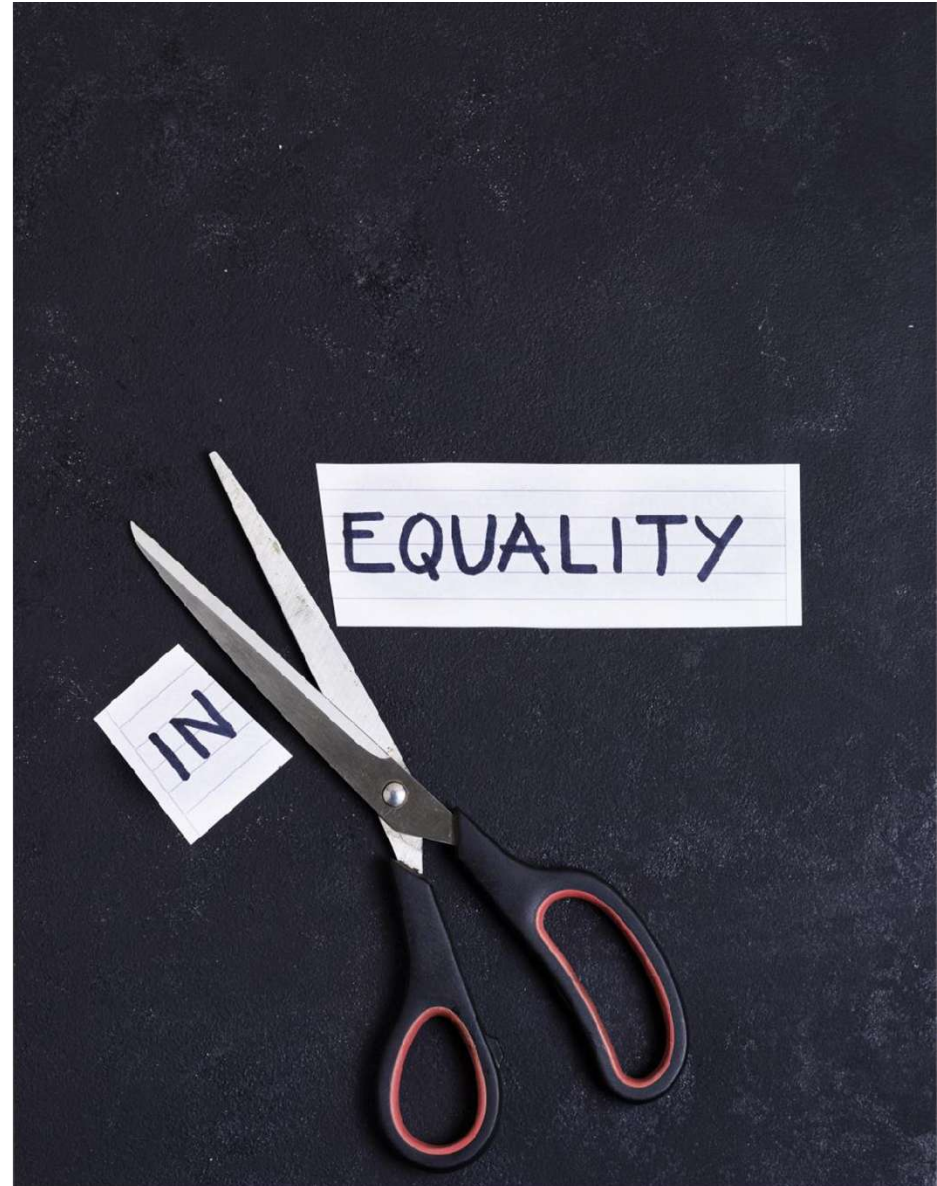
CIVIL AND POLITICAL RIGHTS

- The organization should **respect civil and political rights.**

- Don't suppress opinions and views.

- Don't restrict the right to adopt and practice a religion.

- Disciplinary measures should not include physical punishment, inhuman or degrading punishment.

ECONOMIC, SOCIAL AND CULTURAL RIGHTS

- Avoid activities that infringe, obstruct or impede the enjoyment of economic, social, and cultural rights.
    - Don't deny access to essential resources and products.
    - Provide support and facilitate access to education and to lifelong learning for the members of the local community.
    - Adapt products and services to the purchasing ability of poor people.

FUNDAMENTAL RIGHTS AT WORK

- **Freedom of association** and the effective recognition of the right to **collective bargaining**.

- The **elimination of** all forms of **forced or compulsory work**.

- The **elimination of discrimination** regarding employment and occupation.

- The effective **abolition of child labor**.

Action suggestions for Human Rights

- Find out about, and identify, human rights impacts related to your business activities. (This is known as practicing "due diligence" on the issue.)

- Resolve grievances - Establish fair mechanisms for dealing with human rights grievances if and when they are raised by your employees and other stakeholders

- Help vulnerable groups - Identify the vulnerable groups in your society, and establish mechanisms (hiring practices, etc.) to ensure that your business doesn't discriminate against them or take unfair advantage of them. Vulnerable groups in a particular society can include women, people with disabilities, children, indigenous peoples, and migrant workers and their families. Other characteristics that can make people vulnerable include race, color, age, marital status and family relationships, language, religion, political or other opinion, national, ethnic or social origin, and HIV/AIDS.

Action suggestions for Human Rights

- Work to give all people equal opportunities and equal treatment as your employees, customers, business partners, etc.

- Protect yourself and consider human rights impacts if you operate in "risk situations". Risk situations include:
  - conflict or extreme political instability
  - poverty, drought or natural disasters
  - involvement in extractive activities or other activities that might significantly affect natural resources (water, forests, land, atmosphere) or disrupt communities
  - operating near communities of indigenous peoples, so that you may alter the natural environment and land-use practices that they depend on for survival
  - activities that affect or involve children
  - the widespread expectation that you will need to pay bribes and/or break laws in order to operate (corruption)
  - complex supply chains that involve work performed on an informal basis without legal protection
  - For those who are operating under any or all of these conditions, it is important to consider potential impacts on human rights, and to plan to have a positive, not negative, impact on the vulnerable people.

- For those who are operating under any or all of these conditions, it is important to consider potential impacts on human rights, and to plan to have a positive, not negative, impact on the vulnerable people.

Action suggestions for Human Rights

- Respect civil and political rights - Respect individuals' rights to freedom of opinion and expression, to peaceful assembly and association, to seek and impart information, to due process and a fair hearing before taking disciplinary measures

- Respect economic, social and cultural rights - Respect individuals' rights to health, education, food and culture. Businesses can identify ways they can act to improve vulnerable people's access to these.

- Avoid complicity with human rights violations - Complicity means staying silent and benefiting while knowing that abuses are being carried out by others you are doing business with. Avoid complicity by making your best efforts to find out how people are treated by other businesses in your supply chain / value chain. Take measures to prevent cruel, inhuman or degrading treatment and the use of excessive force by those you do business with, or else stop doing business with them.

Human Rights Issues -
An Example from Kenya:

- *Complicity has been a particular problem for organizations that hire security forces which abuse people. For example, a Kenyan pineapple company plantation farm in 2005 used vicious guard dogs against local poor people who were stealing the pineapples. When some people were badly mauled by the dogs, and it got into the news, the buyers of the pineapples (European chain stores) literally took all that company's cans off their store shelves, and suspended payments and purchases until the Kenyan company worked out a more humane way to secure the plantation*

Labor practices – Definition and Principle

- Labor practices refer to fair treatment of all workers, including those who are sub-contracted rather than being regular employees. Labor practices include
    - hiring and promotion of workers;
    - disciplinary and grievance procedures;
    - transfer and relocation of workers;
    - termination of employment;
    - training and skills development;
    - health, safety and industrial hygiene,
    - and any policy or practice affecting conditions at work.

- Labor practices also include recognition of worker organizations and participation in collective bargaining, including tripartite (business –workers – government) consultation to address social issues related to employment.

- Human labor is not a commodity; because workers are human beings, they need protection, and their treatment should not be governed by the same market forces that apply to commodities.

THE INTERNATIONAL LABOUR ORGANIZATION (ILO)

International Labour Organization

- Founded in 1919, as part of the Treaty of Versailles.
- Today it is a United Nations agency that sets international labor standards to prevent unfair competition based on exploitation or abuse.

EMPLOYMENT AND EMPLOYMENT RELATIONSHIPS

- All work should be done by **legal employees** or persons **legally** recognized as **self-employed**.

- Employment relationships **should not be disguised** as commercial relationships.

- **Mitigate the adverse impacts of changes** to operations on employees.

- **Protect the privacy and personal data** of workers.

- **Do not benefit from abuses or the exploitation of workers** by suppliers and subcontractors.

- Increase the employment, occupational development, promotion and
- advancement of **local workers** (for companies operating internationally).

CONDITIONS OF WORK AND SOCIAL PROTECTION

- Conditions of work in line with **legislation and international labor standards**.

- **Decent work conditions** (i.e., wages, hours of work, weekly rest and holidays, health & safety, maternity protection, etc.).

- Allow workers to observe **traditions and customs**.

- Allow for a **work-life balance** comparable to what other employers offer.

CONDITIONS OF WORK AND SOCIAL PROTECTION

- **Wages** should consider the cost of living and be in accordance with the legislation.

- Wages **paid directly** to workers.

- **Equal pay** for work of equal value.

- Comply with legal obligations on the **social protection** of workers.

- **Weekly rest** and paid **annual leave**.

- Respect **family responsibilities** of workers.

- Compensate **overtime** according to legislation and agreements.
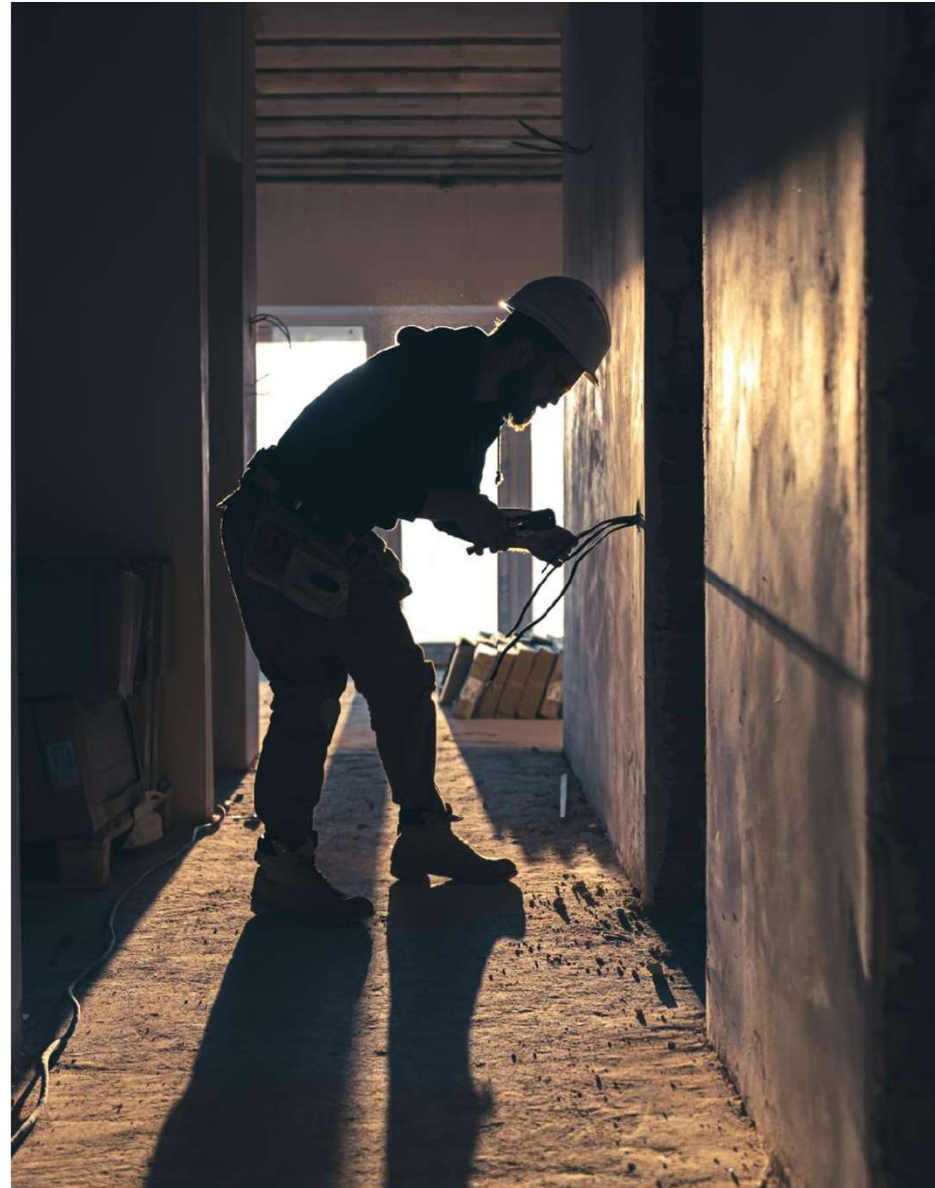
SOCIAL DIALOGUE

- Recognize the importance of social dialogue.

- Respect the rights of workers to join organizations that
- advance their interests.

- Don't discriminate or intimidate workers who join worker
- organizations.

- Inform worker representatives on changes with significant negative impacts.

- Provide access and information to worker representatives.

HEALTH AND SAFETY AT WORK

- Establish an occupational health & safety (OH&S) **policy**.
- Identify health & safety **hazards** and assess **risks**.
- Apply **controls** to address the OH&S risks.
- Worker **awareness**.
- Provide **safety equipment** at no cost.
- Record and investigate **incidents**.
- **OH&S training** to all personnel.
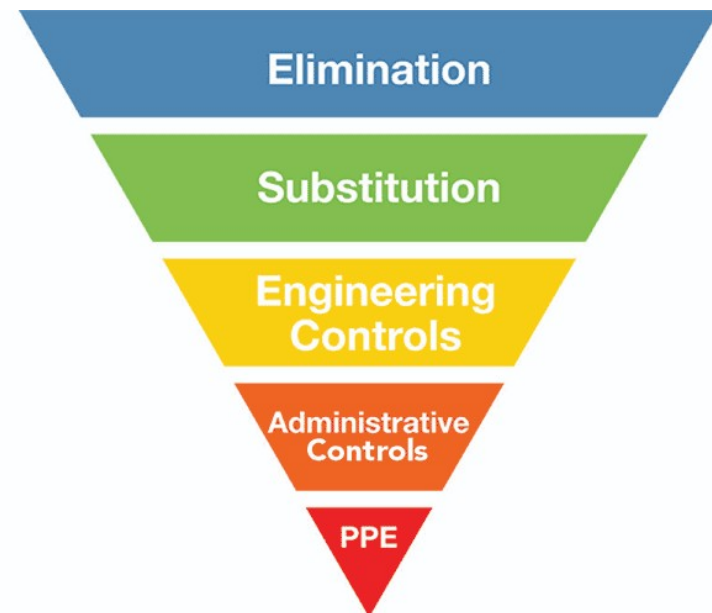
WORKER CONSULTATION AND PARTICIPATION

- **Inform workers** on the OH&S risks and controls.

- **Consult workers** on matters related to their health and safety at work.

- Workers should be made **aware** of their right to **refuse work and remove themselves** from situations that pose a serious or imminent danger to their life or health (or the life and health of others).

- Reporting incidents and risk situations **should not be**
- **punished**.

HUMAN DEVELOPMENT AND TRAINING IN THE WORKPLACE

• Workers should be provided access to training, apprenticeship programs, skills development programs and opportunities for career development.

