



Questions and answers on codes of conduct

Our experts have answered key questions regarding our services for establishing an individual code of conduct.

1. WHAT IS A CODE OF CONDUCT?

It makes sense for a company to have its own code of conduct if it wishes to go beyond existing standards or to focus on its own special areas of interest. For example, in the pharmaceutical sector the focus might be on the trained handling of hazardous materials. In this area, the existing guidelines do not cover all the safety aspects. For companies with such special requirements, it is not enough to join an initiative. Establishing a company's own high standards for its partnerships with suppliers minimizes the risk of incidents in the supply chain. It is also worthwhile to be a pioneer before state legislation sets new external standards in areas such as data protection, for example. In addition, by formulating their own, more stringent, code of conduct companies can distinguish themselves from their competitors — and that is an important step toward market leadership.

2. WHICH EXISTING STANDARDS SHOULD A COMPANY INCORPORATE INTO ITS CODE OF CONDUCT?

Occupational safety, for example, is an important issue for companies that have extensive warehousing operations. If a company wishes to concentrate on fair and safe work, it should orient itself according to existing ethical and social codes of conduct such as the UN Universal Declaration of Human Rights or the Conventions of the International Labour Organization (ILO). The ISO 14001 standard is one of the recommended codes for environmental issues. Companies can use building blocks like these to put together their own customized code of conduct.

3. WHAT IS A CORRECTIVE ACTION PLAN?

After the audit, our auditors work together with the customer to create a corrective action plan. This plan specifies which deviations from the standard must be corrected by when, as well as the date when a follow-up audit should be conducted. A corrective action plan is usually formulated on the very same day as the audit. We check for compliance again in our follow-up audits.

4. WHAT IS A HOTSPOT ANALYSIS?

We conduct a so-called hotspot analysis in order to find out exactly where the points of highest risk are located in the supply chain – this is one of the first steps towards a precise code of conduct. These factors can differ from sector to sector. TÜV Rheinland's auditors check the status of the suppliers by means of a questionnaire that can be based on the customer's specific standards or international ones. Our auditors know from experience how to organize investigations to monitor the weak points.

5. HOW DOES TÜV RHEINLAND SUPPORT COMPANIES TO MAKE SURE THAT SUPPLIERS COMPLY WITH THE CODE OF CONDUCT?

After the code of conduct has been completed, it needs to be established in the supply chain. TÜV Rheinland helps to define an individual auditing process that determines how often the supply chain has to be audited and until when deviations must be corrected. The audit programme can also set priorities for the most important criteria, for example fire protection. We can structure the reports according to the customer's wishes. All kinds of formats are possible, ranging from the simple information as to whether the audit was passed or not to detailed reports focusing on aspects such as occupational safety or environmental sustainability. That enables companies to find out their weak points and make targeted improvements in critical areas.

6. HOW DOES TÜV RHEINLAND ENSURE THE AUDITOR'S EXPERTISE?

Our auditors are registered members of the Association of Professional Social Compliance Auditors (APSCA), continuously update their skills, operate all over the world, and share their experiences every year. We have managers for every scheme based on the international standards who keep our experts up to date. The auditors are authorized to audit according to all of the current international social standards, and they can also conduct audits focussing on other areas during an appointment with the customer – for example, environmental protection or the handling of chemicals. We can demonstrate that our auditors in the social audit sector, which has existed for 20 years, have ten years of experience on average. That makes them the most experienced auditors in the sector.

7. WHAT IS THE DOW JONES SUSTAINABILITY INDEX (DJSI)?

The Dow Jones Sustainability Index (DJSI) is a stock index that includes global sustainability leaders. In order to be registered in this list, companies have to fulfil economic, ecological and social criteria.

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