

PLATINUM

Top 1%

2021
ecovadis
Sustainability
Rating

ecovadis

EcoVadis Sustainability Assessment Report

Company rated:
ENDRESS+HAUSER AG (GROUP)

Overall score: 76 /100
May 2021

Sustainability performance: Advanced

Size: L
Headquarters country: Switzerland
Risk country operations: Yes
Industry: Manufacture of measuring, testing,
navigating and control equipment; watches and
clocks

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ABOUT SUSTAINABILITY

Sustainability is the continuing commitment to act responsibly by integrating social and environmental concerns into business operations. Sustainability goes beyond regulatory compliance to focus on how companies manage their economic, social and environmental impacts, as well as their relationships with stakeholders (e.g. employees, trading partners, government).

ABOUT THE ASSESSMENT

The EcoVadis methodology framework assesses companies' policies and actions as well as their published reporting related to the environment, labor and human rights, ethics and sustainable procurement. Our team of international sustainability experts analyze and crosscheck companies' data (supporting documents, 360° Watch Findings, etc.) in order to create reliable ratings, taking into account each company's industry, size and geographic location.

ABOUT ECOVADIS

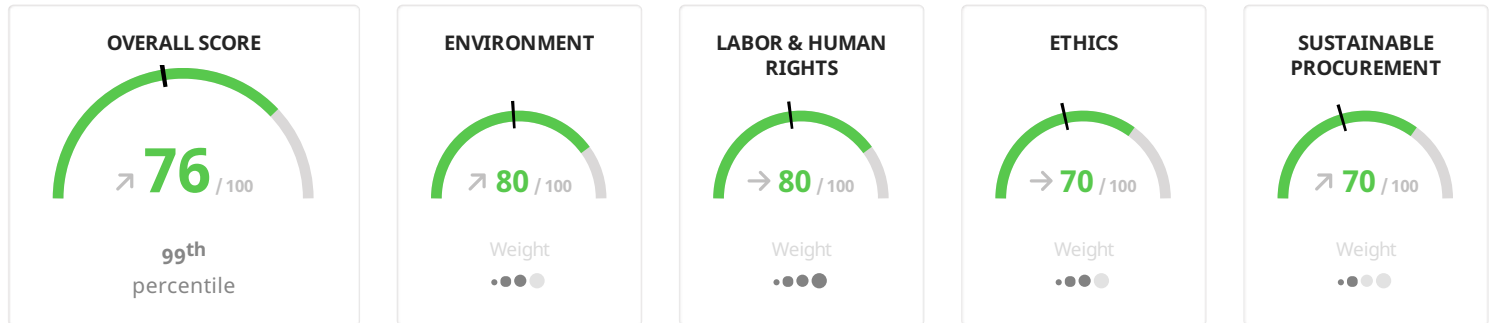
EcoVadis provides the leading solution for monitoring sustainability in global supply chains. Using innovative technology and sustainability expertise, we strive to engage companies and help them adopt sustainable practices.

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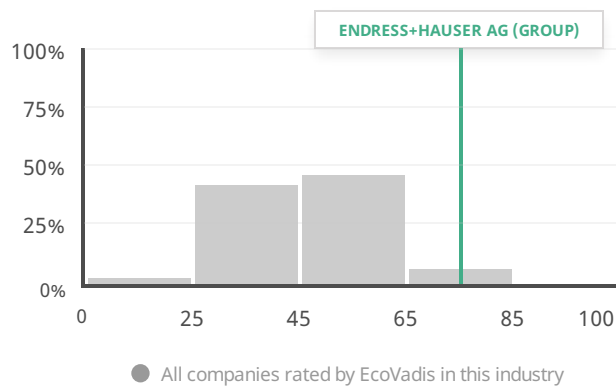
1. SUSTAINABILITY PERFORMANCE OVERVIEW

Score breakdown

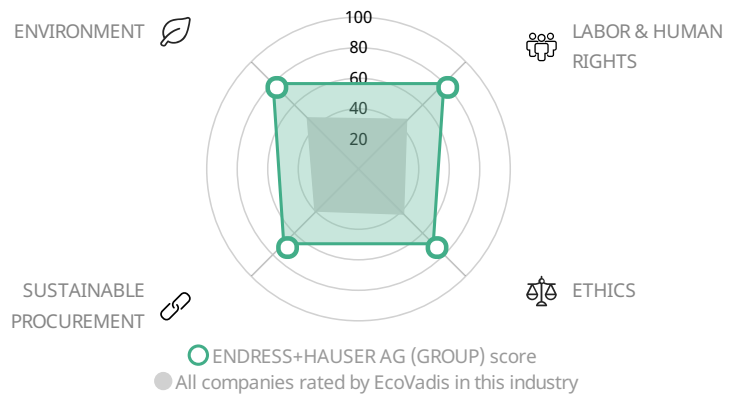
Sustainability performance ● Insufficient ● Partial ● Moderate ● Advanced ● Outstanding — Average score



Overall score distribution



Theme score comparison



ENDRESS+HAUSER AG (GROUP) has been awarded a platinum medal in recognition of sustainability achievement! To receive this medal, companies must have an overall score of 73-100.

Corrective Action Plan in progress

The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate planned and completed corrective actions and share feedback. ENDRESS+HAUSER AG (GROUP) has a corrective action plan in place and is working on improving their sustainability management system.

* You are receiving this score/medal based on the disclosed information and news resources available to EcoVadis at the time of assessment. Should any information or circumstances change materially during the period of the scorecard/medal validity, EcoVadis reserves the right to place the business' scorecard/medal on hold and, if considered appropriate, to re-assess and possibly issue a revised scorecard/medal.

2. ASSESSMENT BENEFITS

Understand :

Get a clear picture of a company's sustainability performance. The scorecard is the final output of the EcoVadis assessment. It rates and benchmarks a company's sustainability performance in four themes on a scale of 0-100 and highlights strengths and improvement areas.

Know where a company stands compared to their industry. Benchmark the company's sustainability performance against the industry with a score distribution graph and theme score comparisons.

Identify industry trends. Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

Communicate :

Meet customer needs. More and more companies raise questions about their trading partners' environmental and social performance. The EcoVadis assessment allows companies to demonstrate their commitment.

Leverage a unique communication tool. Companies with an EcoVadis Scorecard avoid audit fatigue by sharing one assessment with all requesting customers.

3. ASSESSMENT PROCESS

1

Customer Request

Procurement, CSR, EHS, and Sustainability leaders in enterprises looking to monitor sustainability risk in the supply chain request an EcoVadis assessment for their trading partners.

2

Questionnaire

Based on a company's specific sustainability risk factors, a customized questionnaire is created. It contains 20 to 50 questions tailored to the industry, size and location.

3

Document Analysis

Companies are required to provide supporting documentation for their answers to the questionnaire. These documents are reviewed by our analysts.

4

Public Information

Company information that is publicly available, most often found on the company website, is also collected as evidence of their sustainability performance.

5

360° Watch Findings

360° Watch Findings comprise relevant public information about companies' sustainability practices, identified via more than 2,500 data sources. They can have positive, negative or no score impact.