• Workers who become redundant should be supported.

• Programs to promote health and well-being can be implemented by the organization.

Action Suggestion in Labour Practices

- Recognize that employment relationships involve rights and obligations
  - Fulfill all legal obligations to workers; eliminate discrimination in hiring and dismissals.
  - Avoid contracting with partners, suppliers or sub-contractors who use unfair, exploitative or abusive labor practices.
  - Where operating internationally, give priority to the employment and advancement of nationals of the host country, including sourcing and distributing through local enterprises where practical.
- Provide good conditions of work and social protection
  - Comply with national laws and regulations; provide decent conditions of work in wages, hours of work, weekly rest holidays, health and safety, and maternity protection.
  - Pay wages directly to workers.

Action Suggestion in Labour Practices

QUALITY ASIA

- Support social dialogue
  - Social dialogue involves negotiations, consultations and information exchanges between employers and employees. Depending on the size of the company, this can involve independently elected worker representatives or trade unions; it can also involve government where broader issues are at stake.

- Promote and maintain health and safety at work
  - Understand and control the health and safety risks involved in activities.
  - Have a "safety first" policy; provide safety equipment and training needed for prevention of occupational diseases, accidents, and dealing with emergencies.

- Encourage human development
  - Provide skills development and career training opportunities.
  - Respect the family responsibilities of workers by providing reasonable working hours and policies and facilities (such as child-care facilities and parental leave) that can help workers achieve a work-life balance
  - Establish joint labor-management programs that promote health and well-being.

Environment – Definitions and Principles

- Since our lives depend on the natural environment, people and businesses have the responsibility to act to reduce damage to the environment, and to improve conditions of air, soil, water, and ecosystems.

Businesses should incorporate these four principles when working to improve their environmental impact:

- **Environmental responsibility** – accept responsibility for the environmental burdens caused by your activities, products and services; act to improve your own performance and that within your sphere of influence

- **Precautionary approach** – When there are threats of serious damage to the environment or to human health, you should not wait for total certainty before taking measures to avoid or limit the damage. When carrying out human health and environmental risk assessments, it is better to err on the side of caution rather than doing harm and waiting to see if you will be held accountable.

- **Environmental risk management** – implement programs to assess and reduce environmental risks from activities, products and services, from a life-cycle perspective.

- **Polluter pays** – each business should bear the cost of pollution caused by its activities, products and services; the business should internalize the cost of pollution (pay for cleaning up its discharge itself, for example, not dump it into the public air or water). There are many economic, environmental and reputational benefits of preventing pollution rather than waiting until damage has been done to human health and to the environment.

ENVIRONMENTAL RESPONSIBILITY

PRECAUTIONARY APPROACH

ENVIRONMENTAL RISK MANAGEMENT

POLLUTER PAYS

APPROACHES AND STRATEGIES FOR ENVIRONMENTAL MANAGEMENT

LIFE CYCLE APPROACH

ENVIRONMENTAL IMPACT ASSESSMENT

USE OF ENVIRONMENTALLY SOUND TECHNOLOGIES AND PRACTICES

SUSTAINABLE PROCUREMENT

CLEANER PRODUCTION AND ECO-EFFICIENCY

PREVENTION OF POLLUTION

- Identify and quantify the environmental aspects and impacts associated with activities, products and services.

- Identify sources of pollution and waste.

- Implement measures to prevent pollution and waste. Use environmentally friendly products and services.

- Engage with the local community.

- Disclose information on types and amounts of toxic and hazardous materials used and released.

- Procedures to prevent and respond to environmental accidents.
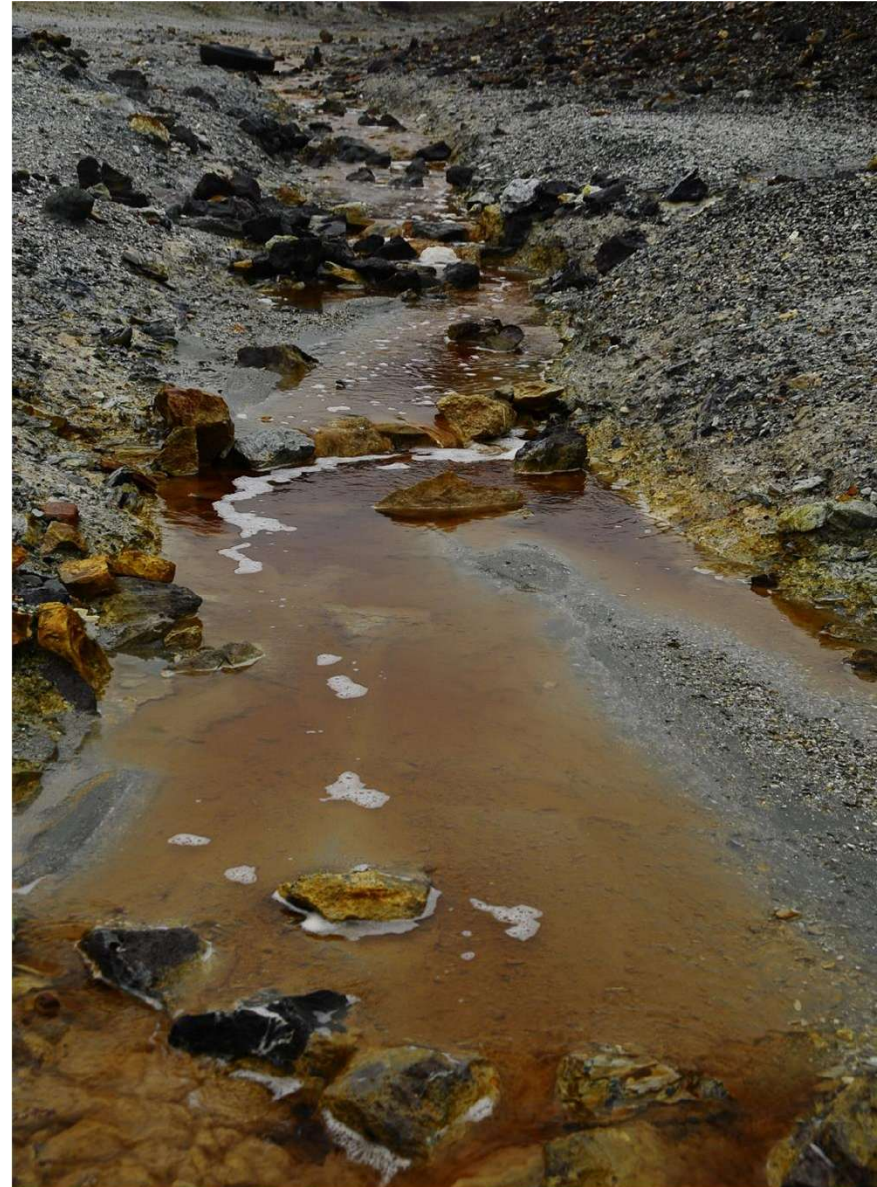
SUSTAINALBE RESOURCE USE

- ENERGY EFFICIENCY
  - Reduce energy consumption and advance the use of energy from renewable sources.

- EFFICIENCY IN THE USE OF MATERIALS
  - Improve the efficiency of raw materials use.

- WATER CONSERVATION, USE AND ACCESS
  - Conserve water, reduce use and recycle water. Stimulate water conservation.

- MINIMIZATION OF RESOURCE REQUIREMENTS FOR A PRODUCT
  - Consider the resource requirements of the finished product in use.

SUSTAINALBE RESOURCE USE

- Identify sources of energy, water and other resources used.

- Measure, record and report on significant uses of energy, water, resources.

- Implement efficiency measures.

- Complement or replace non-renewable resources with renewable resources.

- Use recycled materials and reuse water.

- Promote sustainable procurement and sustainable consumption.

CLIMATE CHANGE MITIGATION

- Identify **sources** of GHG emissions and define boundaries of responsibility.

- Measure, record and report on **significant GHG emissions**.

- **Reduce GHG** emissions (direct and indirect).

- Purchase **energy efficient goods** and develop **energy efficient products**.

- Aim for **carbon neutrality**.

CLIMATE CHANGE ADAPTATION

- Climate projections for decisions and strategy.

- Act to reduce the damage caused by climate change.
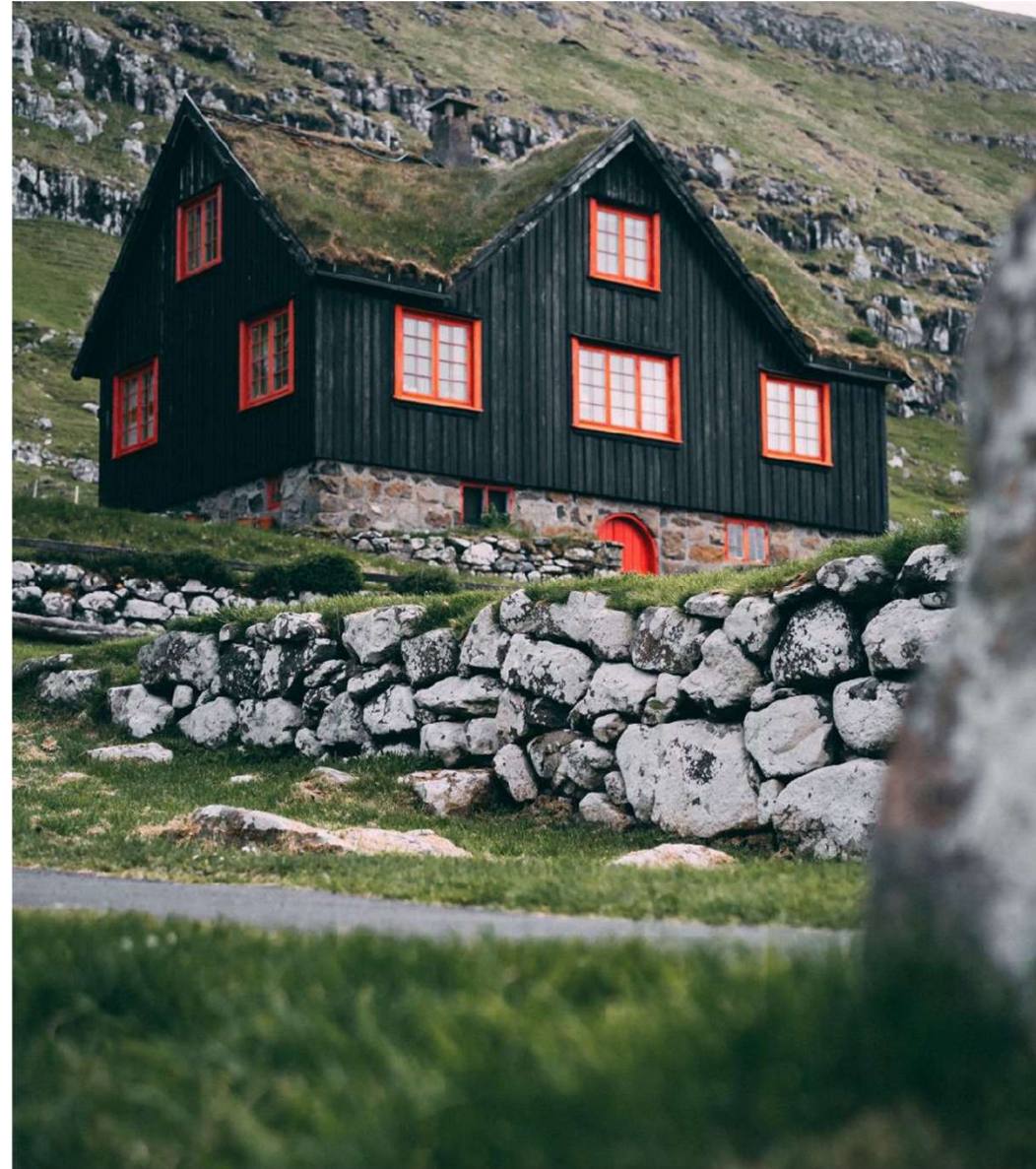
PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

• Identify the adverse impacts on biodiversity associated with the organization's operations, products and services.

• Act to eliminate or minimize the negative impacts.

Avoid → Restore → Compensate

PROTECTION OF THE ENVIRONMENT, BIODIVERSITY AND RESTORATION OF NATURAL HABITATS

- Value and protect wild animals.

- Adopt sustainable agricultural, fishing and forestry practices.

- Consider buying products from suppliers who use
- sustainable technologies.
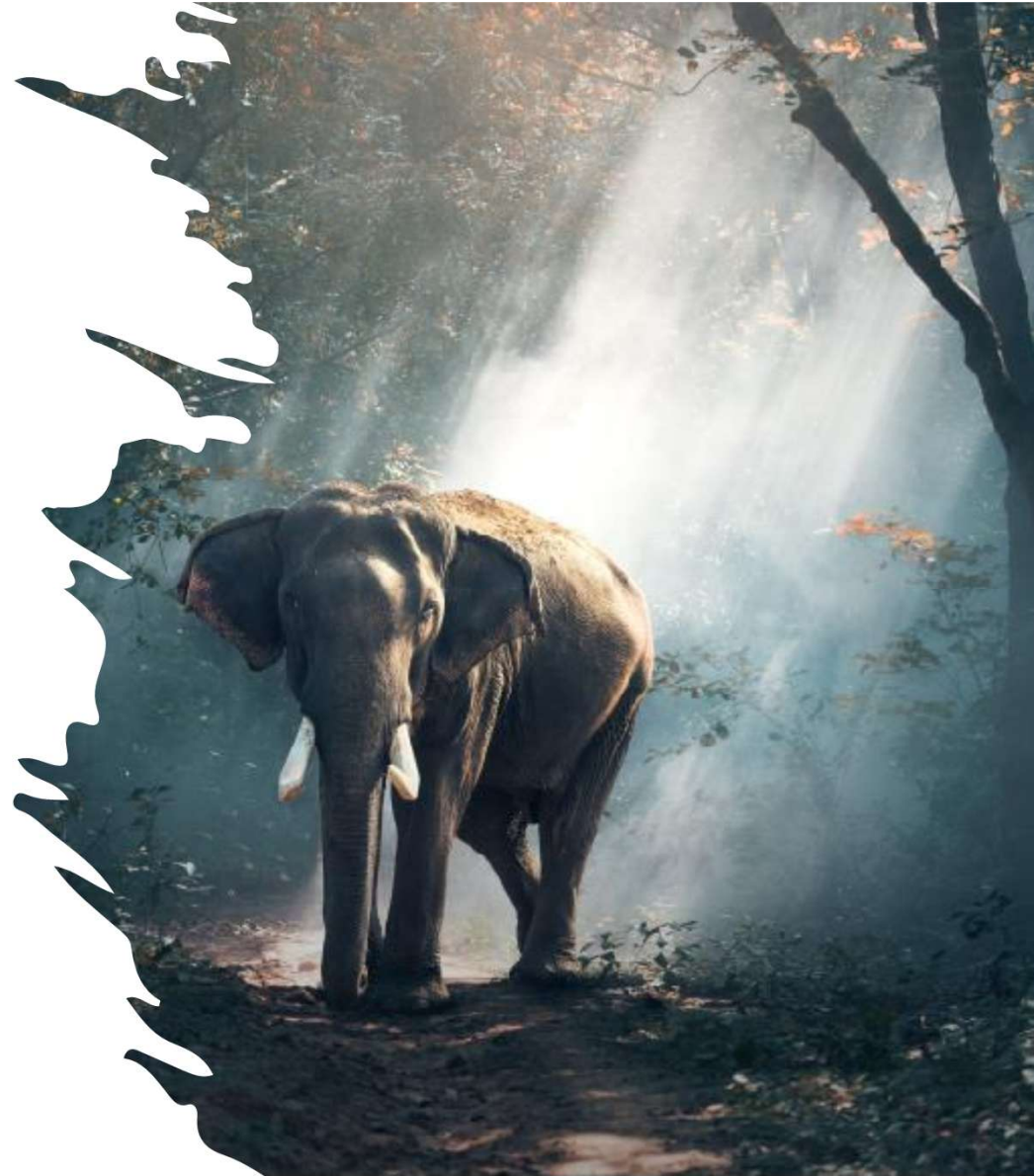
Action Suggestion in Environmental Principle

- Prevent pollution, or reduce emissions of pollutants into the air, water and soil as much as possible

- Use sustainable, renewable resources wherever possible

- Act to limit greenhouse gas emissions, which cause climate change; consider ways to reduce and adapt to the climate change that is already occurring

- Protect and restore the natural environment

- Conserve water in business operations

- Practice life-cycle management – consider all the steps of a manufacturing process, and all the links in the supply chain and value chain right to the end of a product's life and how it is disposed of; look for ways to make these steps as environmentally friendly as possible

- Look for cleaner and more energy-efficient production techniques

- Use environmentally sound technologies and practices

- Practice environmental procurement – evaluate suppliers of goods and services on whether they also are environmentally friendly

6.6. FAIR OPERATING PRACTICES ISSUES (5)

Fair operating practices – Definition and principles

- Businesses can use their relationships with other businesses to promote positive outcomes. By building good long-term relationships, businesses are most likely to develop reliable partners, and to practice effective social responsibility.   Respect for the rule of law, accountability, transparency, and honesty are the key principles to put into action to achieve fair operating practices.

