

Communication to Suppliers on the Launch of SAQ 4.0

5 June 2020

Drive Sustainability developed a common Self-Assessment Questionnaire (SAQ) in 2016. The SAQ focuses on Corporate Social Responsibility (CSR)/Sustainability within the automotive industry.

The common SAQ was designed to:

- Assess supplier performance on CSR/Sustainability
- Support the individual OEMs in identifying supply chain risks
- Avoid duplication and improve efficiency for both OEMs and suppliers

The SAQ is based on the Global Automotive Sustainability Guiding Principles, outlining minimum expectations for suppliers on key responsibility areas including human rights, working conditions, health and safety, environment, business ethics, supplier management and responsible sourcing of raw materials.

The purpose is to serve as a benchmark of supplier CSR/Sustainability performance.

The SAQ is regularly updated. The latest edition of the common SAQ ([SAQ 4.0](#)) will be deployed on the [SupplierAssurance](#) platform provided by NQC Ltd. and on the online platform provided by [Achilles](#).

SAQ 3.0 will be considered valid until an updated SAQ 4.0 is requested by a customer.

Please note that members of Drive Sustainability collect SAQ questionnaires ONLY through a 3rd party platform provider. Please contact your customer to find out which platform provider to use.

SAQ 4.0 considers all feedback received from Drive Sustainability OEM members, CLEPA, VDA, as well as individual suppliers, and a data platform provider NQC Ltd.

What changes to expect in SAQ 4.0?

1. The structure of SAQ was modified to ensure better flow and alignment between sections. "Health and Safety" has become a section of its own. For specific sections, suppliers are encouraged to show that they have a respective policy in place, which is comprehensive and communicated to all employees, and that they have a corresponding management system. SAQ 4.0 makes a distinction between management systems certified under internationally recognised standards and those that are certified under local standards. In addition, suppliers have an opportunity to indicate if they have a management system which is not certified.
2. Performance criteria were revised for Small and Medium-sized Enterprises (SMEs). In SAQ 4.0, sites with less than 50 employees are not required to upload a CSR/Sustainability report.
3. New performance indicators were added to the questionnaire. First, suppliers are encouraged to have a grievance mechanism in place available to the impacted stakeholders. Second, suppliers are asked to provide the information on what percentage of energy used at their site comes from renewable sources.

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4. For SAQ 4.0 Drive Sustainability members have updated the scoring methodology.

Each question is included in one of the SAQ performance indicators that are distributed between the three priority groups. The total score is calculated as a weighted average of the scores per each group, so that a score for a high-priority group is accounted with a higher weight than a score for a low-priority group.

The distribution of performance indicators between the priority groups is represented in the table below.

Priority group ¹	Low	Medium	High
List of performance indicators ²	<ul style="list-style-type: none"> - Responsible management person for social, compliance, and environmental issues - CSR/Sustainability report - Grievance mechanism - Energy management system 	<ul style="list-style-type: none"> - Policy on working conditions and human rights - Policy on responsible sourcing of raw materials - Policy on health & safety - Policy on environment - Policy on business ethics - Procedures to manage substances with restrictions 	<ul style="list-style-type: none"> - CSR/Sustainability requirements towards suppliers - Code of Conduct - Environmental management system - Management system for working conditions and human rights - Management system for health and safety

5. Manufacturers are expected to indicate if they use any of the 18 materials highlighted in the [Material change](#) report and have a respective responsible sourcing policy in place. If tantalum, tin, tungsten or gold are selected, suppliers are still asked to submit a [Conflict Minerals Reporting Template](#). If cobalt is contained in their products, they are asked to submit a [Cobalt Reporting Template](#).

¹ Please note that each OEM maintains its right to apply their internal requirements.

² Performance indicators are subject to change at any time and should not be held as absolute truth in regard to subject matter and priority.