

THE BASICS FOR CREATING A STATEMENT OF PRINCIPLES



Why do I need a statement of principles if there are applicable laws for the situation?

- A statement of principles emphasizes the meaning of a certain topic for your company and at the same time increases its value
- A statement of principles clarifies the fundamental values and norms of your company
- It shows internal and external parties what the company stands for
- A statement of principles offers employees the orientation they need to align their own actions with the objectives of the company.
- It provides a binding frame of reference for both internal and external partners
- A statement of principles as well illustrates how well the company has understood the local law, integrated it to the company's common practice

What does a statement of principles contain?

- A commitment to complying with applicable laws and international standards as well as, under certain circumstances, a reference to other relevant frameworks
- A focus on the topics most relevant to the company
- Defined objectives for the most relevant topics
- Established responsibilities
- A commitment to open exchange with internal and external partners

What formalities need to be observed?

- A statement of principles can focus on a specific subject area or cover different subject areas. The correct form for your company depends, among other things, on the size of the company, your risk exposure, requirements from management systems and external requirements.
- It contains the company logo and the current version
- The management commits itself by signature to the statement of principles
- The area of application, e.g. for subsidiaries, must be included

What do I do with a statement of principles?

- Communicate internally and externally
- Integration in mandatory training courses for employees, e.g. for new hires
- It serves as a basis for the description of procedures and processes, on the basis of which the corresponding subject areas are dealt with
- Revise regularly

Related links:

[Background information SAQ](#) (right column)

Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain: <https://drivesustainability.org/wp-content/uploads/2017/12/Guiding-Principles.pdf>

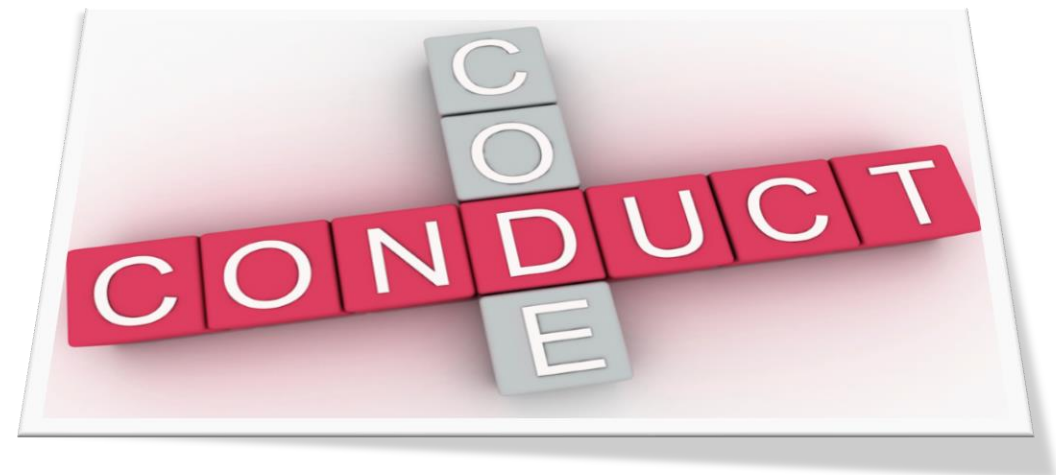
Practical Guidance: <https://drivesustainability.org/wp-content/uploads/2017/12/Practical-Guidance.pdf>

Supplier Handbook SAQ 3.0: https://drivesustainability.org/wp-content/uploads/2019/06/Supplier-handbook_final-version.pdf



Code of conduct

- Sets out the supplier's expectations of their staff and the values or proper practice for the business
- Should contain:
 - the name of a senior member of staff with overall responsibility
 - information or guidance on labour standards, environmental sustainability, bribery and corruption as well as health and safety
 - example: Scania Code of Conduct





Training on sustainability

- There should be training sessions to enhance the understanding of Sustainability at your site
- Could be a part of the code of conduct training if it involves all areas
 - Important to train your employees in the code of conduct! Could be an e-learning





Working conditions and human rights policy

- A written declaration of intent and can include targets against the organisation's key performance indicators (KPIs).
- Should contain:
 - labour standards, working conditions, working hours, wages and benefits, social initiatives, non-discrimination and compliance with legislation and regulation
 - management responsibility and commitment to social sustainability
 - employee responsibilities to follow the organisation's policies regarding social sustainability issues
 - training and awareness
 - targets against the organisation's KPIs
 - can be the same as code of conduct if it covers all areas





Health and safety policy

- A health and safety policy is used by an organisation to set out its action to meet its targets and objectives
- Should contain:
 - management responsibility for ensuring a safe and healthy workplace
 - safe systems of work, personal protective equipment (PPE), emergency response, cleaning of equipment, first aid, fire safety and compliance with legislation and regulation
 - employee responsibilities (e.g. following the procedures)
 - training on health and safety knowledge, (e.g. the use of first aid and personal protective equipment)
 - targets against KPIs (e.g. reduction in injuries, increase health attendance)
 - can be the same as code of conduct if it covers all areas



Business ethics policy

- The Code of Business Conduct or Ethics helps ensure compliance with legal requirements and sets standards of business conduct.
- Should contain:
 - bribery, gifts and hospitality, anti-corruption, conflicts of interest, whistle-blowing, grievances, disciplinary action and privacy, ethical conduct and compliance with legislation and regulation
 - a member of the management team that ensures the company meets commitments to business conduct and ethics
 - employees' responsibilities to uphold the company's core values (including training for employees)
 - can be the same as code of conduct if it covers all areas



Environmental policy

- An environmental policy states the company's overall intentions and direction relating to its environmental aspects
- Should contain:
 - air emissions, energy consumption, use of restricted substances and chemical handling, waste management, resource management, biodiversity, water usage and compliance with legislation and regulation
 - management responsibility for environmental sustainability
 - employees' responsibilities to adhere to the environmental policy
 - training and awareness on environmental protection
 - targets on improving environmental performance





Sustainability requirements towards suppliers

- The sustainability requirements put on your supplier
- Should contain:
 - human rights, non-discrimination, freedom of association, collective bargaining, bribery, corruption, health and safety, environmental sustainability, and compliance with legislation and regulation
 - management responsibility for ensuring suppliers meet the organisation's expectations
 - targets (regarding sustainability performance)
 - example: Scania Supplier Code of Conduct