QUALITY ASIA

ANTI-CORRUPTION

- Perform a corruption **risk assessment.**
- Implement **policies** to prevent and combat corruption.
- The **top management** should set an example.
- **Train** employees and raise **awareness** on
- corruption aspects.
- Raise the awareness of **contractors, agents and others acting on behalf of the organization.**
- Be careful with the **remuneration** of employees and representatives.
- Establish a **reporting mechanism.**
- **Report** cases of corruption to the authorities.
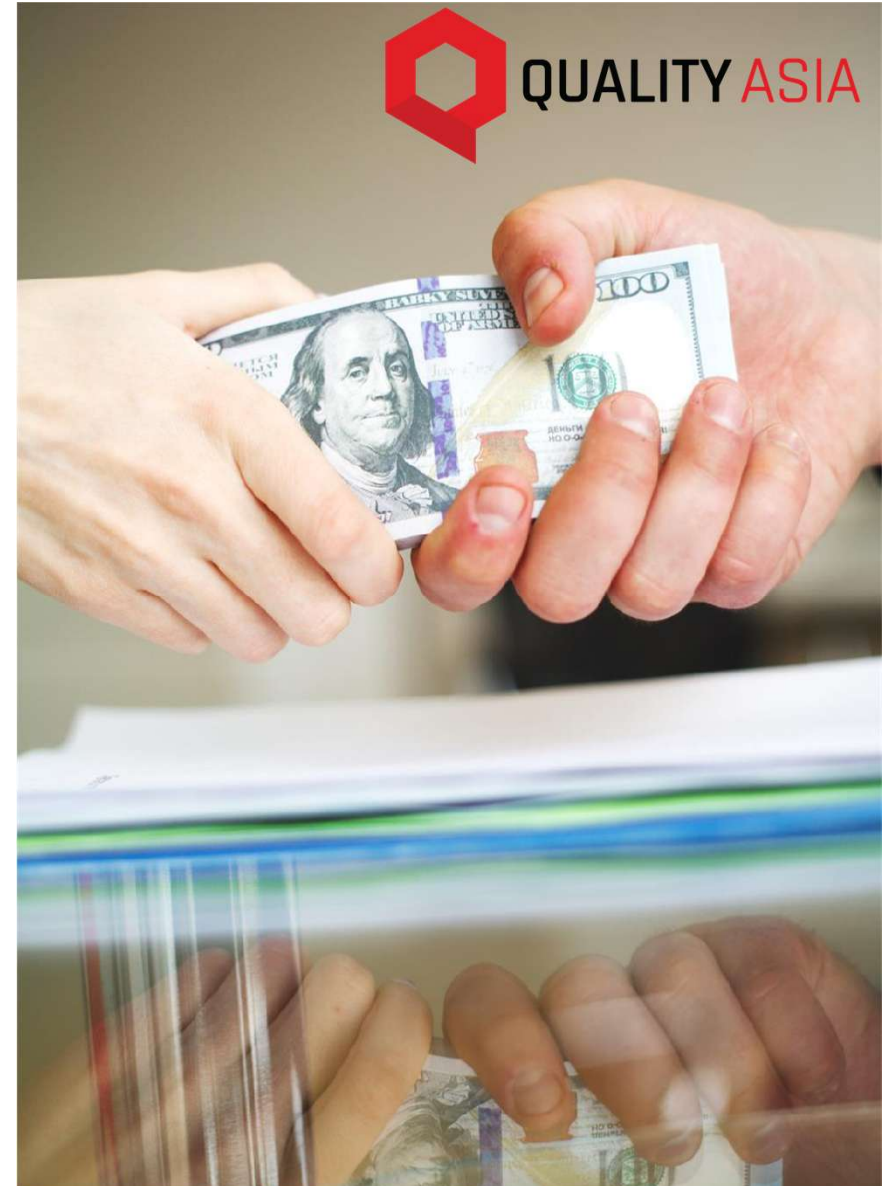
RESPONSIBLE POLITICAL INVOLVEMENT

- **Train employees** and **raise awareness** on conflicts of interests, contributions and political involvement.

- **Avoid** political contributions that can be perceived as exerting **undue influence**.

- Don't get involved and don't support **misinformation, misrepresentation, threat or compulsion**.

- **Policies** to manage the activities of those advocating on behalf of the organization.

- **Be transparent** about lobbying, political
- involvement and contributions.

FAIR COMPETITION

- Respect competition laws and regulations and cooperate with authorities.

- Safeguards and procedures against anti-competitive behavior.
- Raise awareness on the importance of competition and legal compliance.

PROMOTING SOCIAL RESPONSIBILITY IN THE VALUE CHAIN

• Integrate ethical, social, environmental and gender equality criteria and health & safety in the purchasing and contracting practices and policies.

• Pay fair practices and ensure stable contracts.

• Monitor adherence to the social responsibility commitments.

• Raise awareness on social responsibility and support other organizations (as needed).
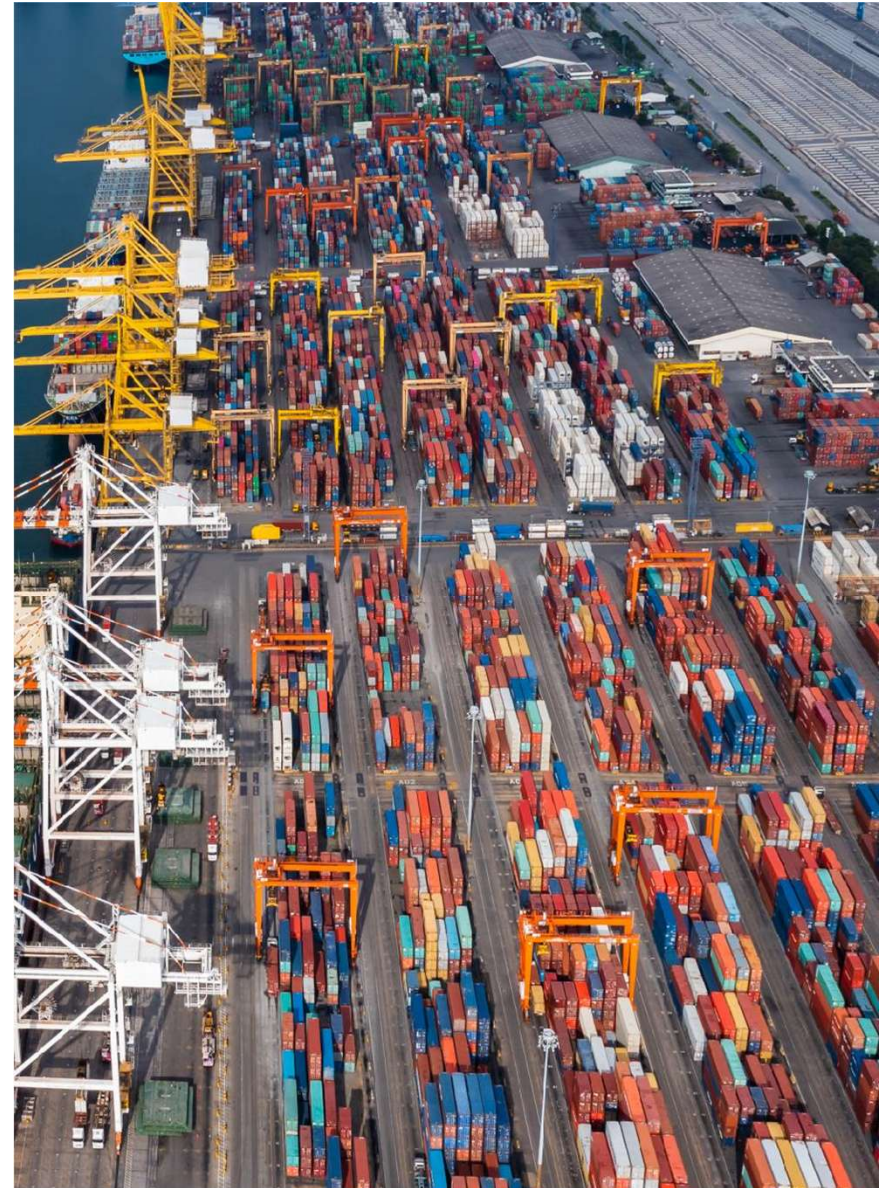
RESPECT FOR PROPERTY RIGHTS

- Do not engage in activities that violate property rights.

- Pay fair compensation for property acquired or used.

- Ensure that the use and disposal of property is lawful.

- Promote the respect for property rights.
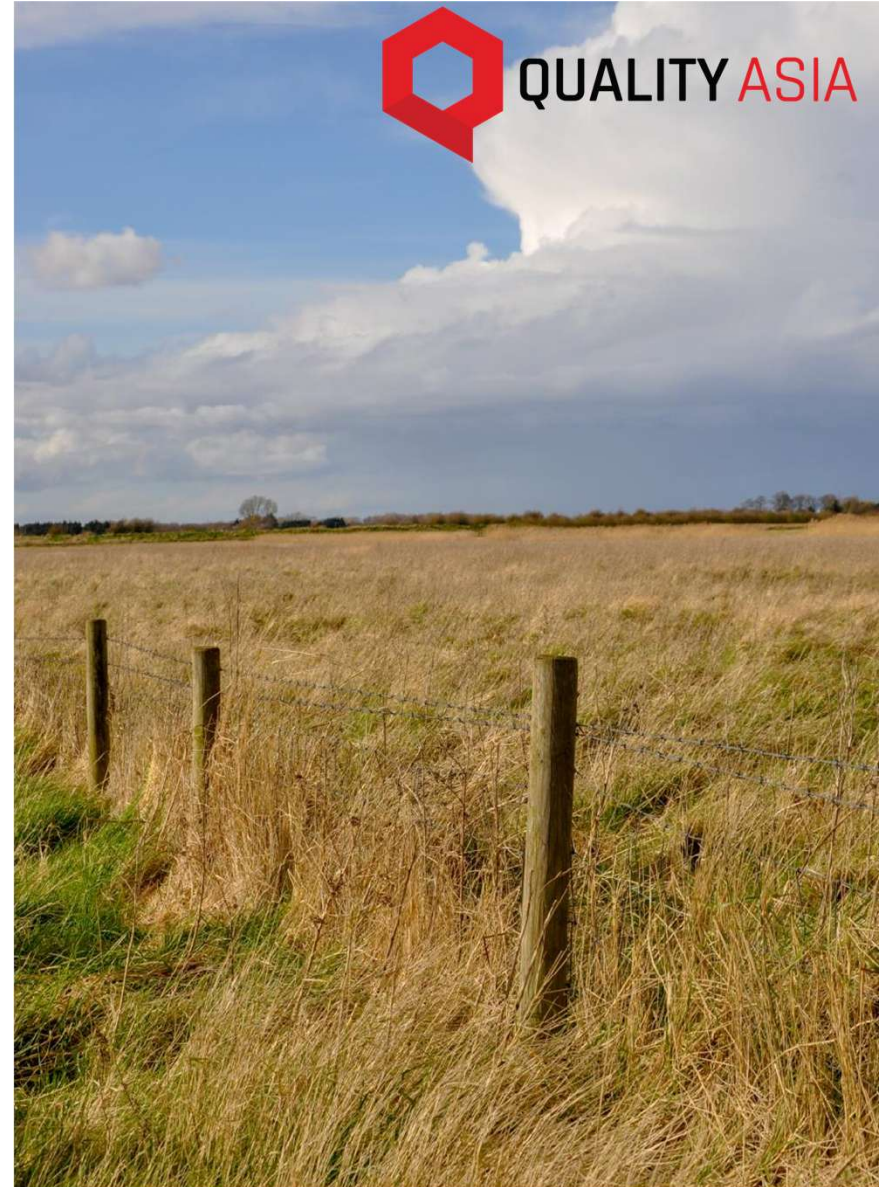
Action Suggestion in Fair operating practices

- **Practice honesty in business dealings**
  - Don't ask for or accept bribes
  - Don't attempt to break laws through use of political influence

- **Promote social responsibility throughout your value chain/ supply chain; and stimulate demand for socially responsible goods and services**
  - In procurement and purchasing decisions, use criteria that select socially responsible products and companies
  - Examine your value chain/supply chain and be sure that you are paying enough to enable your suppliers to fulfill their own responsibilities
  - Promote broader adoption of social responsibility through networks of colleagues
  - Treat suppliers and customers/consumers fairly, including prompt payment of bills and prompt attention to problems

- **Respect property rights**
  - Avoid counterfeiting or piracy
  - Pay fair compensation for property you acquire or use
  - Conduct investigations to be sure that you have legitimate ownership before you use or dispose of property

6.7. CONSUMER ISSUES (7)

FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION AND FAIR CONTRACTUAL PRACTICES

PROTECTING CONSUMERS' HEALTH & SAFETY

SUSTAINABLE CONSUMPTION

CONSUMER SERVICE, SUPPORT AND COMPLAINT AND DISPUTE RESOLUTION

CONSUMER DATA PROTECTION AND PRIVACY

ACCESS TO ESSENTIAL SERVICES

EDUCATION AND AWARENESS

Consumer issues – Definitions and principles

- Businesses have responsibilities to their consumers, such as truthful advertising and marketing, providing clear and helpful user information, minimizing risks from use of products or services and providing support services and recall procedures. Stimulating sustainable consumption and respecting consumer rights are aspects of social responsibility. Satisfied consumers will strengthen the reputation of a business.

CONSUMER ISSUES

- Access to **essential** goods and services by consumers.

- The protection of **disadvantaged and vulnerable consumers**.

- The protection of consumers from hazards to their **safety and health**.

- The promotion of **consumers' economic interests**.

- The access of consumers to **adequate information** to enable them to make informed choices.

- Consumer **education**.

CONSUMER ISSUES

- The freedom to form **consumer groups** and other similar organizations.