6

Expert Analysis

Our analysts combine all these elements to produce one unified scorecard per company.

SCORECARD



4. ECOVADIS METHODOLOGY

A. Four Themes and 21 Criteria

EcoVadis assessments focus on 21 issues which are grouped into 4 themes (Environment, Labor & Human Rights, Ethics, Sustainable Procurement). The 21 issues or criteria are based upon international sustainability standards such as the Global Compact Principles, the International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standard, the ISO 26000 standard, and the CERES principles.

21 sustainability criteria

1. ENVIRONMENT

OPERATIONS

Energy consumption & GHGs
Water
Biodiversity
Local & Accidental Pollution
Materials, Chemicals & Waste

PRODUCTS

Product Use
Product End-of-Life
Customer Health & Safety
Environmental Services & Advocacy

2. LABOR & HUMAN RIGHTS

HUMAN RESOURCES

Employee Health & Safety
Working Conditions
Social Dialogue
Career Management & Training

HUMAN RIGHTS

Child Labor, Forced Labor & Human Trafficking
Diversity, Discrimination & Harassment
External Stakeholders Human Rights

3. ETHICS

Corruption
Anticompetitive Practices
Responsible Information Management

4. SUSTAINABLE PROCUREMENT

Supplier Environmental Practices
Supplier Social Practices



B. Seven Management Indicators

EcoVadis assessments evaluate a company's sustainability management system by looking at seven management indicators. These are used to further customize the assessment by weighting the four themes and their subsequent 21 sustainability criteria.



Policies (weight: 25%)

1. Policies: Mission statements, policies, objectives, targets, governance
2. Endorsement: Endorsement of external sustainability initiatives

Actions (weight: 40%)

3. Measures: Measures and actions implemented (e.g. procedures, training, equipment)
4. Certifications: Certifications and labels (e.g. ISO 14001)
5. Coverage: Coverage of measures and actions

Results (weight: 35%)

6. Reporting: Reporting on Key Performance Indicators (KPIs)
7. 360: Condemnations, Controversies, Awards

5. UNDERSTANDING A SCORECARD

The overall score can be better understood by looking at quantitative information (theme scores and activated criteria) and qualitative information (strengths and improvement areas).

A. Quantitative Information: Scores & Activated Criteria

Theme Scores:

Like the overall score, theme scores are on a scale of 1 to 100.

Activated Criteria:

Each of the four themes (Environment, Labor & Human Rights, Ethics, Sustainable Procurement) have specific criteria associated with them. Because the questionnaire is customized by industry, size and location, not all 21 criteria are activated for every company and some criteria are weighted more heavily than others.

Non-activated

If certain criteria are not activated, then the specific associated issue is not relevant or has very low sustainability risk for that company.

Medium

Medium importance criteria are the issues some sustainability risk is present but not the most pressing.

High

High importance criteria are the issues where the company faces the greatest sustainability risk.

! Risk countries only

Criteria classified as Only in Risk Countries are activated only if the company has significant operations in one or more countries identified as risky.

C. The Scoring Scale

0 - 24	Insufficient	No engagements or tangible actions regarding sustainability. Evidence in certain cases of misconduct (e.g. pollution, corruption).
25 - 44	Partial	No structured sustainability approach. Few engagements or tangible actions on selected issues. Partial reporting on Key Performance Indicators. Partial certification or occasional labeled product.
45 - 64	Moderate	Structured and proactive sustainability approach. Engagements/policies and tangible actions on major issues. Basic reporting on actions or Key Performance Indicators.
65 - 84	Advanced	Structured and proactive sustainability approach. Engagements/policies and tangible actions on major issues with detailed implementation information. Significant sustainability reporting on actions and Key Performance Indicators.
85 - 100	Outstanding	Structured and proactive sustainability approach. Engagements/policies and tangible actions on all issues with detailed implementation information. Comprehensive sustainability reporting on actions and Key Performance Indicators. Innovative practices and external recognition.

B. Qualitative Information: Strengths & Improvement Areas

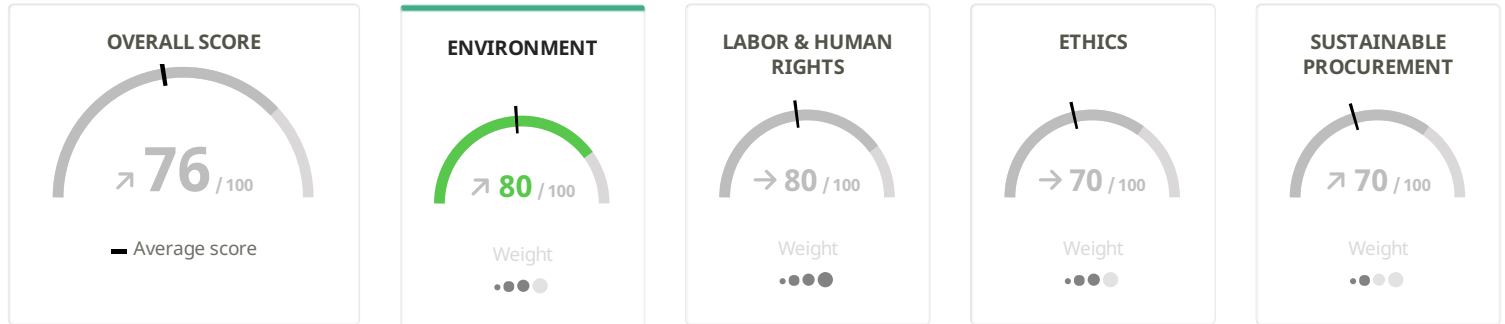
Qualitative information provides more details and insights into a company's score. For each theme, the company is assigned strengths (elements of their sustainability management system that are positive) and improvement areas (elements of their sustainability management system that need to be improved). The strengths and improvement areas are divided according to the three management layers (Policies, Actions, Results) and are also classified by priority.

All improvement areas are automatically added to the company's Corrective Action Plan. They are pre-organized by priority. The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate planned and completed corrective actions and share feedback.

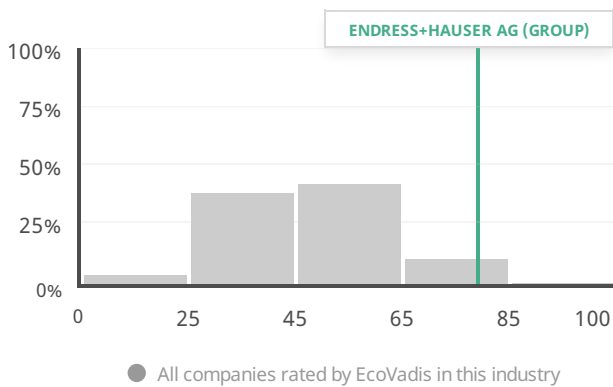
6. ENVIRONMENT

This theme takes into account both operational factors (e.g. energy consumption, waste management) and product stewardship (e.g. product end-of-life, customer health and safety issues).

