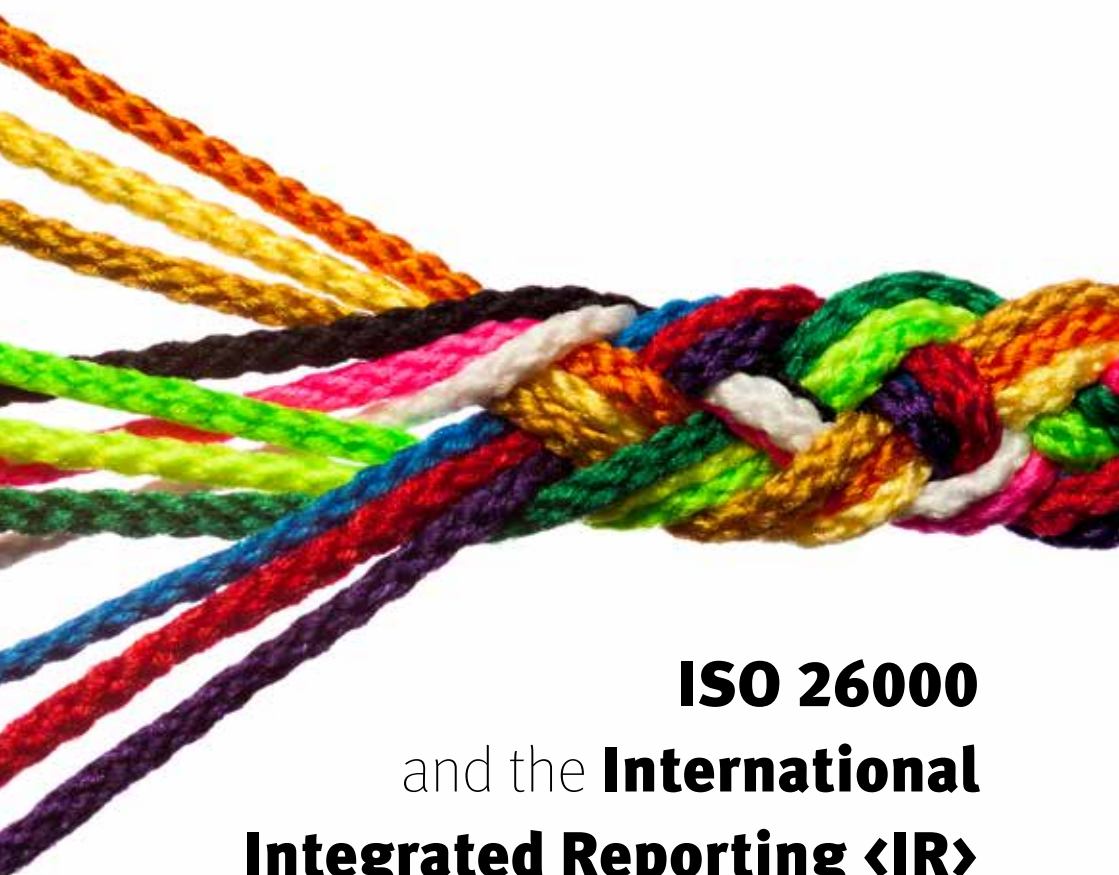




# 26000



**ISO 26000**  
and the **International**  
**Integrated Reporting <IR>**  
Framework briefing  
**summary**



<IR> provides  
an overarching  
framework for  
integrated thinking  
and reporting.



## Executive summary

- Through promoting integrated thinking, ISO 26000 and the International <IR> Framework support companies in understanding and enhancing the value they create for society and for financial investors.
- ISO 26000 is the leading international guidance on social responsibility for organizations.
- The International <IR> Framework encourages concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. <IR> applies principles and concepts that are focused on bringing greater cohesion and efficiency to the reporting process, and adopting 'integrated thinking' as a way of breaking down internal silos and reducing duplication.
- Whereas <IR> provides an overarching framework for integrated thinking and reporting, ISO 26000 provides detailed guidance on how some of that thinking might be developed and implemented through an organization.