- The promotion of **sustainable consumption** patterns.

- **Protecting consumers using electronic commerce** to a level that is not less to the consumers using other forms of commerce.

- The protection of **consumer privacy** and the **global flow of information**.

FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION

- Do not provide misleading, unclear, unfair, deceptive information.

- Do not omit to provide critical product/ service information.

- Provide the information in a transparent and easy to access way.

- Identify what is advertising and marketing.

- Openly disclose important information about the product/ service, terms and conditions, accessories, costs, etc.

FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION

- Claims about the products must be supported by facts.

- Marketing and advertising should give primary consideration to the interests of vulnerable groups.

- Product information should be offered in an understandable manner.

- Quality aspects of products/ services should be based on the results of test procedures.

- Provide information about the organization's location(s) and contact(s).

FAIR CONTRACTUAL PRACTICES

- Use clear contracts.

- No unfair terms.

- Sufficient information on prices, features, terms and conditions or duration.

PROTECTING THE HEALTH AND SAFETY OF CONSUMERS

- CONSIDER INTENDED USE AND
- **FORSEEABLE MISUSE** OF THE PRODUCTS

- Provide safe products and services.
- Stop the provision of unsafe products; establish withdrawal and recall mechanisms.
- Go beyond minimum product safety requirements (wherever practicable).
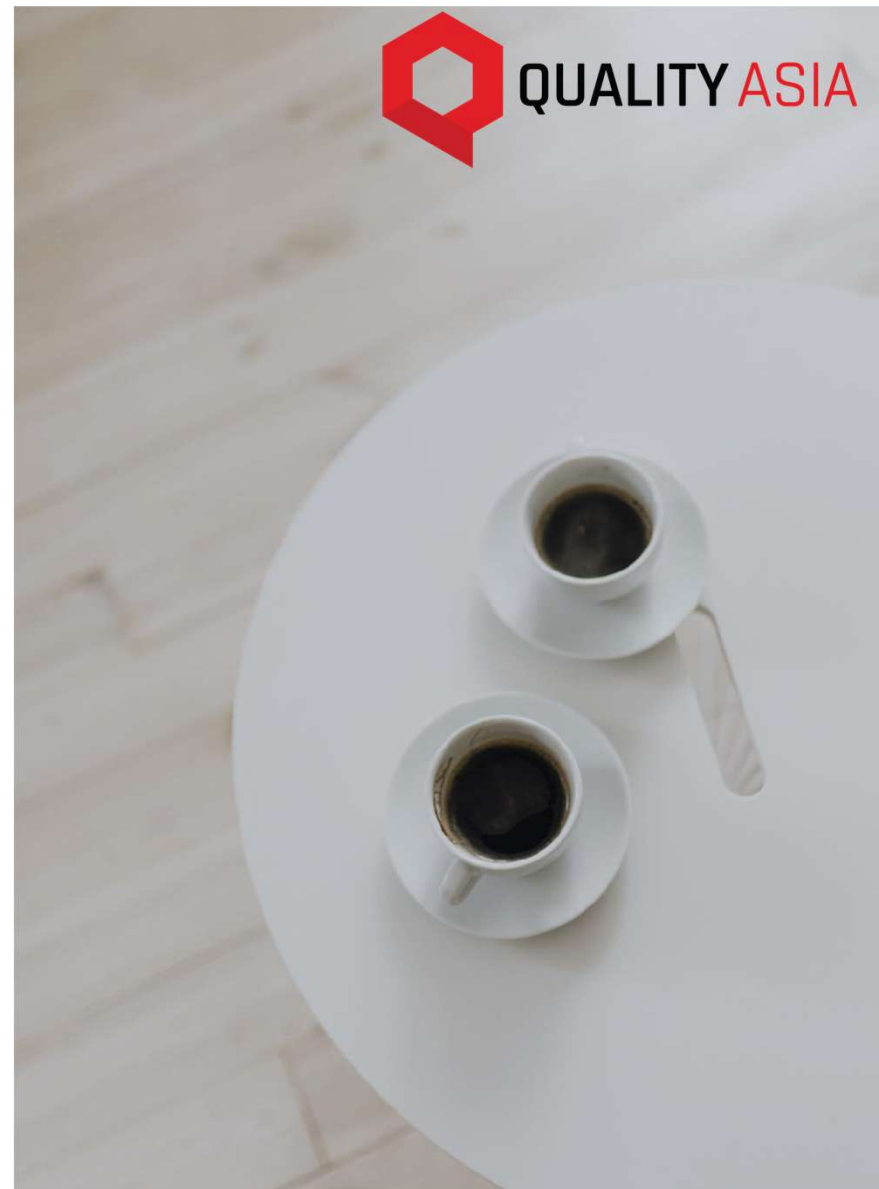
PROTECTING THE HEALTH AND SAFETY OF CONSUMERS

- Safe design. Protective devices. Information to users.

- Avoid hazardous chemicals (where not possible use clear labelling).

- Offer safety information to customers (preferably with symbols).

- Product instructions.

SUSTAINABLE CONSUMPTION

- Educate consumers.

- Design products and packaging that can be reused, repaired, recycled.

- Offer products with longer life.

- Offer information on the environmental and social aspects of production and distribution.

SUSTAINABLE CONSUMPTION

- Inform about product performance, product origin, ingredients, impact on health & safety.

- Communicate on the safe use on animals and any animal testing.

- Participate in reliable and effective labelling and verification schemes.
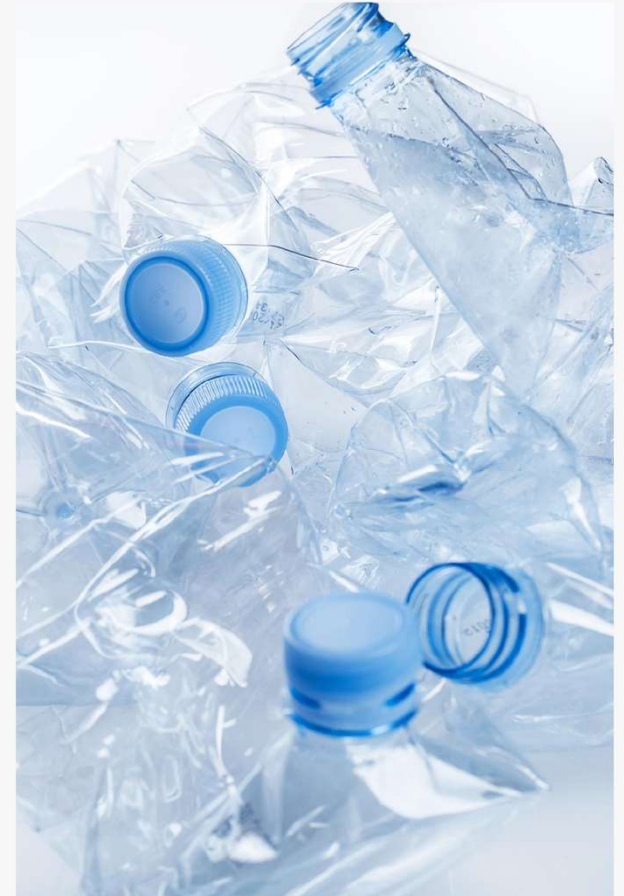
ACCESS TO ESSENTIAL SERVICES

- Do not disconnect essential services for non-payment without offering options.

- Do not disconnect essential services collectively regardless of payment.

- Subsidize essential services for those in need, as permitted by the law.

- Be transparent about prices.

- Expand the coverage of services.

- Offer quality services without discrimination.

- Improve and maintain systems to prevent disruptions to services.
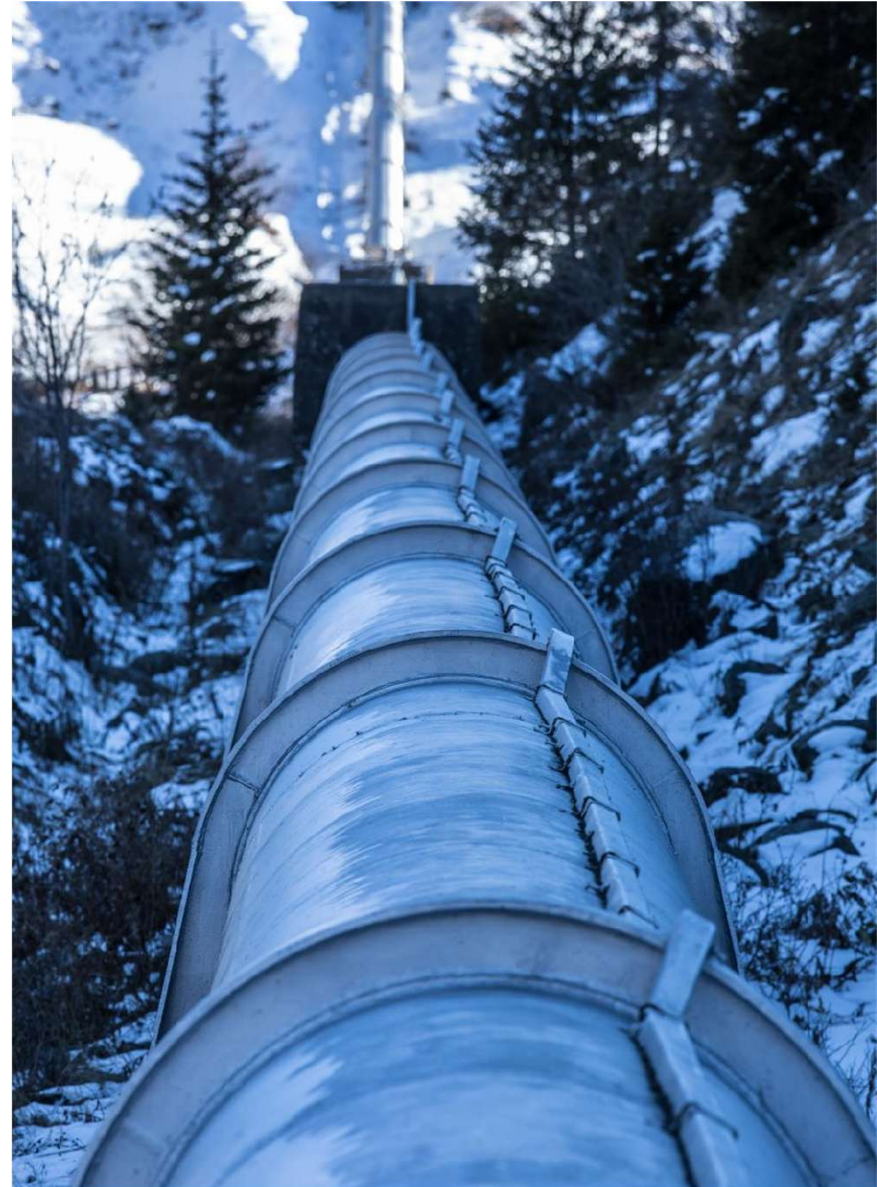
EDUCATION AND AWARENESS

- Health and safety, product hazards and risks.

- Laws, regulations, consumer rights, organizations for consumer protection.

- Environmental protection and sustainable consumption.

- Efficient use of materials, water, energy, etc. Disposal of products and packaging.
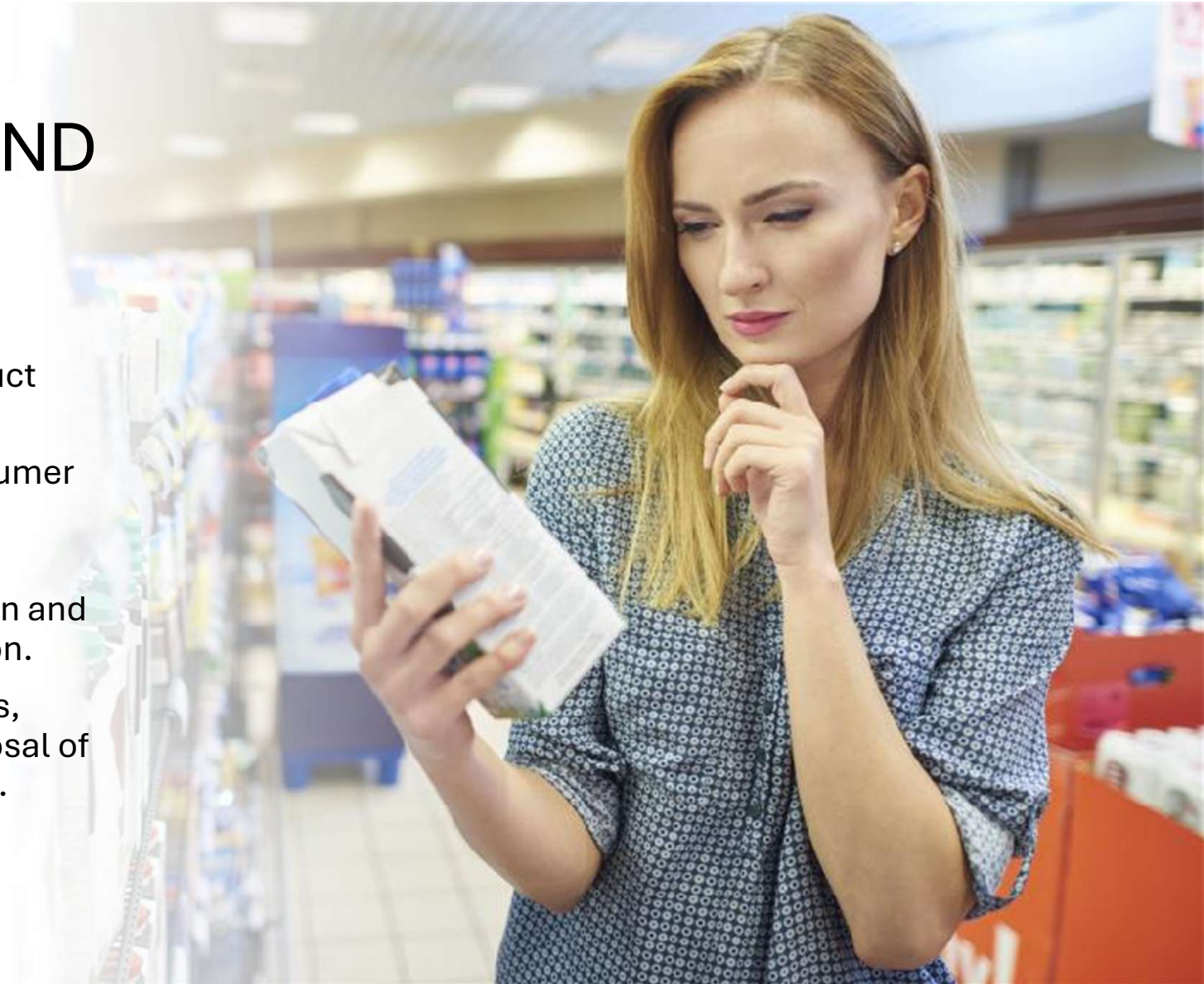
Action Suggestion in Consumer Issues

- Promote sustainable consumption

- Offer consumers socially and environmentally beneficial products and services

- Offer products and services that operate as efficiently as possible, considering the full life cycle

- Breed animals in a way that respects their physical integrity and avoids cruelty

- Eliminate or minimize negative health and environmental impacts of products and services, such as noise and waste

- Design products so that they can easily be reused, repaired or recycled

Action Suggestion in Consumer Issues

- Reduce waste by minimizing packaging material and, if appropriate, offer recycling and disposal services
- Provide consumer service, support and dispute resolution
- Protect consumer privacy when handling personal data
- Implement fair marketing and advertising practices (be honest)
- Provide clear and sufficient information about prices, terms, conditions and costs
- Protect consumers' health and safety; design and test products to ensure this
- Pay particular attention to the information needs of vulnerable individuals (for example,
- those with physical or mental disabilities including limited vision or hearing, or poor reading ability)

Community involvement and development – Definitions and Principle

- All businesses should recognize their long-term interest in the sustainability of the communities in which they operate. Every business is a stakeholder in its community; it depends on the community and also affects its development. By providing employment, all businesses can make an important contribution to reducing poverty and promoting economic development.

