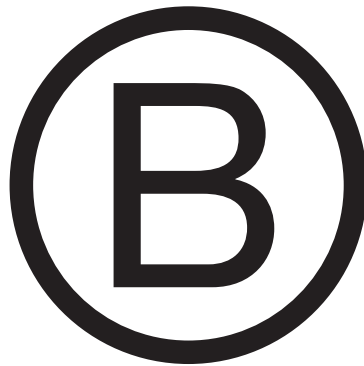


Certified



Corporation[™]

bcorporation.net

B Resource Guide:
Creating Company Policies



B Resource Guide: *Creating Company Policies*

What's in this Guide:

- I. Definition: What is a Company Policy?
- II. Why Create Company Policies?
- III. Policy Content: What Makes a Good Policy
- IV. Policy Implementation
- V. Company Policies to Consider

I. Definition: What is a Company Policy?

A Company Policy is a documented set of basic principles and associated guidelines, formulated and enforced by the governing body or an assigned committee of an organization that direct and limit a company's decisions and actions in pursuit of its objectives.

II. Why Create Company Policies?

No matter what the size of your company, company policies can be simple to write and implement, while adding structure to the great things you are already doing.

Specifically, company policies:

- **drive strategic planning, and help set expectations and performance objectives.**
- **lead to more efficient internal operations.**
- **engage and align the values of stakeholders; and build mutual understanding of expectations and challenges.**
- **ensure accountability.**
- **create transparency.**
- **promote ethical and responsible decision-making.**
- **assess and mitigate risk.**
- **streamline new staff orientation; having established written policies that staff can refer to creates consistency, clarity, and provides an understanding of the goals and culture of the company.**
- **result in time savings: proactively thinking about how specific situations and issues will be handled eliminates having to discuss and debate how to handle issues every time they come to the forefront.**
- **meet legal requirements; some laws require employers to adopt certain policies to guide the actions of their staff and management. example: Discrimination/Harassment Policy.**



B Resource Guide: *Creating Company Policies*

III. Policy Content: What Makes a Good Policy

Company policies are most effective as official written documents. While policies often differ in form depending on company size, industry, and length of time in business, policy documents generally contain certain standard components¹ including:

- **Purpose Statement**, outlining why the organization is issuing the policy, and what the desired effect or outcome of the policy is.
- **Specifications**, including statements indicating the specific regulations, requirements, and organizational behavior that the policy is creating.
- **Implementation section**, indicating which parties are responsible for carrying out individual policy statements and how policy adherence will be ensured.
- **Effective Date**, which indicates when the policy is considered in force (an executive signature or endorsement can be useful to legitimize the policy)

Additional sections may include:

- **Applicability and Scope Statement**, describing whom the policy affects and which actions are impacted by the policy.
- **Background**, indicating any reasons, history, and intent that led to the creation of the policy, which may be listed as motivating factors.
- **Definitions**, providing clear definitions for terms and concepts found in the policy document.

IV. Policy Implementation

- **Set up a committee/working group.** Setting up and engaging the correct people to devise (and oversee) the policy is essential to the success of the planning and implementation.
- **Consult stakeholders.** Consult employees, board, and other stakeholders who will be affected by the policy about policy inclusions, how the policy will be implemented, assistance offered etc. throughout the development and implementation stages. This can be done via surveys/questionnaires, emails and team meetings.

¹ <http://en.wikipedia.org/wiki/Policy>



B Resource Guide: *Creating Company Policies*

- **Devise draft policy** (see recommended policy content above). **Circulate. Revise.**
- **Have policies reviewed for legal accuracy.** You may want to have policies reviewed to make sure they are not requiring or prohibiting something that would violate the law.
- **If a board of directors or advisory board exists, do a board vote.**
- **Set policy implementation date.** Once the policy has been amended and agreed upon, designate an implementation date, sign, and then promote.
- **Monitor and review.** The staff responsible for monitoring the policy must ensure adherence to the policy. It is good practice to review the policy at two yearly intervals.
- **Consider creating & distributing a Policy Manual.** Keeping all of your policies in one place makes them easy to refer to and review. Copies should be provided to all members of an organization, along with applicable stakeholders.

V. Further Resources

B Resources - These free downloadable guides were created to help companies improve their social and environmental performance.