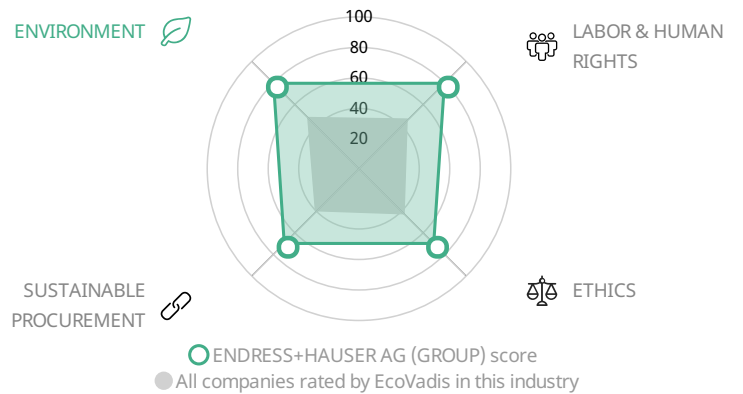
Environment Score Breakdown



Theme score distribution



Theme score comparison



Environment: Activated Criteria

Because the questionnaire is customized by industry, size and location, not all 21 criteria are activated for every company and some criteria are weighted more heavily than others.

Environment: Strengths & Improvement Areas

The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate planned and completed corrective actions and share feedback. Improvement areas with ongoing corrective actions are marked with labels below.

Strengths (35)

Policies

Quantitative objectives set on some relevant issues [i.e. energy consumption & GHGs]

Information

The company has defined and has formally communicated quantitative objectives (i.e. targets) with regard to the relevant environmental policy objectives.

Guidance

Quantitative objectives or targets on environmental issues are considered as fundamental elements of comprehensive policy mechanism. They provide a monitoring framework that helps establish whether policy objectives are being met, and highlight the progress towards set goals. Some examples of specific targets on this topic include quantitative objectives on issues such as energy consumption reduction. As policy elements, targets can be expressed in absolute or relative terms and must have a valid future deadline (i.e. by 2020 we commit to reduce our energy consumption by 20% from 2015 levels). Best practices are to issue valid quantitative objectives or targets for all relevant environmental issues in a particular industry sector. Download the How-to Guide on this topic here (in English).

Comprehensive policy on a majority of environmental issues

Information

A comprehensive environmental policy includes commitments and/or operational objectives on the majority of environmental risks the company faces, and integrates quantitative objectives (i.e. targets) on those risks.

Guidance

Policies are deemed exceptional when all environmental issues are covered by qualitative and quantitative objectives, in addition to some of the following elements: scope of application, allocation of responsibilities, and formal review processes. Download the How-to Guide on this topic here (in English).

Endorsement of external initiative on environmental issues [ZVEI code of conduct]

Information

There is evidence of public adherence to an external initiative on environmental issues or membership in a voluntary initiative on environmental issues within the company's supporting documentation, or on the website of the initiative.

Guidance

Such initiatives can encompass many environmental issues, be specific, intergovernmental, multi-stakeholder, business-led, cross-sector or sector-specific. Examples include Global Compact, Electronic Industry Citizenship Coalition (EICC), Responsible Care, US Green Building Council Membership, etc.

Actions

Measures to detect and/or eliminate accidental water contamination (e.g. groundwater, surface water)

Reduction of energy consumption of IT infrastructure

Reduction of GHG emissions through technology or equipment upgrades

Improvement of energy efficiency through technology or equipment upgrades

Formalized procedure related to materials / chemicals management (e.g. storing, handling, transportation)

Information

The company demonstrates that it has a procedure in place related to materials/chemicals management (e.g. storing, handling, transportation) through supporting documentation.

Guidance

Procedural documents detail a company's control systems and/or processes, and assign responsibilities for tasks and actions. Procedures describe how policies that are implemented by the company will be put into action. They can be presented in form of checklists, instructions, flowcharts, etc. A typical procedure document should outline the issues at hand, employees or departments responsible for overseeing or implementing the procedure, and how the procedure is to be implemented (i.e. step-by-step). Examples of procedures related to materials/chemicals management could be: process to properly store or handle hazardous materials, training procedures relating to labelling or transporting hazardous materials, etc.

Purchasing of renewable energy

Energy and/or carbon audit

Information

The company has provided supporting documentation demonstrating that it has performed an energy audit or carbon assessment.

Guidance

An energy audit is an inspection, survey and analysis of energy flows, within a building, process or system to reduce energy consumption. An energy audit is the first step in identifying opportunities to reduce energy expense and carbon footprints. Carbon assessment or carbon footprint is a measure of the amount of CO2 or other GHG emissions of a defined process expressed as carbon dioxide equivalent and this can be done using a carbon footprint calculator.

Marks all EEE products with the crossed-out wheeled bin symbol and a producer identification mark / producer registration details

Company provides quarterly sales information towards the Producer Compliance Scheme

Company has joined a Producer Compliance Scheme or has an approved individual waste management plan

Integration of eco-design features in product design

Declares all relevant products meet RoHS 2 requirements (not verified)

Information

The company declares that all of its relevant products meet RoHS 2 requirements. This strength is activated solely based on the questionnaire claim, and is not verified within supporting documentation provided by the company.

Guidance

The Restriction of Hazardous Substances Directive 2002/95/EC, (RoHS), aims at eradicating certain hazardous substances from new electrical and electronic equipment (EEE). All manufacturers, distributors, importers and authorized representatives of EEE (Electrical and Electronic Equipment) within the scope of the Directive are responsible for ensuring that their products meet the requirements of the Directive. To demonstrate compliance, they must prove that all components, materials, sub-assemblies etc that comprise the product are RoHS compliant. This can be done through the setting up of a technical file containing all the analysis and component data and this must be kept for at least four years from the date the equipment was put on the market. Note that the European Commission website can be consulted for more information on the criteria to satisfy to determine whether or not equipment is within the scope of the RoHS directive (http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm)

ISO 50001 certified

Information

The company has provided a valid ISO 50001 certificate for at least one of its operational sites.

Guidance

ISO 50001:2011 specifies requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy use and consumption. The ISO 50001 standard, previously known as DIN EN 16001, was launched in June 2011. It is fully aligned with ISO 14001.

Monitoring of pollutant concentrations into waste gas (e.g. VOC, heavy metals, NOx, SOx)

Information

The company demonstrates that it has a procedure in place to continuously or intermittently monitor pollutant concentration from their waste gas through supporting documentation or questionnaire declaration.

Guidance

Monitoring of pollutant concentration in exhaust gas is a way to determine the extent of air pollution generated by the company. This can be done on a continuous or intermittent basis through a range of instruments and laboratory analysis. By monitoring the pollutant concentration emitted to the atmosphere, an environmental impact assessment can be implemented and subsequent measure to reduce the emissions can be implemented. Emissions monitoring is an important part of air pollution control whereby emissions limits or guidelines must be abided. Monitoring can be a beyond-compliance measure for air pollution control, or it can be used to demonstrate compliance with regulatory or permit limits. Implementing a continuous emission monitoring system (CEMS), a sampling system, and using gas analyzers are all examples of effective pollution monitoring techniques.

Measures to reduce energy consumption

Information

The company has implemented specific measures to reduce the consumption of energy related to its activities.