# International Standard ISO 26000 gives guidance on social responsibility.

## **What is ISO 26000 ?**

Published in 2010, International Standard ISO 26000 gives guidance on social responsibility and is intended for use by organizations of all types and sizes, in all spheres, in order to assist them in their efforts to operate in the socially responsible manner that society increasingly demands.

An organization's performance in relation to the society in which it operates and to its impact on the environment has become a critical part of measuring the organization's overall performance and its ability to continue operating effectively. As such, and based on international consensus among expert representatives of the main stakeholder groups, ISO 26000 provides harmonized, globally relevant guidance on :

- Concepts, terms and definitions related to social responsibility
- Background, trends and characteristics of social responsibility
- Principles and practices relating to social responsibility
- Core subjects and issues of social responsibility
- Integrating, implementing and promoting socially responsible behaviour throughout the organization and, through its policies and practices, within its sphere of influence
- Identifying and engaging with stakeholders
- Communicating commitments, performance and other information related



ISO 26000 identifies seven core subjects of social responsibility, as illustrated in the following figure taken from the standard.

## Social responsibility: 7 core subjects



\* The figures denote the corresponding clause numbers in ISO 26000



## What is the International <IR> Framework?

Launched in December 2013, the International <IR> Framework supports integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term. An integrated report aims to provide insight about the resources and relationships ('the capitals') used and affected by an organization as it creates value over time.

ISO 26000 is a framework for social responsibility and is used by a large number of companies as a way of strategizing and managing performance in this respect.

<IR> is a process founded on integrated thinking by an organization that results in a periodic integrated report about value creation over time and related communications regarding aspects of value creation.

The long-term vision of the International Integrated Reporting Council (IIRC) is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.

Through a continuous cycle of integrated thinking and reporting within the business community, the goal is to increase the efficiency and productivity of invested capital and to be a force for financial stability and sustainability.



Be a force  
for financial stability  
and sustainability.

**⟨IR⟩ aims to:**

- Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital
- Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organization to create value over time
- Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies
- Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term

## **There are eight key content elements in an integrated report :**

- 1.** Organizational overview and external environment – What does the organization do and what are the circumstances under which it operates ?
- 2.** Governance – How does the organization’s governance structure support its ability to create value in the short, medium and long term ?
- 3.** Business model – What is the organization’s business model ?
- 4.** Risks and opportunities – What are the specific risks and opportunities that affect the organization’s ability to create value over the short, medium and long term, and how is the organization dealing with them ?
- 5.** Strategy and resource allocation – Where does the organization want to go and how does it intend to get there ?
- 6.** Performance – To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals ?
- 7.** Outlook – What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance ?
- 8.** Basis of preparation and presentation – How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated ?





### **<IR> has three key foundations :**

- 1.** Value creation for the organization and for others
- 2.** The increase, decrease or transformation of capitals through the organization's activities and outputs<sup>1)</sup>
- 3.** The organization's value creation process

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1) The International <IR> Framework categorizes the capitals as financial, manufactured, intellectual, human, social and relationship, and natural.



## **How are ISO 26000 and the International <IR> Framework complementary?**

Both ISO 26000 and the International <IR> Framework encourage organizations to consider how their strategy, operations and governance work together to create outcomes that are valuable to the business, society and other stakeholders. By promoting ‘integrated thinking’, both ISO 26000 and the International <IR> Framework help organizations improve their understanding of the factors that drive or erode value over time. In addition, both encourage organizations to communicate how they plan to deliver value over the short, medium and longer term.

Whereas the IIRC provides an overarching framework to support integrated thinking and reporting, ISO 26000 provides detailed guidance on how the *thinking* aspect, in particular, can develop within an organization. Those looking to start their <IR> journey would be advised to consider using ISO 26000 as a complement to the International <IR> Framework. Those already using ISO 26000 will recognize this as a useful foundation toward creating effective integrated reports.

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