COMMUNITY INVOLVEMENT AND DEVELOPMENT

- The organization should:
    - Consider itself part of the community.
    - Consider and have due regard for the rights of community members to decide for the community.
    - Recognize and respect the characteristics of the community (culture, religion, traditions, etc.).
    - Recognize the value of working in partnership with the community.

COMMUNITY INVOLVEMENT

- Consult representative community groups for priorities in actions and investments.

- Participate in local associations, as possible and appropriate.

- Transparent relationships with the local authorities.

- Encourage and support people to be volunteers for the community.

- Contribute to the formulation of policies, establishment and implementation of programmes in the community.

EDUCATION AND CULTURE

- Support education at all levels.

- Promote knowledge and help eradicate illiteracy. Encourage the enrolment of children in school.

- Do not support activities that discourage children from attending school (child labor).

- Support learning opportunities for discriminated and vulnerable groups.

- Promote cultural activities, recognize the value of local cultures and traditions.

- Help conserve and protect cultural heritage.

- Facilitate human rights education and awareness raising activities.

EMPLOYMENT CREATION

- Invest to create employment and reduce poverty.

- Consider the impact of outsourcing.

- Consider employment instead of temporary work arrangements.

- Support the development of employment legislation.

- Consider technological decisions from the perspective of employment as well.

SKILLS DEVELOPMENT

- Participate in **skills development programmes**.

- **Create or improve** programmes on skills development in the local community.

TECHNOLOGY DEVELOPMENT AND ACCESS

• Contribute to the development of innovative technologies for the benefit of the community.

• Partner with others for technological development.
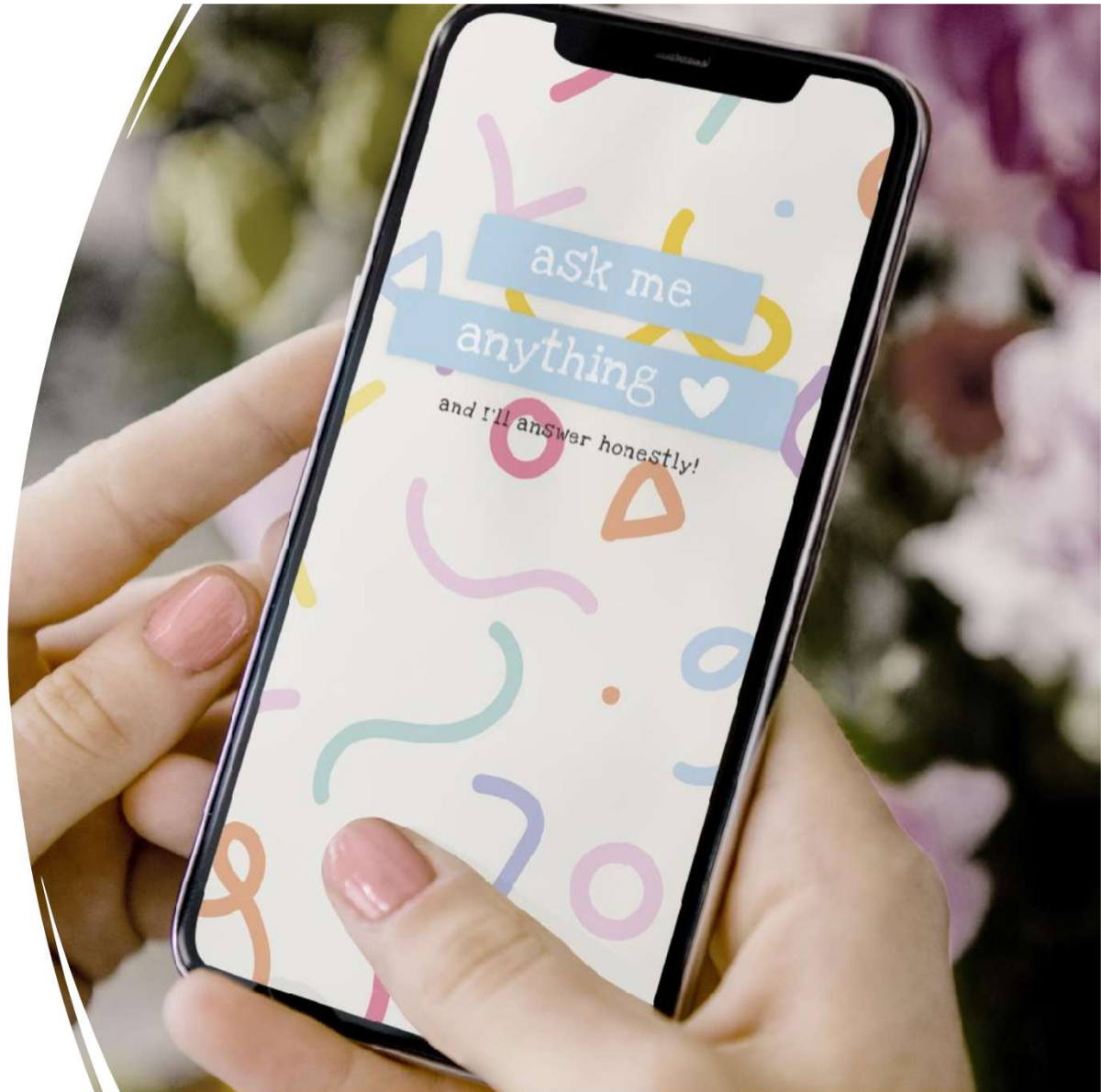
WEALTH AND INCOME CREATION

- Consider the impact of entering or leaving a community.

- Give preference to local suppliers.

- Provide assistance to local organizations.

- Support initiatives to develop economic activities. Support entrepreneurship programs.

- Encourage the efficient use of resources.

- Support those who bring products and services to the community and generate employment.

- ***Fulfil tax obligations.***

HEALTH

- Promote good health in the community.

- Encourage a healthy lifestyle and good nutrition.

- Support screening campaigns for the early detection of
- diseases.

- Raise the awareness on the consumption of unhealthy foods.

- Raise the awareness about health threats and
- prevention methods.

- Support the access to healthcare, clean water and sanitation for all members of the community.

SOCIAL INVESTMENT

- Consider the development priorities of the community.

- Avoid to perpetuate the dependence on the company's resources and philanthropy.

- Partner with NGOs and others for complementary resources, knowledge and skills.

- Support programmes to offer food and essential products to vulnerable or discriminated groups.

Action Suggestion in Community involvement and development

- Community involvement
  - Respect the laws and practices of the community;
  - Join associations and work with groups and individuals for the common good;
  - maintain transparent and honest relations with government officials
- Social investment (building infrastructure; improving social aspects of community life)
  - Assess existing community-related initiatives, identify ways to improve
  - Focus philanthropic activities (grants, volunteering and donations) on giving resources to the community through programs or projects for long-term development; avoid creating community dependence on a business' philanthropic activities
  - Broaden opportunities for community members, for example by increasing local procurement and hiring
- Employment creation
  - Consider the impact of investment and out-sourcing decisions on employment creation; when possible, make decisions to maximize local employment opportunities .

Action Suggestion in Community involvement and development

- Technology development
  - Where appropriate, engage in partnerships with local organizations (universities or research laboratories) and engage in scientific and technological development with partners from the local community, employing local people in this work

- Technology development
  - Where appropriate, engage in partnerships with local organizations (universities or research laboratories) and engage in scientific and technological development with partners from the local community, employing local people in this work
  - Where economically feasible, adopt practices that allow technology transfer and diffusion, set reasonable terms and conditions for licenses so as to contribute to long-term local development

Action Suggestion in Community involvement and development

- Wealth and income
  - Engage in commercial relations only with suppliers that operate under legally recognized frameworks, wherever possible; in situations of poverty and low levels of development where suppliers have difficulty in meeting legal requirements, work with them to move toward conducting activities within the appropriate legal framework
  - Use natural resources in a sustainable way that helps to alleviate poverty
  - Obtain prior informed consent of the local community for the use of local natural resources; respect the traditional use of natural resources by local populations, especially indigenous peoples
  - Give preference to local suppliers of goods and services
  - Fulfill tax responsibilities as described in law, and provide the authorities with the necessary information to correctly determine taxes

Action Suggestion in Community involvement and development

- Education and culture
  - Promote cultural activities; respect and value the local culture and cultural traditions;
  - Support education at all levels; engage in actions to improve educational quality, to promote local knowledge and eradicate illiteracy
  - Encourage the enrollment of children in formal education; contribute to the elimination of barriers to children obtaining an education

- Health
  - Promote good health by contributing to access to medicines and vaccinations, and by encouraging healthy lifestyles and discouraging the consumption of unhealthy substances
  - Raise awareness about major diseases and their prevention, such as cancer, heart diseases, malaria, HIV/AIDS and tuberculosis
  - Support access to essential health care services, to clean water and appropriate sanitation
  - Seek to minimize or eliminate the negative health impacts of any products or services provided by your business

Action Suggestion in Community involvement and development

- Responsible investment – This section refers to traditional capital investments by businesses, and also, to projects that may be identified, funded and/or managed by other groups such as non-governmental organizations.
  - Incorporate consideration of the economic, social, environmental and governance dimensions of an investment, in addition to the traditional financial dimensions
  - Develop and disclose an active ownership or governance policy to be applied to your investments, including principles of social responsibility
  - Seek to make positive social, economic and cultural contributions to communities when making investment decisions.

SOCIAL RESPONSIBILITY CORE SUBJECTS AND ISSUES (ISO 26000)

ORGANIZATIONAL GOVERNANCE

HUMAN RIGHTS

Due diligence.

Human rights risk situations.

Avoidance of complicity.

Resolving grievances.

Discrimination and vulnerable groups.

Civil and political rights.

Economic, social and cultural rights.

Fundamental principles and rights at work.

LABOR PRACTICES

Employment and employment relationships.

Conditions of work and social protection.

Social dialogue.

Health and safety at work.

Human development and training in the workplace

THE ENVIRONMENT

Prevention of pollution.

Sustainable resource use.

Climate change mitigation and adaptation.

Protection of the environment, biodiversity and restoration of natural habitats.

SOCIAL RESPONSIBILITY CORE SUBJECTS AND ISSUES (ISO 26000)

FAIR OPERATING PRACTICES

Anti-corruption.

Responsible political involvement.

Fair competition.

Promoting social responsibility in the value chain.

Respect for property rights.

CONSUMER ISSUES

Fair marketing, factual and unbiased information and fair contractual practices.

Protecting consumers' health and safety.

Sustainable consumption.

Consumer service, support, and complaint and dispute resolution.

Consumer data protection and privacy.

Access to essential services.

Education and awareness.

COMMUNITY INVOLVEMENT AND DEVELOPMENT

Community involvement.

Education and culture.

Employment creation and skills development.

Technology development and access.

Wealth and income creation.

Health.

Social investment.

Clause 7 Guidance on integrating social responsibilities throughout on organization

S. No.	Clause No.	Clause name
1.	7.1	General
2.	7.2	The relationship of an organization's characteristics to social responsibility
3.	7.3	Understanding the social responsibility of an organization
4.	7.4	Practices for integrating social responsibility throughout an organization
5.	7.5	Communication on social responsibility
6.	7.6	Enhancing credibility regarding social responsibility
7.	7.7	Reviewing and improving an organization's actions and practices related to social responsibility
8.	7.8	Voluntary initiatives for social responsibility

INTEGRATING SOCIAL RESPONSIBILITY

• Determine relevance and significance to the organization of core subjects and issues.

• Just legal compliance is not enough.

• Consider the sphere of influence and promote social responsibility practices.

INTEGRATING SOCIAL RESPONSIBILITY

- Visible **support** from the top management.

- Employee **awareness**.

- Effective social responsibility **communication**
- processes.

- Develop mechanisms to **manage conflicts** and
- disagreements with stakeholders.

7.2. Relationship of an Organization's Characteristics to SR

- **Organizational Uniqueness:**
  - Each entity's size, culture, purpose, and geographical spread influence how SR principles are applied.
- **Strategic Alignment:**
  - Align SR with core business strategies, ensuring leadership commitment.
- **Risk & Impact Assessment:**
  - Evaluate how organizational structure and resources affect the ability to manage social and environmental impacts.
- **Stakeholder Dynamics:**
  - Tailor SR activities to different stakeholder groups (employees, communities, suppliers, etc.) based on organizational profile.

7.3. Understanding the Social Responsibility of the Organization

- **Identifying Relevant Issues:**
  - Review all seven core subjects (e.g., human rights, labor practices) to determine key SR areas.

- **Assessing Significance:**
  - Prioritize issues based on scale of impact and stakeholder expectations.

- **Sphere of Influence:**
  - Recognize how the organization's reach (including value chain) extends SR obligations beyond direct operations.

- **Continual Engagement:**
  - Revisit and update SR considerations as societal expectations evolve.

7.4. Practices for Integrating SR Throughout the Organization

- **Leadership & Governance:**
  - Embed SR into policies, codes of conduct, and strategic planning.
- **Cross-Functional Ownership:**
  - Assign clear responsibilities for SR across departments—finance, operations, HR, etc.
- **Capacity Building:**
  - Provide training, resources, and incentives to foster an SR-oriented culture.
- **Operational Integration:**
  - Weave SR considerations into everyday processes (procurement, product design, marketing).
- **Measurement & Reporting:**
  - Use performance indicators to track progress and maintain accountability.

7.5. Communication on Social Responsibility

- **Transparency & Accountability:**
  - Share SR goals, progress, and challenges with stakeholders regularly.
- **Methods & Channels:**
  - Employ varied communication vehicles (annual reports, online updates, stakeholder forums).
- **Clarity & Accuracy:**
  - Ensure SR information is factual, timely, and easily understandable.
- **Two-Way Engagement:**
  - Encourage stakeholder feedback and dialogue to strengthen trust and refine initiatives.

7.6. Enhancing Credibility Regarding SR

- **Evidence-Based Claims:**
  - Substantiate SR commitments and outcomes with verifiable data.
- **Third-Party Validation:**
  - Consider independent reviews, expert endorsements, or relevant certifications (where applicable).
- **Consistency & Integrity:**
  - Align messaging with actual practices to avoid reputational risks.
- **Collaborative Partnerships:**
  - Work with respected NGOs, industry associations, or academic institutions to reinforce legitimacy.