Guidance

Examples might include selection of energy efficient equipment e.g. energy star office equipment, switching to LED lamps, improvement of building isolation.

On-site wastewater treatment unit

Information

The company has implemented a process to be able to treat waste water on site.

Guidance

Instead of discharging waste water from production without treatment, the company has implemented its own treatment station. Treated wastewater can then be re-used on site or discharged to the public sewage system.

Formal life-cycle analysis performed on key products

Production of renewable energy

Information

The company has implemented a process to be able to produce renewable energy on its site.

Guidance

Examples of process and renewable energy are: setting up solar panels and producing solar energy, collecting and burning biomass/wood/waste to produce heat/hot water/steam.

Waste management measures in place

Information

The company has implemented specific actions regarding management of waste.

Guidance

Examples of such measures include (but are not limited to): procedures to reuse or recycle waste, waste separation and waste sorting procedures, work process to optimize material consumption or to reduce waste, waste disposal arrangements etc.

Reduction of water consumption through innovative equipments, methods or technologies

Information

The company has implemented measures for reducing water consumption. They can be a new process, a facility feature, etc.

Guidance

In order to reduce its water consumption the company can select to modify its current arrangements by upgrading or changing the current equipment or technology in place and/or selecting processes that are more efficient. This is also possible at the design stage for new processes: the company selects equipment or technologies that would reduce water consumption compared to the usual process implemented by their industry/sector peers.

Measures for handling hazardous substances

Information

The company has implemented specific measures and concrete actions regarding hazardous materials management.

Guidance

Some potential examples of these measures might include, employee awareness or training programs on hazardous chemicals handling, formalized processes and documentation for transporting hazardous goods and chemicals and the use of safety checklists for safe storage and safe disposal of hazardous chemicals.

Employee awareness/training program on energy conservation

Information

The company has a specific awareness (and training) program for employees on reducing energy consumption.

Guidance

Awareness programs might include brochures given to employees, notices displayed in the workplace areas, presentation used during meetings in order to engage employees on reducing energy consumption. Some examples of areas it could cover include turning off lights at the end of the day, switching off electrical appliances when not in use, selecting energy-efficient equipment (e.g. for facilities management or procurement department staff), and optimizing machinery use (e.g. stand-by vs active for workshop operatives).

ISO 14001 certified on more than 81% of operational sites

Information

The assessed company has several operational sites. More than 81% of operational sites are ISO 14001 certified.

Guidance

Publicly available information or supporting documents show over 81% coverage of operational facilities certified against the ISO 14001 standard. Companies that have more than one operational site, office or subsidiary must demonstrate that environmental certificates (like ISO 14001) are deployed across a majority of sites in order to guarantee an effective company-wide CSR management system.

Results

Reporting on total Scope 1 and/or 2 GHG emissions

Reporting on total water consumption

Reporting on total weight of non-hazardous waste

Reporting on total weight of hazardous waste

Materiality analysis in sustainability reporting

Reporting of amount of EEE placed on market

Reporting of weight of WEEE collected

Reporting on total energy consumption

Information

The company has reported KPIs with regard to total energy consumption either through formal documentation or questionnaire declaration.

Guidance

Total energy consumed represents total primary energy consumption reported in kWh. Total energy consumed may include e.g. consumption of coal and coke (in Kg) reported in kWh and/or consumption of oil, LPG and electrical power in kWh.

Standard reporting on environmental issues

Information

There is evidence of formal reporting implemented regarding the management and the mitigation of the company environmental footprint from its supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions.

Guidance

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. Examples of key performance indicators include total electricity consumption, electricity consumed per kg of product or per unit produced. Comprehensive reporting on environmental issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external CSR reporting standards. Download the How-to Guide on this topic here (in English).

Improvement Areas (2)

Results

Medium

No alignment with a widely recognized reporting standard (e.g. GRI, SASB)

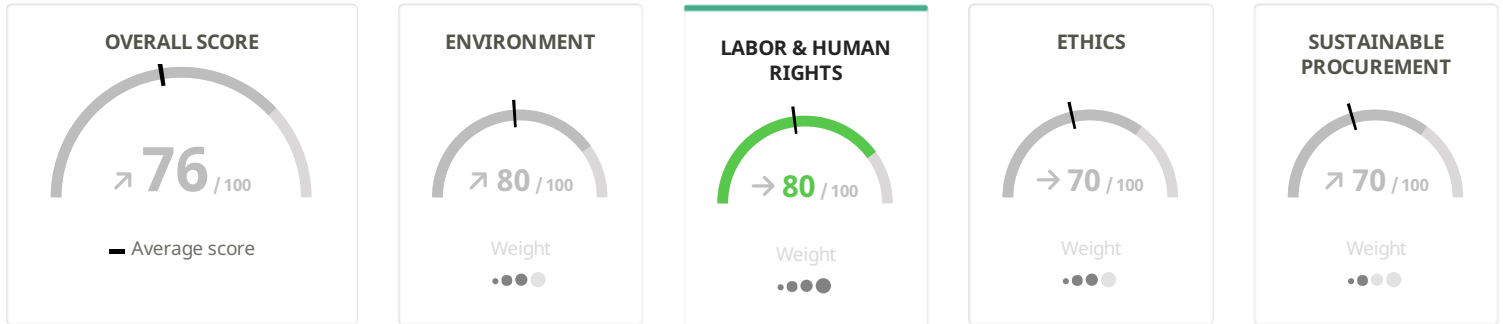
Low

No external assurance of sustainability reporting

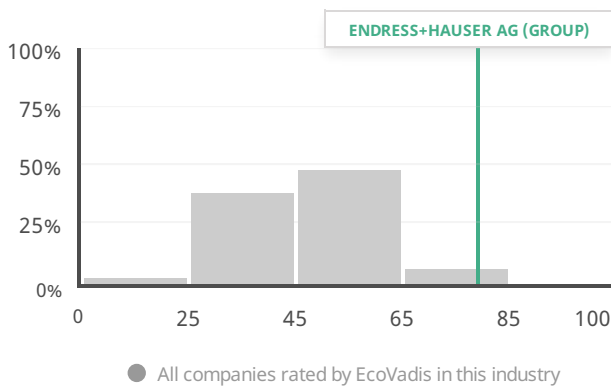
7. LABOR & HUMAN RIGHTS

This theme takes into account both internal human resources (e.g. health and safety, working conditions, career management) and human rights issues (e.g. discrimination and/or harassment, child labor).

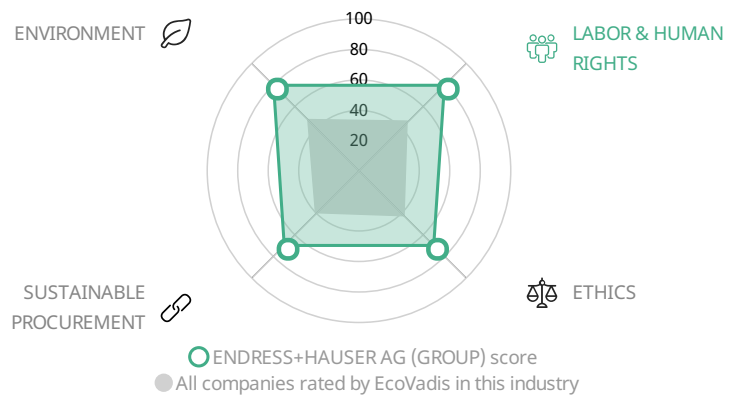
Labor & Human Rights Score Breakdown



Theme score distribution



Theme score comparison



Labor & Human Rights: Activated Criteria

Because the questionnaire is customized by industry, size and location, not all 21 criteria are activated for every company and some criteria are weighted more heavily than others.

