

How to write a sustainability policy

IFU requires that you adopt a written sustainability policy. The sustainability policy provides the framework and determines the level of ambition for your sustainability effort. A formal and written sustainability policy is your narrative on what you want to achieve within sustainability and an easy way for internal and external stakeholders to read about your commitments. It offers clear evidence of your sustainability commitment that can enhance your credibility and be crucial in bidding for contracts or obtaining financing from investors.

What should the policy include?

Emphasise your commitment to sustainability and continuous improvement

The policy must include an overall commitment to operate in compliance with host country regulations. It should also include a commitment to support the 10 principles of the UN Global Compact¹ or comply with international sustainability standards relevant for your business area/sector. Furthermore it should express an ambition of continuous improvement of your sustainability performance.

Focus content on the significant sustainability issues

The policy should address the significant issues relevant for your business. Therefore, the policy should build on an assessment of sustainability risks and impacts of your business on the community and in the value chain. Depending on the assessment, the policy should include a commitment to:

- Respecting and promoting all basic human rights across your activities and business relationships, including labour rights and occupational health and safety, and address adverse human rights impacts that your business may cause or contribute to.
- Improving environmental performance through a preventive and precautionary approach that addresses environmental challenges, including climate change, loss of biodiversity and land use changes as well as relevant sector-specific environmental issues.
- Securing good corporate governance and business ethics, including anti-corruption, anti-fraud, transparency and alike.
- Ensuring good animal welfare, if applicable.
- Promoting sustainability issues in interaction with suppliers and business partners.
- Providing transparent, accountable information/reporting about the business' sustainability performance in order to create the best possible platform for a continuous and proactive stakeholder dialogue.
- Handling complaints by individuals and communities, who may be adversely affected by your business' activities.

Walk the talk and align with business aims

The policy is a promise to your stakeholders as to what they can expect from you in relation to sustainability. This means that you must ensure that you do not promise too much. It is of utmost importance that there is consistency between the communicated ambition and the actual effort. When it comes to areas beyond compliance with legislation you should be

¹ UN Global Compact Principles: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

realistic about what is achievable and ensure alignment between sustainability aims and business aims.

Ensure consistency with values and other policies

The policy should reflect the core values of the business. There will probably be links between your sustainability policy and other existing policies such as human relations and procurement and you should make sure there are no conflicting aims. You should review your other policies for inconsistencies with your commitment to sustainability.

Keep it short and overall

The length of sustainability policies varies, and as such there are no rules for how long or short a policy should be. A short overall policy (e.g. 2 pages) can be supplemented by more specific policies in the various strategic areas, for example an environmental policy, a health and safety policy or an anti-corruption policy.

How to implement and communicate the policy

Ensure top commitment

The board of directors or similar governance body must approve the sustainability policy. There is a need for a top management commitment to lead the changes to the business culture that may be required to implement the policy in the organisation.

Involve key stakeholders

The policy also needs to have support of employees and other key stakeholders, who should be part of the risk assessment and involved in the development of the policy. Any internal or external consultative processes that formed the development of the policy should be included in the communication of the policy.

Communicate the policy to all employees

The policy must be communicated to all employees so they understand what behaviours are expected of them. It is not enough to hand out the policy or post it on the intranet. Management should introduce the policy at meetings for employees and others who work for the company. Management should explain the background and the purpose of the policy and what they expect of the employees and give the employees the opportunity to ask questions. The policy could be discussed at team meetings to ensure that all employees understand your commitment and what it means for their daily work. The policy could also be part of the employment contract and introduction programmes for new employees.

Communicate the policy directly to business partners

The policy should be communicated directly to all business partners that are expected to adhere to it, e.g. contractors and suppliers. It can be communicated to business partners through pre-business conversations, contract negotiations, contractual terms, training sessions, written guidance, etc.

Make the policy available to relevant external stakeholders

The policy must be made publicly available and communicated to relevant external stakeholders that could have an interest in its implementation, e.g. potentially affected communities, investors, consumers, and civil society organizations. It should be available in local language(s) so local community can read it.