REVIEW AND IMPROVE THE SOCIAL RESPONSIBILITY PERFORMANCE

- **Benchmarking**
  - Compare against others (preferably the best performers).
- **Establish and Monitor KPIs**
  - Key performance indicators for social responsibility.
- **Improvement**
  - New objectives.
  - Expand the scope of social responsibility activities and programmes.
  - Consider stakeholder feedback.
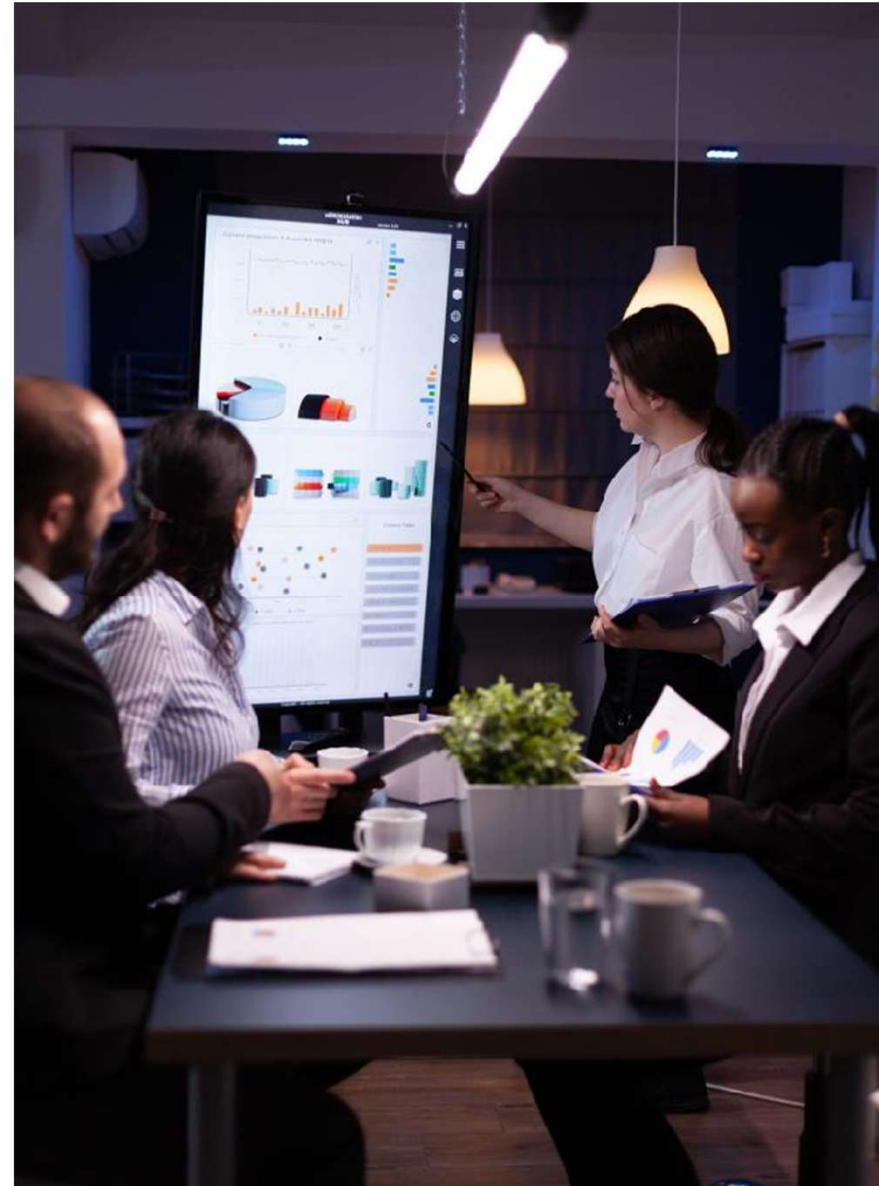
21 responses submitted

How should an organization review and improve its social responsibility practices?

Conducting periodic assessments and stake-holder feedback — 95%

Relying solely on annual financial reports — 0%

Avoiding engagement with third-party auditors — 0%

Only reviewing practices when legally required — 4%

Treemap | **Bar**

< 5 of 5 >

Hide correct answer

CERTIFICATION TO ISO 26000

- **For Organisations**
  - Unaccredited Certificates only
  - ISO 26000 is not a management system standard (like ISO 9001, ISO 14001, etc.).
  - It does not include requirements.
- **For Persons**
  - It is done by a personnel certification body.
  - It involves an exam + other
  - requirements (depends).
- Visit Us: https://www.qualityasia.in/contact.php

QUALITY ASIA
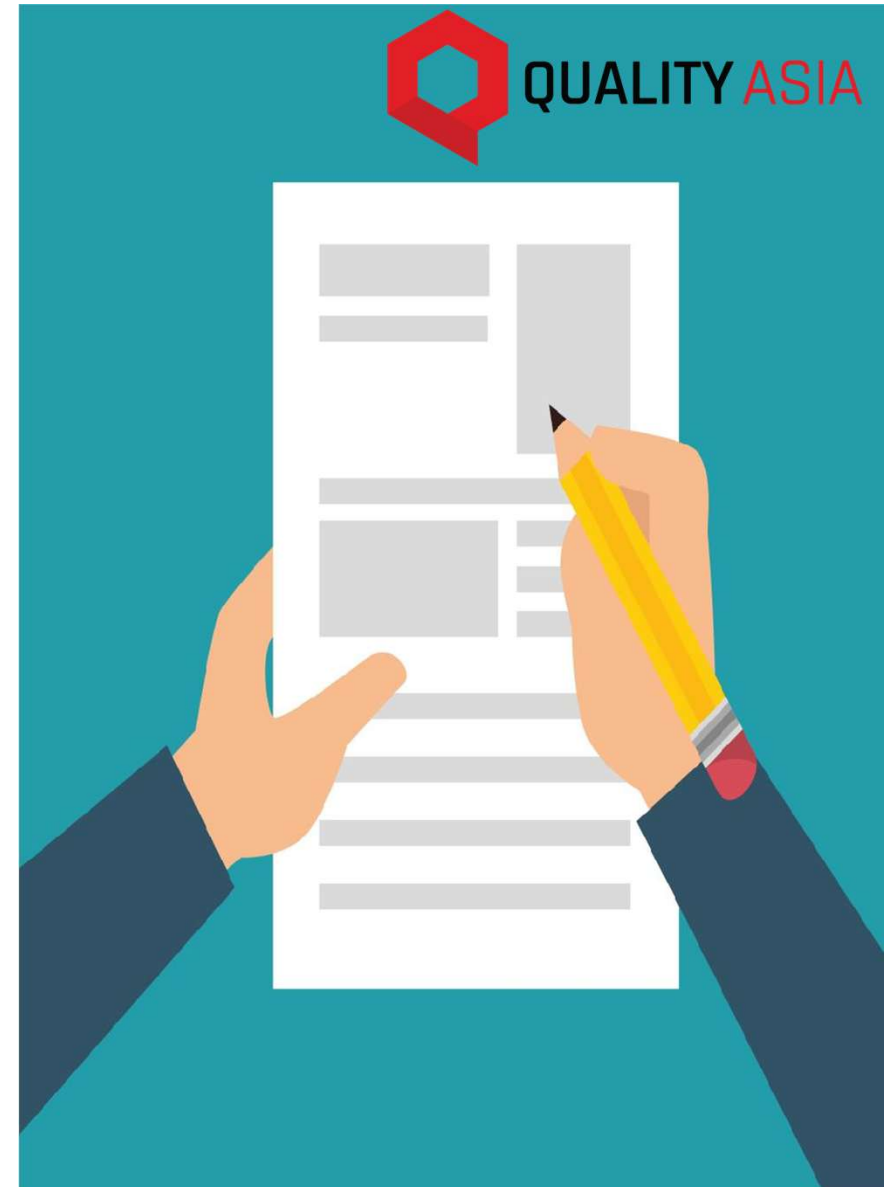
Audits: Definition, Principles, and Types

QUALITY ASIA

Audit

- "Systemic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled."

- Alternative Definitions:
  - Impartial documented activity
  - Follows written checklists and documentation
  - Uses examination of audit evidence to determine the existence of objective evidence
  - Verifies that applicable processes of a SRMS have been identified and are effectively controlled.

Reasons for Conducting Audits

- To examine the Quality Management System for Improvements
- To ensure ISO 26000, and all other standards, are being complied with.
- To determine compliance or non-compliance
- To meet regulatory requirements
- To enable certification

Effective Audits - Requirements

QUALITY ASIA

Timely access to facilities, documents and personnel, including top management

Defined auditing procedures

Support/involvement of management

Competent audit team

Impartial and objective audit team

Type of Audit

First Party Audits

Second Party Audits

Third Party Audits

First Party Audit

- Internal audits
- Performed within an organization
- Auditors have no vested interest in the area being audited

QUALITY ASIA
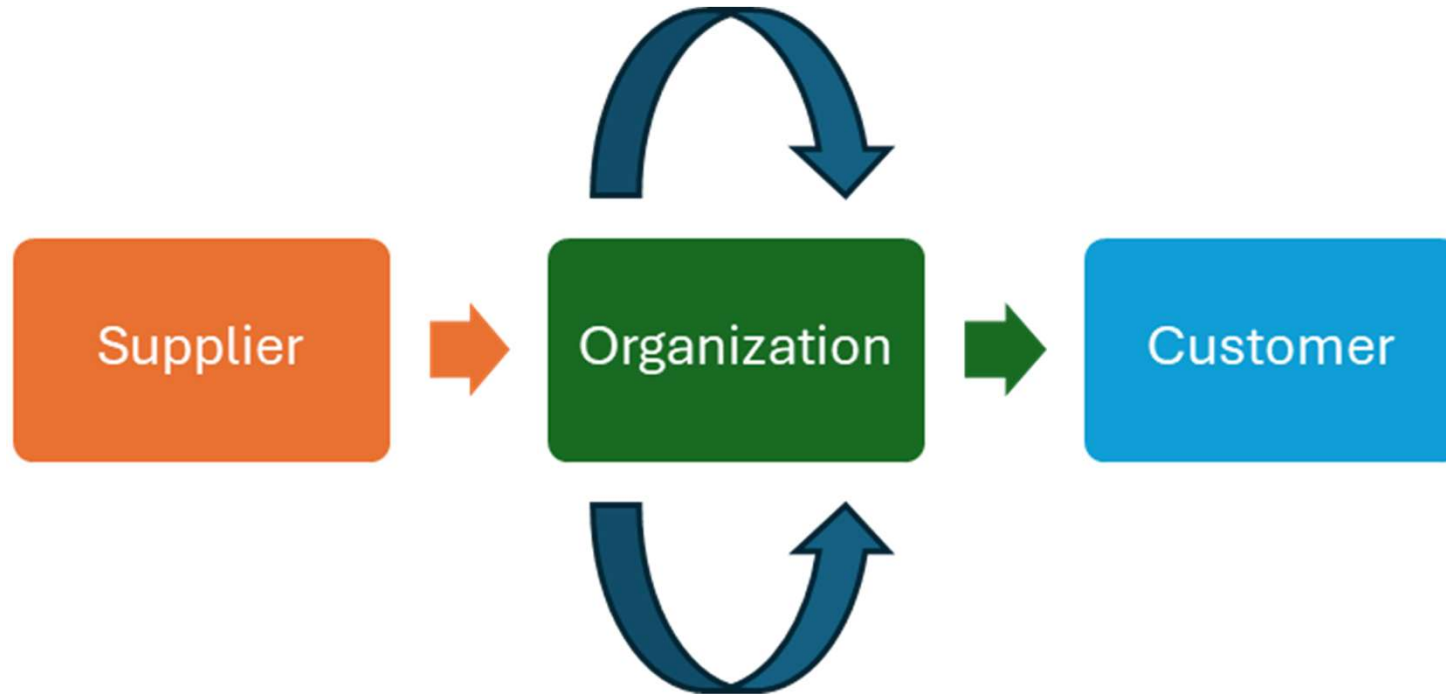
Second Party Audit

- Performed by Customers on suppliers
- Before or after awarding a contract

QUALITY ASIA
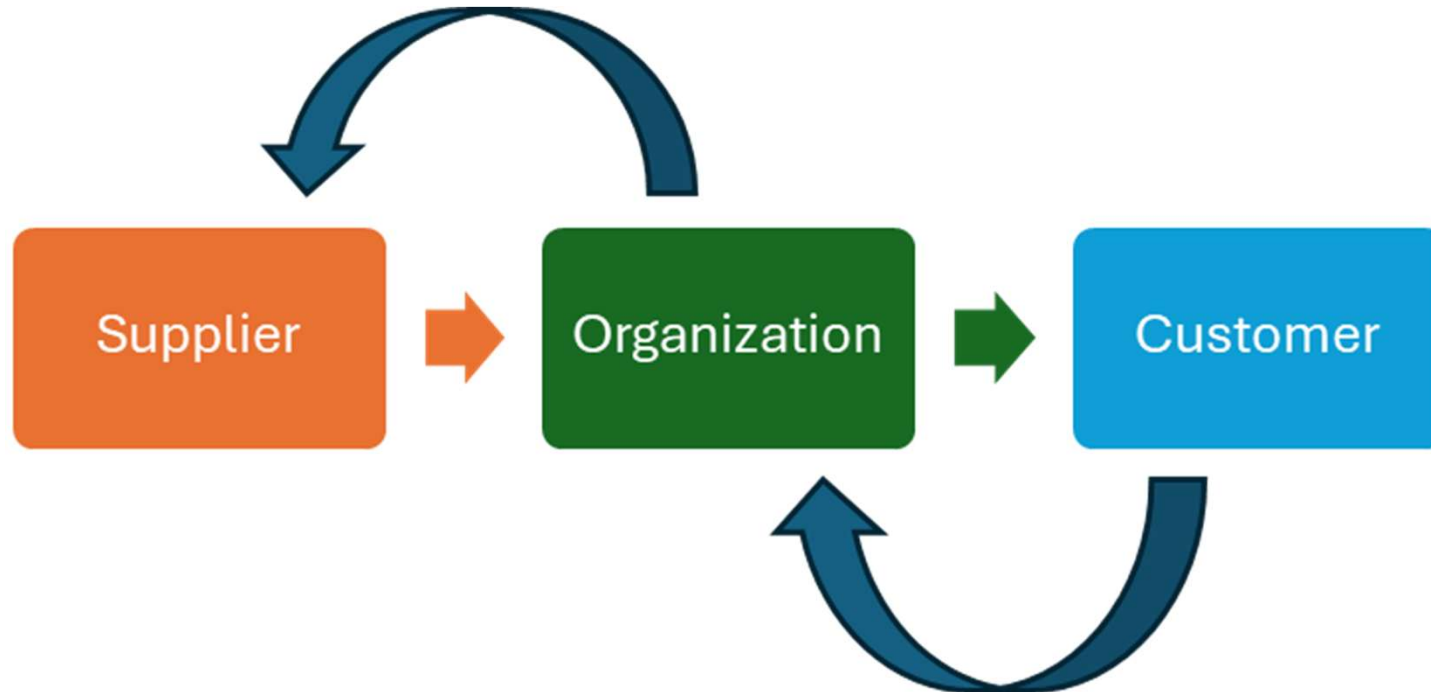
Third Party Audit

- Performed by an audit organization independent of the customer-supplier relationship

- Free from any conflict of interest

Audit participants

Client – Organization or person requesting the audit

Auditor – A Person who conducts the audit

Auditee – Organization or individual being audited

Client, responsible for..

- **Initiates audit**
- **Determines audit purpose and scope**
- **Provide resources**
- **Receives the audit report**
- **Determine the report distribution**

Auditor, responsible for...

- Understand the purpose, scope and audit criteria.

- Plans the audit

- Perform the audit

- Collect audit evidences

- Analyze audit evidences

- Reports the audit

- Follows up the action on audit findings

Lead auditor, responsible for...