Labor & Human Rights: Strengths & Improvement Areas

The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate planned and completed corrective actions and share feedback. Improvement areas with ongoing corrective actions are marked with labels below.



Strengths (33)

Policies

Standard policy on a majority of labor or human rights issues

Information

A standard labor and human rights policy includes commitments and/or operational objectives on the main labor and human rights risks the company faces.

Guidance

A comprehensive labor and human rights policy includes commitments and/or operational objectives on the majority of labor and human rights risks the company faces, and integrates quantitative objectives (i.e. targets) on those risks. It is also mandatory for the policy to incorporate some of the following elements: scope of application, allocation of responsibilities, and/or a formal review process. Policies are deemed exceptional when all labor practice and human rights issues are covered by qualitative and quantitative objectives, in addition to all of the aforementioned elements. Download the How-to Guide on this topic here (in English).

Endorsement of external initiative on labor or human rights issues [ZVEI code of conduct]

Information

There is evidence of public adherence to an external initiative on labor practices or human rights issues or membership in a voluntary initiative on labor practices or human rights issues.

Guidance

An endorsement is a company's commitment to meeting objectives or principles that have been defined by external organizations. The company must be listed as an active member of the initiative website. Such initiatives can encompass many labor and human rights issues, be specific, intergovernmental, multi-stakeholder, business-led, cross-sector or sector-specific. Examples include Global Compact, Electronic Industry Citizenship Coalition (EICC), Responsible Care, The Voluntary Principles on Security and Human Rights, etc.

Actions

Measures to promote gender and/or minority inclusion in the workplace

Collective agreement in place

Information

There is a collective agreement between an employer, its employees, and in accordance with national regulations regarding any of the following labor issues: employees' health & safety, working conditions, career management & training, discrimination and/or harassment.

Guidance

Social dialogue entails all types of negotiation, consultation or simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. A collective agreement is an agreement in writing regarding working conditions and terms of employment concluded between an employer, on the one hand, and one or more representative workers' organizations, in accordance with national laws and regulations, on the other. Content of collective agreements should focus on the most important social dialogue topics, and can include employees' health & safety, working conditions, career management & training, discrimination and/or harassment.

Formalized procedure related to employee health & safety

Information

The company demonstrates that it has a procedure in place related to employee health & safety through supporting documentation.

Guidance

Procedural documents detail a company's control systems and/or processes, and assign responsibilities for tasks and actions. Procedures describe how policies that are implemented by the company will be put into action. They can be presented in form of checklists, instructions, flowcharts, etc. A typical procedure document should outline the issues at hand, employees or departments responsible for overseeing or implementing the procedure, and how the procedure is to be implemented (i.e. step-by-step). Examples of procedures related to employee health & safety could be: procedure for monitoring and reporting of accidents on-site, procedure on evacuation in case of emergency, procedure on limiting employee exposure to hazardous chemicals, etc.

Compensation for extra or atypical working hours

Information

The company provides additional remuneration to compensate for overtime work.

Guidance

Extra or atypical hours refers to all hours worked in excess of the normal hours (could be overtime hours for instance). Employees should be provided additional compensation for overtime and/or other forms of atypical working hours.

Additional leave beyond standard vacation days

Information

The company has official measures to promote work-life balance in place, which have been found within the supporting documentation. The company provides additional leave beyond vacation days mandated by local regulations.

Guidance

The company has implemented working practices that acknowledge and aim to support the needs of staff in achieving a balance between their home and working lives. The company provides additional days of leave for employees, outside of standard vacation days mandated by regulations. Additional days of leave can include paternal leave, bereavement leave, jury duty, election day leave, and sabbatical leave.

Employee satisfaction survey

Information

The company conducts a survey to employees regarding satisfaction in the work environment.

Guidance

An employee satisfaction survey can be conducted by companies to gain information on how and if employees are satisfied in the work environment. The results of these surveys can be used by companies to get feedback on employees about their engagement, morale, and satisfaction at work.

Childcare services or allowance

Information

The company has official measures to promote work-life balance in place, which have been found within the supporting documentation. The company provides services and/or an allowance for child care.

Guidance

The company has implemented working practices that acknowledge and aim to support the needs of staff in achieving a balance between their home and working lives. The company provides an allowance to help employees cover the costs of child care, or the company provides services that can help employees who need child care during work hours for their children.

Bonus scheme related to company performance

Information

The company has implemented a bonus program that is related to company performance.

Guidance

It should be part of a robust employee contract to include a bonus scheme, but one that takes into account employee performance and company performance. The company has thus implemented a scheme of monetary remuneration for employees beyond base salary, linked to company performance. This is a form of motivation and it boosts the performance of employees.

Flexible organization of work available to employees (e.g. remote work, flexitime)

Information

The company has official measures to promote work-life balance in place, which have been found within the supporting documentation. The company provides flexible hours and organization for employees to work.

Guidance

The company has implemented working practices that acknowledge and aim to support the needs of staff in achieving a balance between their home and working lives. The company has supporting documentation showing a flexible organization of working hours is provided for employees, which can include evidence of options for part-time work, telecommuting or remote work, job-shares, and other forms of variable work schedules.

Health care coverage of employees in place

Training on health and safety issues for subcontractors working on the company premises

Information

The company trains its subcontractors on health and safety issues on the company premises.

Guidance

The company has implemented training on health and safety issues for its subcontractors. Safety training aims at implementing health and safety procedures into specific job practices and at raising awareness and skills to an acceptable standard. For example, safety training covers topics such as accident prevention and safety promotion, safety compliance, use of personal protective equipment, chemical and hazardous materials safety, and workplace emergency response procedures. A best practice is to have a training matrix which helps to keep track of which subcontractors have been trained, the date of the training, the training topic, and expected dates for refresher trainings. Monitoring of training attendance certificates is also suggested. It is also a best practice to have the training carried out in the language that the subcontractor understands best and to carry out tests or quizzes to ensure training concepts have been successfully transmitted to participants.

Emergency preparedness plan to all impacted employees (e.g. fire drills)

Information

The company has conducted an emergency preparedness plan to protect all impacted employees from potential hazards.

Guidance

Some potential examples of measures could include building evacuation drills ("fire drills"), sheltering from severe weather such as tornadoes, "shelter-in-place" from an exterior airborne hazard such as a chemical release and protective action when faced with an act of violence.

Whistleblower procedure on human rights issues

Information

The company has implemented whistleblower mechanisms on human rights issues.

Guidance

A whistleblower procedure is a grievance mechanism for stakeholders to report any wrongdoings, concerns or breaches related to human rights issues. An effective whistleblower procedure must provide stakeholders with an identified communication channel to report their concerns, as well as protect the whistleblowers' confidentiality and rights to non-retaliation. The procedure may also be handled by a third party.

Employee representatives or employee representative body (e.g. works council)

Information

The company has implemented representation for employees in the form of elected employee representatives or a representative body.

Guidance

Social dialogue entails all types of negotiation, consultation or simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Employee representatives can include representatives who are freely elected by the workers of the company in accordance with provisions of national laws, or any union, works council or other agency or representative body recognized for the purposes of bargaining collectively on behalf of any employee. They are the point of contact between the workforce and management. They can/must be consulted by management on certain topics (e.g. collective redundancy).

Internal audits on health & safety issues

Information

The company carries out internal audits on health & safety issues

Guidance

Internal audits of the operational health and safety management system are conducted in order to determine whether the management system complies with the functioning plan for health and safety management, with respect to legal requirements or to standards the company wishes to achieve beyond compliance. Internal audits are done to review and evaluate the performance and effectiveness of procedures in place, and are useful to expose gaps in the effective implementation of the health and safety management system. A typical internal audit programme, includes series of audits, is established for one year and covers all the relevant areas and activities stipulated by the audit criteria/requirements.

ISO 45001/OHSAS 18001 certified on more than 81% of operational sites

Information

The assessed company has several operational sites. More than 81% of operational facilities are ISO 45001 certified.

Guidance

Publicly available information or supporting documents show a 81-100% coverage of operational facilities certified with ISO 45001. Companies that have more than one operational site, office or subsidiary must demonstrate that ISO 45001 are deployed across all sites, to guarantee an effective company-wide CSR management system.

Employee health & safety detailed risk assessment

Information

The company carries out employee health & safety detailed risk assessments

Guidance

The company has carried out detailed risk assessment of health and safety. Occupational health and safety risk assessments are a crucial step in the prevention process. They involve the identification of all the potential hazards an employee may face while carrying out regular duties and which type of employees may be more exposed to hazards (by job function). The level of risk, records of significant findings and proposition of preventive actions are also highlighted, in addition to plans for regular review of the risk assessment. If applicable, the results of a health and safety risk assessment should be made available to relevant stakeholders such as employees, members of the health and safety committee, staff representatives, the occupational physicians, and labor inspectors.

Regular assessment (at least once a year) of individual performance

Information

The company carries out regular assessments or appraisal of individual performance at least on a yearly basis for employees

Guidance

The company has implemented regular assessment of employee performance. Regular assessments of employees aim to evaluate employee individual performance and productivity, combining both written and oral elements, and are based on a systematic and periodic process linked with a pre-established criteria and organizational objectives. The best practice concerning this criteria is to have a review with the employee at least annually, and to include employee self-assessments aimed at maintaining employee engagement in their own performance and overall organizational objectives. Setting and measuring goals related to the employee's career objectives, as well as including manager and peer feedback on the employee's performance are all important components in this regular assessment process.

Mandatory health check-up for employees

Information

The company provides general mandatory health check-up for employees

Guidance

The company carries out mandatory health check-up for its employees. Within the scope of health check ups, the mental and physical states of employees are investigated to ascertain the status of the employee's health related to the job function, and in particular to identify any negative work-related effects on employees. According to the International Labor Organization (ILO), it is recommended that a health check up for employees is carried out within thirty days from the first day the employee is employed and the subsequent health check up conducted at least once a year by a licensed medical practitioner, especially for manufacturing companies presenting high health and safety risks for employees.

Active preventive measures for Repetitive Strain Injury (RSI)

Information

The company has implemented active preventive measures for Repetitive Strain Injuries (RSIs).

Guidance

RSIs are occupational injuries to muscles, tendons or nerves caused by repetitive tasks, muscular efforts, vibrations, or sustained or awkward postures when performing a task. They include carpal tunnel syndrome (in the wrist) as well as shoulder, neck and back problems (ILO). A similar term is Cumulative trauma disorder (or 'CTD' in the U.S.). Some examples of measures include, ensuring variation, providing an ergonomic work environment, setting priorities to decrease work pressure, and including long, short and micro breaks during working hours.

Official measures promoting career mobility

Information

The company has implemented measures to promote internal mobility for employees.

Guidance

The company has a process in place to promote internal mobility for employees. Career mobility refers to the movement of employees across positions/paygrades or a complete change in job function (i.e. horizontal career mobility) within the same organization. Some examples of measures promoting internal career mobility include, but are not limited to: objectively promoting talent based on ability and potential, developing roadmaps for key talent in the company, continuing professional training, and encouraging employees to broaden their range of skills.

Provision of skills development training

Information

The company provides training to its employees to develop their skills

Guidance

The company has implemented vocational training and instruction, which include skills development training, education paid for in whole or in part by the company, with the goal to provide opportunities for career advancement (Source: Global Reporting Initiative G3). Examples of on-the-job training to enhance employee skills are coaching, mentoring, job rotation, apprenticeships, etc. Total number of hours of training per employee per year can be a significant key performance indicator for this action.

Joint labor management health & safety committee in operation

Information

The company has a joint labor management health & safety committee in place

Guidance

It is important to have a committee in place composed of both workforce and management personnel dedicated to address the health and safety risks faced by employees (Source: International Labor Organization (ILO), 1929). These committees identify potential health and safety issues and offer timely and effective solutions to continuously improve workplace safety. Regular (monthly) inspections are recommended. For French companies, it is commonly known as the "Comité d'hygiène, de sécurité et des conditions de travail (CHSCT)" and it is mandatory for companies with more than 50 employees.

Setting of individual career plan for all employees

Information

The company has implemented mechanisms to help employees in setting individual career plans

Guidance

Career planning is an ongoing process that can help employees manage their learning and development/progress within the company. It is also a key component of a company's attraction and retention strategy. The company has mechanisms in place to provide career opportunities to employees, allowing them to access to promotions and higher pay. For example, an individual development plan can be put in place by analyzing skills and competencies needed by the employees to achieve their short, mid and long term goals. This process should also be coupled with the annual review process of the employee.

Training of relevant employees on health & safety risks and best working practices

Information

The company provides training to relevant employees on health and safety risks and best working practices

Guidance

The company has implemented training on health and safety issues. Safety training aims at implementing health and safety procedures into specific job practices and at raising staff awareness and skills to an acceptable standard. For example, safety training covers topics such as accident prevention and safety promotion, safety compliance, use of personal protective equipment, chemical and hazardous materials safety, and workplace emergency response procedures. A best practice is to have a training matrix which helps to keep track of which employees have been trained, the date of the training, the training topic, and expected dates for refresher trainings. Monitoring of training attendance certificates is also suggested. It is also a best practice to have the training carried out in the language that the employees understand best and to carry out tests or quizzes to ensure training concepts have been successfully transmitted to participants.

Results

Reporting on average training hours per employee

Materiality analysis in sustainability reporting

Reporting on the percentage of women in top executive positions

Information

The company reports, either through formal documentation or questionnaire declaration, on the percentage of women in executive positions (e.g. senior or top management).