- Balance the strength and weaknesses of team members
- Manage the audit process
- Represent the audit team
- Lead the audit team
- Prepare and complete the audit report

Auditee, responsible for...
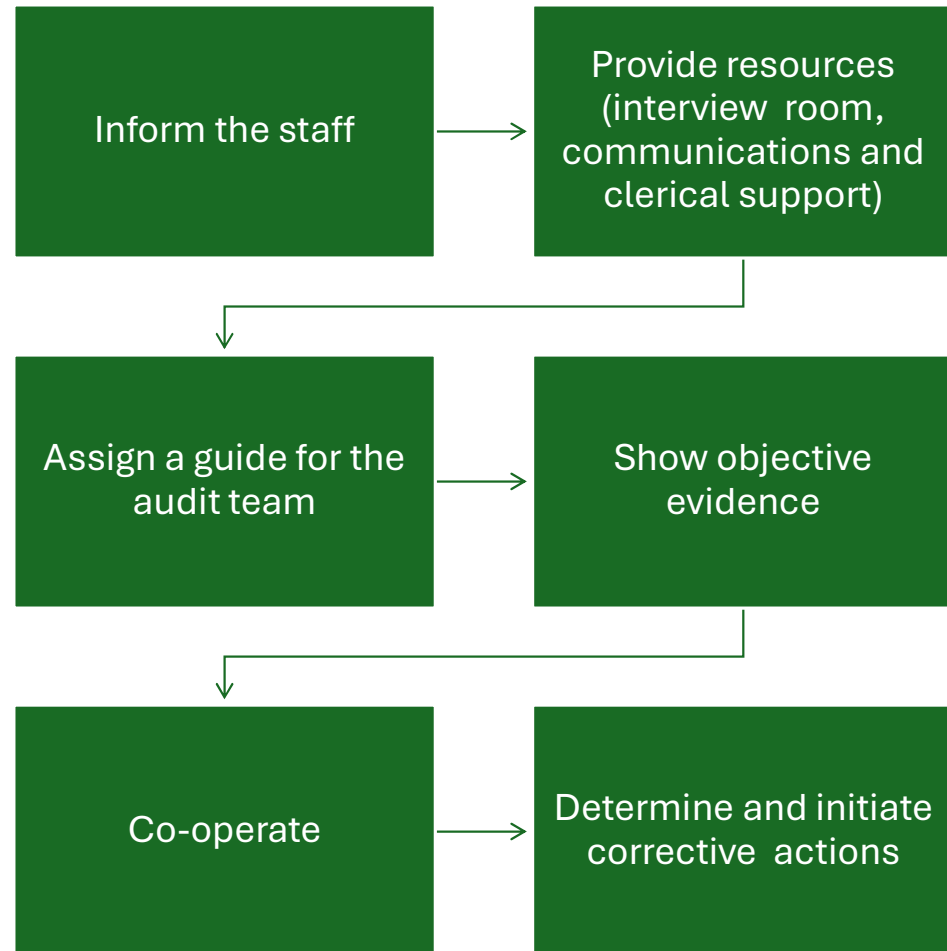
Audit participants - 2

Technical Expert – a person who provides specific knowledge or expertise to the audit team.

Observer – a person who accompanies the audit team but does not audit.

Guide – a person appointed by the auditee to assist the audit team.

Phases of an Audit

Phases of an Audit

- Planning
- Preparation
- Performance
- Reporting and Follow Up

Planning the Audit Stage

- Frequency and timing
- Responsibility
- Criteria
- Scope
- Methods
- Duration

Planning Internal Audits

Frequency and timing:	Based on status and importance
Responsibility:	Competent auditor with technical knowledge
Criteria:	Organization's own procedures, specifications, documents, etc. Internal Standards e.g., ISO 26000:2010
Scope:	A process An area of the company, e.g. distribution, Quality control, servicing
Duration	Depends on the size of the scope

QUALITY ASIA
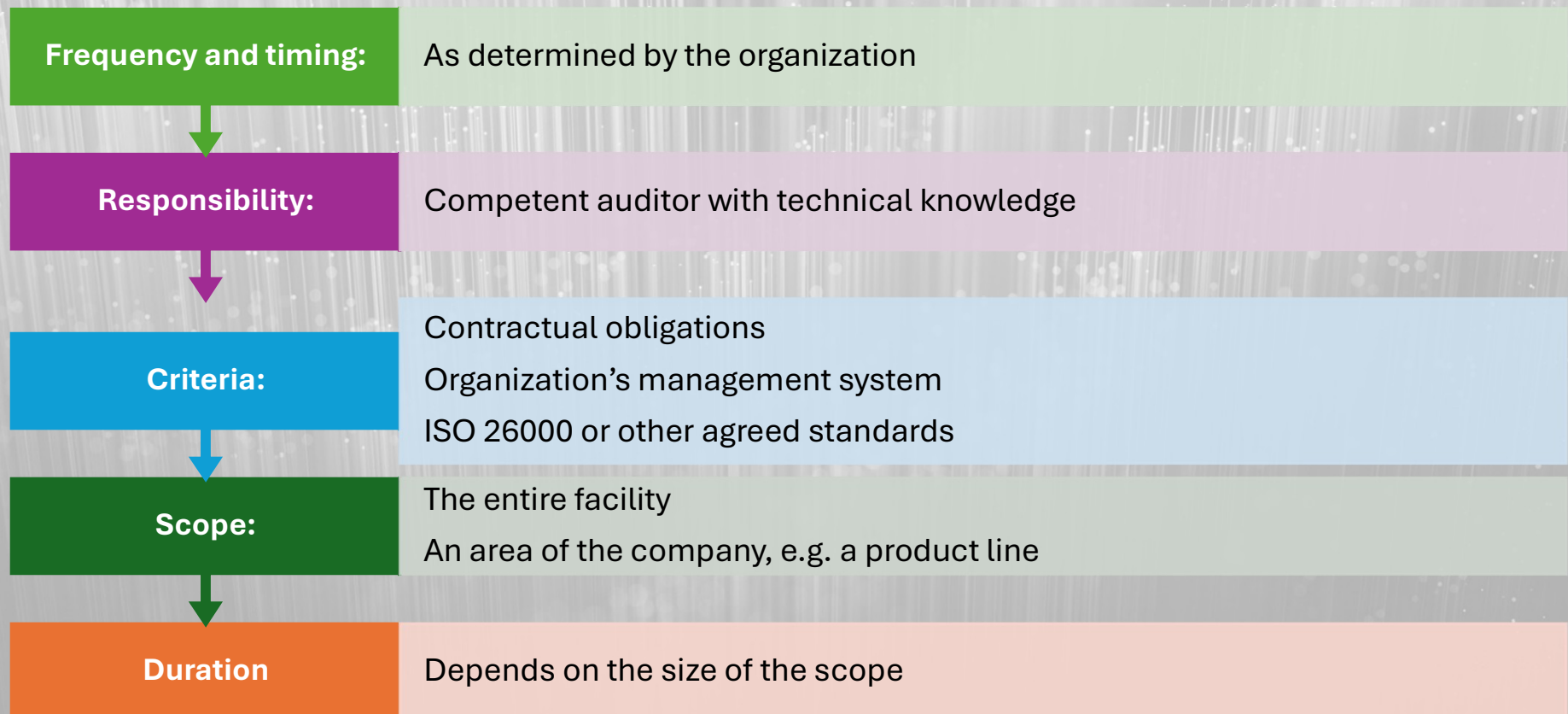
Planning third Party Audits

Frequency and timing:	Responsibility:	Criteria:	Scope:	Duration
• As determined by the accreditation	• Qualified auditor with technical knowledge & experience	• ISO 26000 or other standards	• Entire organization • Management system operations as defined by applicable standard	• Depends on accreditation requirements

QUALITY ASIA

Audit Procedure

- External audits are usually agreed in advance with the auditee and carefully planned, however 'unannounced audits' may be carried out by the Certification Bodies or Customers and their representatives as a policy or when there is some justification for such an audit

Activities Prior to the Audit

Create audit program and audit plan and notify the auditee

Arrange audit logistics

Prepare audit checklist

Audit preparation

QUALITY ASIA

Notify person to be audited and agree to a date and time

Review documents: procedures, forms, previous reports, corrective action requests, work instructions, etc.

Prepare/review/update checklists

Brief auditor/team

Arrange for Audit Logistics

- Travel and accommodation
- Safety and security considerations
  - Personal Protective Equipment (PPE)
  - Location and/or Camera Permit
- Need for a Guide
- Translators
- Facilities
  - Working area, conference room, internet, printer, tea/coffee and working lunch

Audit Checklist

QUALITY ASIA

The Checklist

- To be used as a working document and as a record
- Tool to audit company processes, not standard
- Should follow the natural process of the organization

The Purpose of the Checklist

- To provide guidance to the auditor
- To ensure that the audit scope is covered (processes, activities)
- To reinforce the objectives and scope of the audit
- To act as a record

Risks of the Checklist

- Too focused on a single area
- Insufficient information included to evaluate conformance in interviews
- Not customized to reflect company's practices

Sample Checklist

Audit Checklist		Assessment No.	
Specification	Location	Date	
REQUIREMENT	SPEC	OBSERVATIONS	
		Sheet of form QA1	

QUALITY ASIA

Audit Performance

Opening meeting

Conduct the audit

Review findings

Closing meeting

Opening Meeting

- Introduce auditors or audit team

- Discuss audit scope and process

- Explain reporting and follow-up procedures

- Necessary for:

  a) Good communication

  b) Co-operation

  c) Openness

The Auditor must:

Deal with top management

Understand the key issues in the organization

Focus on the critical processes

Audit for business improvement

Meet the area representative first

Always talk to those performing the task

Explain the purpose of the visit

Be calm, polite, reassuring

Never talk down

Never act superior

Speak clearly and carefully

QUALITY ASIA

The Auditor Process

Gathering & selecting
(by document review, interviewing, observing, etc.)

Verification

Comparison with audit criteria

Review

Sources of Information

Information

Audit Evidence

Audit Findings

Audit Conclusions
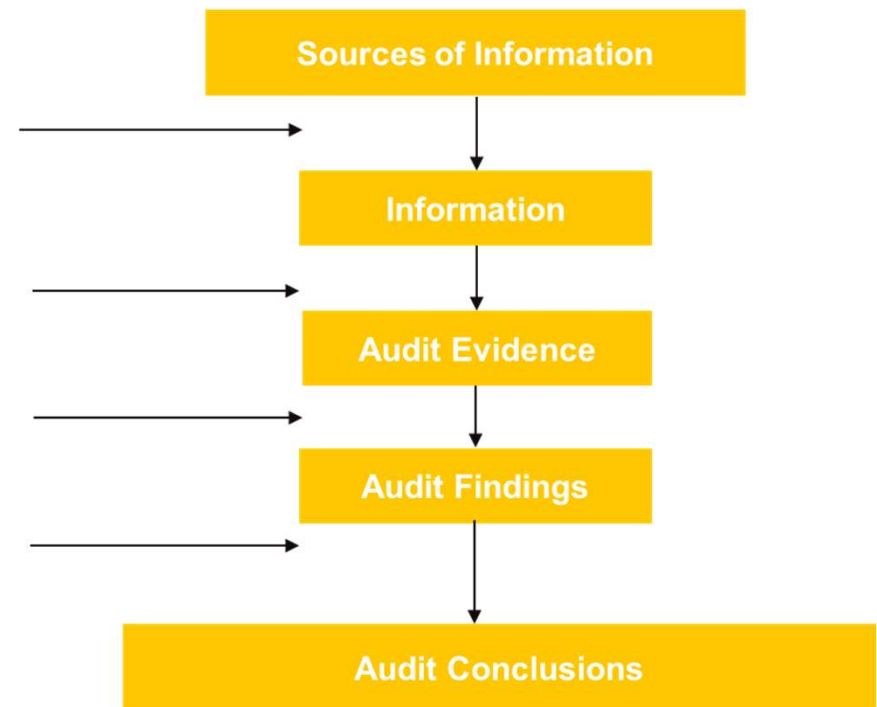
Obtaining objective (audit) Evidence

May be gathered from:

- Interviews with people
- Observation of activities
- Interactions between functions, activities, processes
- Measurement of processes and programs
- Documents/records
- Data summaries, reports from other sources (e.g., customer feedback)

- People:

  - Does anyone understand the systems and documentation?
  - Are the employees competent?
  - Is there co-operation?
  - Are there any system problems?

Obtaining objective (audit) Evidence (Continued)

- Observation of activities

  - Are the processes efficient? Effective?
  - Are things in logical sequence?
  - Are the interactions between processes defined?
  - What is the significance of links between processes?
  - Can inputs and outputs be identified?

- Measurement of processes and programs
  - Capacity of processes
  - Product measurement
  - Accuracy
  - Dependability
  - Cycle times
  - Resource utilization
  - Productivity

Obtaining objective (audit) Evidence (Continued)

Documents/records

- Issue status?
- Complete and concise?
- Condition?
- Legibility?
- Identity?
- Approval?
- Availability?

Data summaries

- Customer feedback
- Vendor analysis
- Internal Audits
- Financial measurements
  - Preventive, appraisal and failure cost analysis (Cost of quality)
  - Cost of nonconformity

Examine objective Evidence

Examine:

- Documents/data
  - Fully complete
  - Accurate data
  - Check for authorization
  - Review analysis of data
- Physical Evidence
- Environmental Conditions

Establish:

- Extent of conformity/nonconformity
- Nature for nonconformity
- Sample: According to the amount and variety of evidence

Use the Checklist

- To record conformity/nonconformity
- To track where you are and manage time
- To control the pace of the audit and manage auditee personalities
- To ensure all areas are covered
- To make notes for follow-up in other areas
- For future reference

Questioning Techniques

Who?   **What?**   **When?**   **Where?**   **Why?**   **How?**

Controlling the Audit

Insist that people being questioned answer for themselves

Do as little talking as possible

Do not let others dictate the pace

Rephrase misunderstood questions

Give compliments

Say, "Thank you"

Be aware of hidden agendas and emotional blackmail

Some Basic Issues

- Establish that the company is demonstrating control over the operation

- Involve management in the audit process

- Observe work progression when possible

- Evaluate physical objective evidence

- Examine inputs and outputs

- Make comprehensive notes

Some Basic Rules

Seek verification

- Do not assume people will lie, but seek to verify statements if necessary

Do not accept pre-prepared samples

- Choose your own

General Principles of Auditing

- **Integrity** – the foundation of professionalism
- **Fair presentation** – the obligation to report truthfully and accurately
- **Due professional care** – the application of diligence and judgment in auditing
- **Confidentiality** – security of information
- **Independence** – the basis for the impartiality of the audit and objectivity of the audit conclusions
- **Evidence-based approach** – the rational method for reaching reliable and reproducible audit conclusions in a systematic audit process

Auditor's Personal Attributes

Ethical – Fair, truthful, sincere, honest and discreet

Open-minded – willing to consider alternative ideas or points of view

Diplomatic – tactful in dealing with people

Observant – actively observing physical surroundings and activities

Perceptive – aware of and able to understand situations

Versatile – able to readily adapt to different situations

Tenacious – persistent and focused on achieving objectives

Decisive – able to reach timely conclusions based on logical reasoning and analysis

Self-reliant – able to act and function independently whilst interacting effectively with others

![QUALITY ASIA logo]

General knowledge and skills of Management System Auditors

- Audit principles, procedures and methods

- Management system and reference documents

- Organizational context

- Applicable legal and contractual requirements and other requirements that apply to the auditee

- Discipline and sector-specific knowledge and skills of management system auditors

Generic Knowledge and Skills of Audit Team Leaders

QUALITY ASIA

Audit team leaders should be able to:

- Balance the strengths and weaknesses of the individual audit team members
- Develop a harmonious working relationship among the audit team members.
- Plan audits and effectively use audit resources
- Manage the uncertainty of achieving audit objectives
- Protect the health and safety of the audit team members including compliance with the requirements
- Organize and direct the audit team members
- Provide direction and guidance to auditors-in-training
- Prevent and resolve conflicts as necessary
- Represent the audit team
- Lead the audit team to reach the audit conclusions
- Prepare and complete the audit report

Good Practices for Auditors

- Introduce self and/or audit team

- Ensure agenda is understood

- Keep to agenda

- Keep control of the audit and time

- Avoid arguments

- Listen

- Keep records

- Remain polite, calm, professional

QUALITY ASIA

Audit Review

- Conduct a private review when the audit is finished
- Interim or "end of the day" reviews (or both) may be appropriate
- Review and complete checklists
- Study and compare notes (team)
- List nonconformities

Analyzing Results

Review if:

- The deficiency is an isolated error or a breakdown of a system

- Auditee is aware of the problem

- The deficiency has been reported before

Closing Meeting

Explain/discuss the findings

Obtain agreement

State overall degree of conformity

Mention the positive points

Internal audits	Second party audits	Third party audits
• Informal • Constructive • System improvement	• Contracts at stake • Reports used as future reference • More emotional situation than first party audit meeting • Be prepared to be challenged	• Contracts at stake • Reports used as future reference • More emotional situation than first party audit meeting • Be prepared to be challenged

Non-conformance management in first party audits

- **Identification**: Auditors identify non-conformities against the organization's internal procedures or ISO requirements.