Guidance

Executive positions include positions such as chief financial officers, chief operating officers, or any other key roles in a company. The aim is to look into whether a company is promoting an increase in gender diversity in its executive rank or not. It is important to note that in 2015, only 14.2% of the top five leadership positions in companies in the S&P500 are held by women according to CNNMoney analysis.

Reporting on accident severity rate

Information

The company reports, either through formal documentation or questionnaire declaration, on the accident severity rate among its employees for the last reporting year.

Guidance

The accident severity rate (or Lost Time Injury Severity Rate) measures the time lost due to occupational injuries in relation to the total amount of time worked. It indicates how severe the accidents were and how long the injured employees were out of work as a result of disabling injuries. The calculation method varies from country to country; for instance in the way lost time injury events are determined or what baseline is used to calculate the rate. In the UK it is calculated as follows: [(number of days lost due to injuries) x 200,000/total hours worked], whereas in France it is: [(number of days lost due to injuries) x 1000/total hours worked]. In India, the rate is calculated as [(number of days lost due to injuries) x 1,000,000/total hours worked]. Download the How-to Guide on this topic here (in English).

Reporting on accident frequency rate

Information

The company reports, either through formal documentation or questionnaire declaration, on the accident frequency rate among its employees for the last reporting year.

Guidance

The accident frequency rate (or the lost time injury frequency rate) measures the number of lost time injuries in relation to the total number of hours worked by employees. It indicates the extent to which injury accidents are repeated over time and their number of occurrence. The calculation method varies from country to country, depending for instance on the way lost time injury events are determined or the baseline used to calculate the rate. In the UK it is calculated as follows: $[(\text{total number of lost time injury events}) \times 100,000 / \text{total hours worked}]$, whereas in USA it is: $[(\text{total number of lost time injury events}) \times 200,000 / \text{total hours worked}]$. In France or Japan, the rate is calculated as $[(\text{total number of lost time injury events}) \times 1,000,000 / \text{total hours worked}]$ Download the How-to Guide on this topic here (in English).

Standard reporting on labor and human rights issues

Information

There is evidence of formal reporting implemented regarding both labor and human rights issues from the company supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions.

Guidance

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. KPIs may include (but are not limited to): accident frequency and severity rates, the percentage of employees covered by collective bargaining agreements, skills development trainings, and percentage of employees trained on discrimination issues. Comprehensive reporting on labor practice and human rights issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external CSR reporting standards. Download the How-to Guide on this topic here (in English).

Improvement Areas (6)

Policies

Low

No quantitative target on labor and human rights issues

Information

Company policy does not contain quantitative targets on labor and human rights issues.

Guidance

Quantitative objectives or targets on labor and human rights issues are considered as fundamental elements of comprehensive policy mechanism. They provide a monitoring framework that helps establish whether policy objectives are being met, and highlight the progress towards set goals. Some examples of specific targets on this topic include quantitative objectives on health & safety indicators (i.e. accident frequency and accident severity rates), quantitative objectives on percentage of employees trained on discrimination and quantitative objectives on number of employees covered by social benefits. As policy elements, targets can be expressed in absolute or relative terms and must have a valid future deadline (i.e. by 2020 we commit to train 100% of employees on discrimination). Download the How-to Guide on this topic here (in English).

Low

Inconclusive documentation for policies on health and safety for subcontractors working on the premises

Actions

Low

Declares that workers' rights to join labor unions, workers' councils, or other collective bargaining organizations are granted, but are restricted in compliance with applicable law

Information

The company declares that workers' rights to join labor unions, workers' councils, or other collective bargaining organizations are granted, but are restricted in compliance with applicable law.

Guidance

Structured labor unions, workers' councils or other collective bargaining enables the negotiation or exchange of information on labor related issues (e.g. remuneration) between representatives of both employers and workers (i.e. trade unions).

Low

Does not declare special remuneration or time off for overtime work throughout the entire scope of operations

Information

The company does not declare special remuneration or time off for overtime work for all operations in the questionnaire

Guidance

The law in many countries stipulates that there should be an additional remuneration or time off if overtime work is carried out. Most nations have overtime labor laws designed to dissuade or prevent employers from forcing their employees to work excessively long hours. These laws may take into account other considerations, such as preserving the health of workers so that they may continue to be productive, or increasing the overall level of employment in the economy. In the US, the Fair Labor Standards Act (FLSA) requires overtime pay to be at least one and one-half times an employee's regular rate of pay after 40 hours of work in a workweek.

Results

Medium

No alignment with a widely recognized reporting standard (e.g. GRI, SASB)

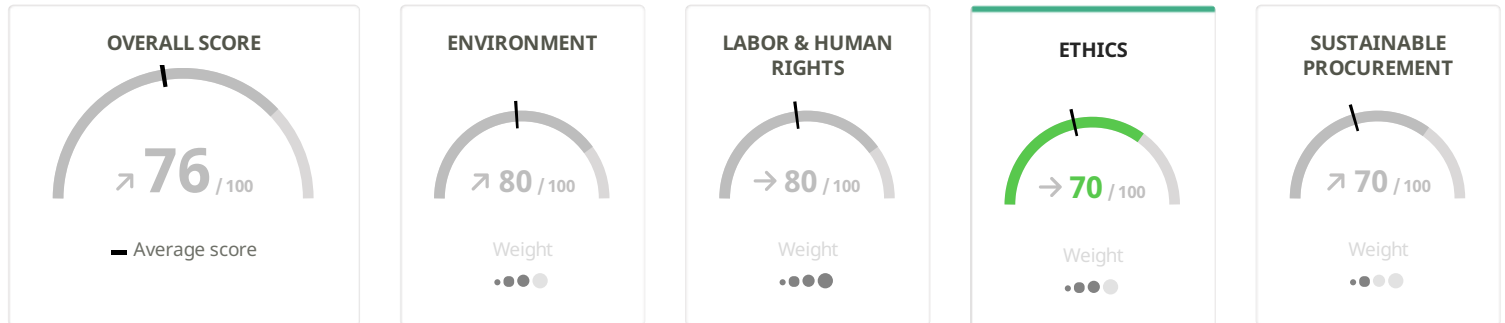
Low

No external assurance of sustainability reporting

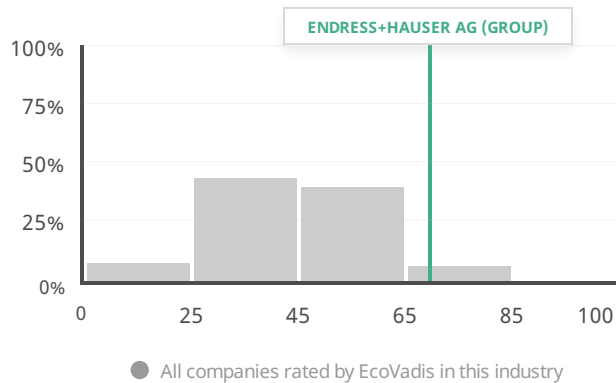
8. ETHICS

This theme focuses primarily on corruption and bribery issues, and also takes into account anticompetitive practices and responsible information management.