- **Recording**: Non-conformances are documented in the audit report.

- **Corrective Action**: The organization takes corrective actions to address root causes and prevent recurrence.

- **Verification**: Follow-up audits or reviews ensure actions are implemented effectively.

- **Purpose**: Improve internal systems, ensure compliance, and prepare for external audits.

Non-conformance management in second party audits

- **Identification**: Non-conformities against agreed terms, product specifications, or standard requirements are identified.
- **Reporting**: Issues are communicated to the supplier formally.
- **Corrective Action**:
  - The supplier is required to provide a Corrective Action Plan (CAP) within a specified timeline.
  - Actions include root cause analysis, corrective measures, and preventive actions.
- **Verification**: Follow-up audits or supplier reviews are performed to verify corrections.
- **Purpose**: Ensure suppliers meet contractual obligations and quality standards.

Non-conformance management in third party audits

- **Identification**: Non-conformities are classified as:
  - Major: Systematic failures or high-risk non-compliance.
  - Minor: Isolated issues that don't pose significant risk.

- **Reporting**: Non-conformities are included in the audit report and communicated to the auditee.

- **Corrective Action**:
  - Auditees must submit an action plan with root cause analysis, corrective actions, and preventive measures.
  - A timeline is set to resolve major non-conformities (often 30-90 days).

- **Verification**:
  - Major non-conformities require evidence submission and/or re-audit.
  - Minor non-conformities are checked during the next surveillance audit.

- **Purpose**: Achieve certification, regulatory compliance, or demonstrate conformity to standards.

Nonconformance Statement

A short statement describing the nonconformity including:

- **What -** The issue in question

  (a statement of nonconformity)

- **Why** - What the statement is raised against?

  (the requirement, or specific reference to the requirement)

- **Objective Evidence** - The objective evidence found

  (the objective evidence observed that supports statement of nonconformity)

Nonconformance report

- Used to report non-conformity audit findings
- Must be factual
- Must be understandable and traceable
- Raise non-compliances on completion of an audit
- Allow the auditee to implement corrective action prior to the closing meeting
- The auditee is requested to sign signifying an understanding and acceptance of the non-compliance

Wording of NC report

- It is important when preparing and wording NC-Report's to take care and ensure it is justified

- Failure to achieve clear information will invite challenge of the findings at the closing meeting

- This will be particularly important in areas where the emphasis has changed with respect to the requirements in order that they will be clearly understood, i.e.
    - Management Commitment
    - Competence
    - Communication
    - Continual Improvement

Example of Nonconformance Statement

- **A statement of nonconformity:**
  - The organization has failed to uphold key principles of **social responsibility**, including **respect for human rights, fair labor practices, and ethical behavior**. There is no clear framework in place to ensure **compliance with international norms of behavior**, leading to inconsistencies in responsible business conduct.

- **The requirement, or specific reference to the requirement:**
  - ISO 26000:2010 Core Subjects - Human Rights & Fair Operating Practices:
    - Organizations should respect and promote human rights, ethical labor conditions, and responsible governance.
    - Organizations should ensure compliance with international norms, even when local laws do not provide adequate safeguards.

- **The objective evidence observed that supports statement of nonconformity:**
  - During employee interviews, it was found that the organization did not provide clear guidance on human rights policies, ethical sourcing, and fair labor practices.
  - No evidence of recent awareness training on corporate social responsibility (CSR) or compliance with international labor and ethical standards was available.

Audit Reporting

The audit report should include:

- Auditors, contracts, scope
- Overall conclusions
- Deficiencies, observations, supporting objective evidence
- Follow-up details

Exclude from Report:

- Confidential information given in interviews
- Matters not raised or discussed at the closing meeting
- Subjective opinions – use only verifiable facts / objective evidence
- Ambiguous statements
- Antagonistic words or phrases

Audit Reporting

- Description of audit aim, purpose and scope
- Number of non-compliances and summary of audit findings
- Description of good points and any main concerns
- Description of the identified opportunities for improvement
- Recommendations made because of audit findings

Audit Follow-Up

- Verify that action(s) are implemented

- Ensure short- and long-term effectiveness

- Record follow-up details & objective evidence reviewed

- Sign off forms
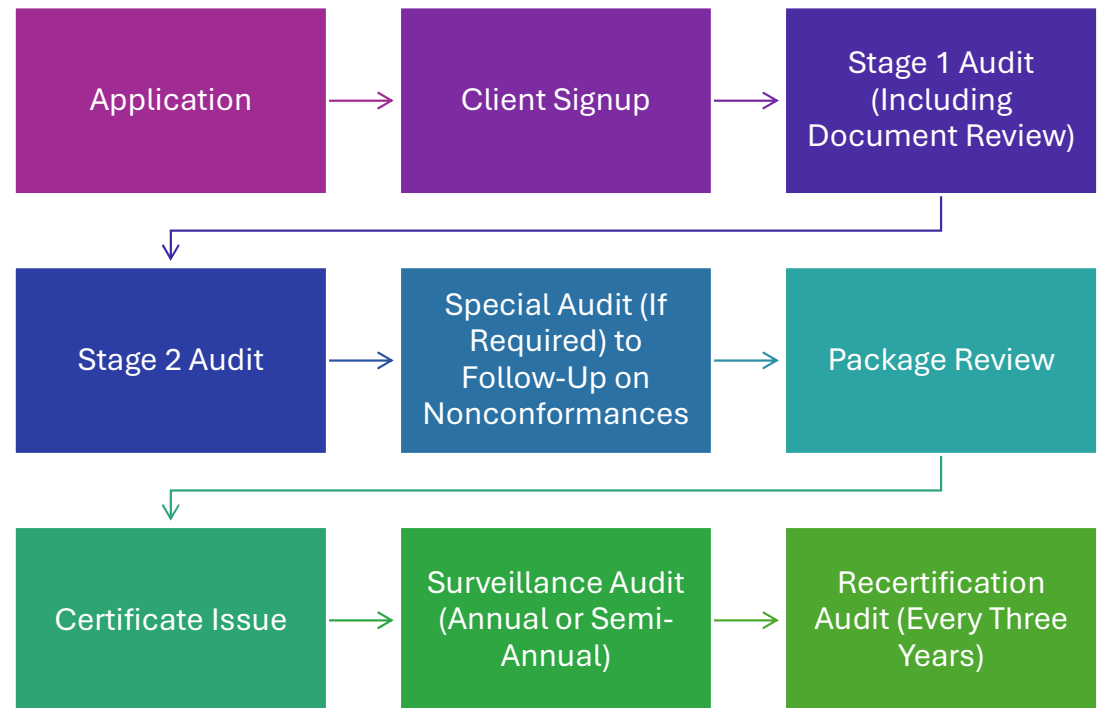
Certifications offered

- We offer certifications for -
    - ISO 9001 (QUALITY MANAGEMENT SYSTEMS)
    - ISO 14001 (ENVIRONMENT MANAGEMENT SYSTEMS)
    - ISO 45001 (OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEMS)
    - ISO 50001 (ENERGY MANAGEMENT SYSTEMS)
    - ISO 27001 (INFORMATION SECURITY MANAGEMENT SYSTEMS)
    - ISO 22000 (FOOD SAFETY MANAGEMENT SYSTEMS)
    - ISO 13485 (MEDICAL DEVICES QUALITY MANAGEMENT SYSTEMS)
    - ISO 26000 (SOCIAL RESPONSIBILITY MANAGEMENT SYSTEMS)

QUALITY ASIA

QUALITY ASIA

Our Accreditation

- At Quality Asia Certifications, our commitment to excellence is validated through our prestigious accreditations.

- We are proud to be recognized by leading national and international accreditation body, including **NABCB (National Accreditation Board for Certification Bodies), IAF Accredited** ensuring the highest standards of quality and compliance.

- Our accreditations reflect our rigorous adherence to industry standards and our dedication to providing reliable and trustworthy certification services. These credentials are a testament to our expertise and our unwavering commitment to delivering value to our clients.

- Proud BNI (Business Network International) Member

LEADERSHIP TEAM

Mr Atul Suri	Mrs. Seema Suri	Mr Samarth Suri	Ms Palak Ahuja
Lead Auditor & Reviewer	**Director - Accreditations**	**Managing Director**	**GM - Certifications**
Responsible for Leading Teams of Auditors and Establishing Excellence in Auditing Operations	Responsible for Maintaining Accreditation Status and Heading Audit Review and Certification Decision Process	Responsible for Marketing & Promotions, and ensuring Right Visibility of the Certification Body	Responsible for Heading and Managing Certification and Operations and Ensuring Client Success through Certifications

CORE TEAM

| Mr Parveen Singh Negi	Mr Sagar Mahour	Team of Auditors	Team of Executives
Business Development Head	**Quality Assurance Officer**		
Responsible for Heading Sales Teams and Ensuring Customer Acquisition in the Most Ethically Right Manner	Responsible for compliance with accreditation standards, manages documentation and audits, assists in training programs, and supports marketing and operational excellence initiatives.	Responsible for Conducting Ethical and Quality Rich Audits, enabling Organizations to Understand and Upgrade their Systems and Processes	Responsible for Managing the Shows behind the scenes

QUALITY ASIA

Training Information and Evaluation

Training Material will be provided to you through mail.

Training Evaluation, a google form link is provided to you through mail.

Training Feedback is the part of the Training evaluation form, please provide your valuable feedback.
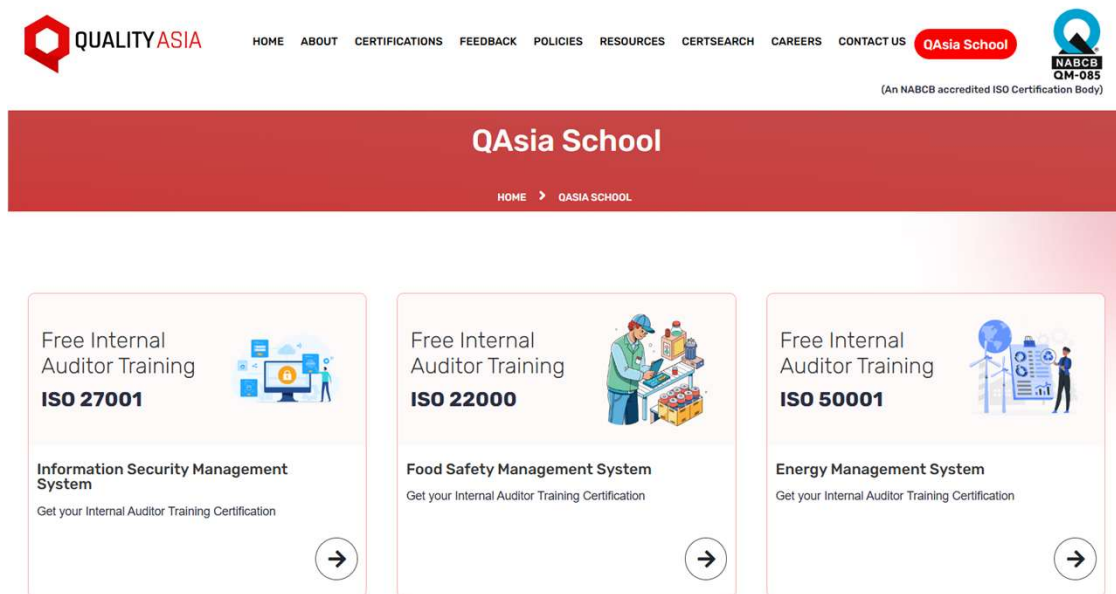
Quality Asia School

- **Quality Asia School: Explore comprehensive training programs on various ISO standards: https://www.qualityasia.in/qasia-school.php**

Training Calendar – 2025-26

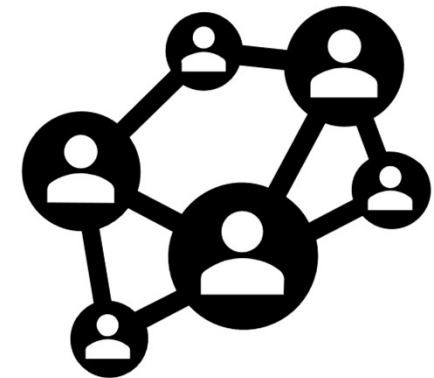| Training Name	Standard Name	Date
ISO 42001 Training Program	Artificial Intelligence Management Systems (AIMS) Training	27 April 2025
ISO 27701 Training Program	Privacy Information Management Systems (PIMS) Training	25 May 2025
ISO 22301 Training Program	Business Continuity Management Systems (BCMS) Training	29 June 2025
ISO 20000-1 Training Program	IT Service Management Systems (ITSMS) Training	27 July 2025
AS 9100 Training Program	Quality Management for Aviation, Space, and Defense Training	31 August 2025
AS 9110 Training Program	Aviation Maintenance Quality Management Training	28 September 2025
AS 9120 Training Program	Aviation, Space, and Defense Distribution QMS Training	26 October 2025
IATF 16949 Training Program	Automotive Quality Management Systems (QMS) Training	30 November 2025
IATF Core Tools Training Program	Automotive Core Tools (APQP, PPAP, FMEA, MSA, SPC) Training	28 December 2025
GHG Training Program	Greenhouse Gas (GHG) Emissions Management Training	25 January 2026
ESG Training Program	Environmental, Social, and Governance (ESG) Compliance Training	22 February 2026
SEDEX Training Program	Supplier Ethical Data Exchange (SEDEX) Compliance Training	29 March 2026

QUALITY ASIA

Free Training program updates...

- **Join our WhatsApp channel for convenient access to live training sessions: https://whatsapp.com/channel/0029VamtSmnJ93wcEDIsrT1Z**

- **Free Internal Auditor Training Calendar: Explore upcoming training sessions on various ISO standards, including ISO 9001, ISO 26000, on our website: https://www.qualityasia.in/training-calendar.php**

Join us on…

- Follow and Connect with Quality Asia Certifications: Stay updated on our latest news and training programs by following us on Social media:
    - Instagram: https://www.instagram.com/qualityasia/
    - LinkedIn: https://www.linkedin.com/company/quality-asia/mycompany/
- Quality Asia YouTube Channel: Subscribe for insights and educational videos on ISO standards and auditing practices: https://www.youtube.com/@QualityAsia

Thank You.