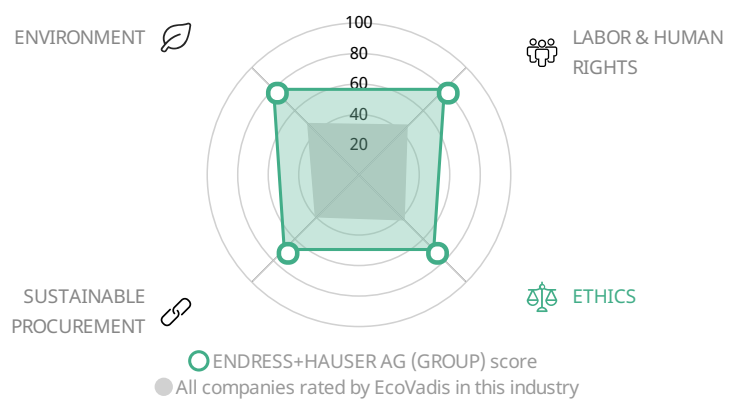
Ethics Score Breakdown



Theme score distribution



Theme score comparison



Ethics: Activated Criteria

Because the questionnaire is customized by industry, size and location, not all 21 criteria are activated for every company and some criteria are weighted more heavily than others.

Ethics: Strengths & Improvement Areas

The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate planned and completed corrective actions and share feedback. Improvement areas with ongoing corrective actions are marked with labels below.

Strengths (17)

Policies

Disciplinary sanctions to deal with policy violations

Information

There is evidence within the supporting documentation provided that the company has implemented structured mechanisms to deal with policy violations such as disciplinary actions.

Guidance

In order to ensure the adequate implementation of business ethics policies, companies should establish procedures to administer investigations and sanction employees for eventual violations (i.e. disciplinary measures up to and including possible termination).

Endorsement of external initiative on ethics issues [ZVEI code of conduct]

Information

There is evidence of public adherence to an external initiative on business ethics issues or membership in a voluntary initiative on business ethics issues.

Guidance

An endorsement is a company's commitment to meeting objectives or principles that have been defined by external organizations. The company must be listed as an active member of the initiative website. Such initiatives can encompass many business ethics issues, be specific, intergovernmental, multi-stakeholder, business-led, cross-sector or sector-specific. Examples include Global Compact, Extractive Industries Transparency Initiative (EITI), Institute of Business Ethics, International Forum on Business Ethical Conduct (IFBEC), etc.

Comprehensive policies on ethics issues

Information

A comprehensive policy on business ethics issues integrates commitments and/or operational objectives on all or almost all of the main fair business practices issues a company is confronted with: namely corruption & bribery issues, and information security and responsible marketing if applicable. It is also compulsory to have additional elements such as formal mechanism to communicate on business ethics, scope of the policy's application and allocation of responsibilities, among others.

Guidance

Policies are deemed exceptional when all business ethics issues are covered by qualitative and quantitative objectives. Additionally, an exceptional policy has exhaustive organizational elements such as allocation of responsibilities, mechanisms to deal with policy violations, formal review process, communication of the policy to all employees and business partners, etc. Download the How-to Guide on this topic here (in English).

Actions

Incident response procedure (IRP) to manage breaches of confidential information

Whistleblower procedure to report ethics issues

Information

The company has implemented a formal whistleblower procedure which encourages employees (and external stakeholders) to report potential violations of the company's business ethics policies.

Guidance

A whistleblower procedure is a grievance mechanism for stakeholders to report any wrongdoings, concerns or breaches of the company business ethics policies. An effective whistleblower procedure must provide stakeholders with an identified communication channel to report their concerns, as well as protect the whistleblowers' confidentiality and rights to non-retaliation. The procedure may also be handled by a third party.

Awareness training on ethics issues

Information

The company has delivered awareness trainings on business ethics issues for its employees.

Guidance

Specific awareness or training programs are implemented to enable employees to identify and address the common business ethics issues that arise in a workplace. Such program may be conducted either online or in person, and should include regular audits to ensure the training effectiveness.

Information security risk assessments performed

Information

The company carries out periodic risk assessments on responsible information security management.

Guidance

Risk assessments are a formal process of evaluating and predicting the consequences (positive or negative) of a hazard and their likelihoods/probabilities. Periodic risk assessments on information security allow a company to identify potential information security risks, rate the likely occurrence and the potential impact of the risks, identify security controls, and develop an action plan. Such assessments ensure the presence of a strong compliance program and help to develop a more robust approach to counter breaches in information security management within the organization.

Audits of control procedures to prevent information security breaches

Information

The company's information security policies and compliance mechanisms are regularly audited.

Guidance

Internal controls (for examples four-eyes principle, job rotations, among others) are necessary to regularly monitor the effectiveness and proper implementation of actions put in place to support the responsible information management policies. Periodic audits of those controls, done either through an external third party that performs business ethics audits or an internal audit team, are carried out to ensure their effectiveness and provide reasonable assurance that internal processes are being adhered to.

Anti-competitive practices risk assessments performed

Information

The company carries out periodic risk assessments on anti-competitive practices.

Guidance

Risk assessments are a formal process of evaluating and predicting the consequences (positive or negative) of a hazard and their likelihoods/probabilities. Periodic anti-competitive risk assessments allow a company to identify potential anti-competitive risks, rate the likely occurrence and the potential impact of the risks, select the appropriate anti-competitive controls, and develop an action plan. Such assessments ensure the presence of a strong compliance program and help to develop a more robust approach to counter anti-competitive activity by the organization.

Corruption risk assessments performed

Information

The company carries out periodic corruption & bribery risk assessments.

Guidance

Risk assessment are a formal process of evaluating and predicting the consequences (positive or negative) of a hazard and their likelihoods/probabilities. Periodic corruption and bribery risk assessments allow a company to identify potential bribery and corruption risks, rate the likely occurrence and the potential impact of the risks, select the appropriate anti-corruption controls, and develop an action plan. Such assessments ensure the presence of a strong compliance program and help to develop a more robust approach to counter bribery and corruption activities by the organization.

Measures to protect third party data from unauthorized access or disclosure

Information

The company has implemented measures to protect customer or client data from unauthorized access or disclosure.

Guidance

The company has taken measures to limit access to customer or client data within its own operation, or have implemented measures to secure its information system including such data so as to protect the data from unauthorized access or disclosure.

Measures for gaining stakeholder consent regarding the processing, sharing and retention of confidential information

Information

The company has implemented measures to consult with customers/clients on their personal/confidential data.

Guidance

Consulting with customers/clients on their personal/confidential data helps to eliminate risks around confidentiality breaches, which is one of the major concerns from customers nowadays.

Audits of control procedures to prevent corruption

Information

The company's anti-corruption and bribery policies and compliance mechanisms are regularly audited.

Guidance

Internal controls (for example four-eyes principle, job rotations, among others) are necessary to regularly monitor the effectiveness and proper implementation of actions put in place to support anti-corruption and bribery policies. Periodic audits of those controls, done either through an external third party that performs business ethics audits or an internal audit team, are carried out to ensure their effectiveness and provide reasonable assurance that internal processes are being adhered to.

Anti-corruption due diligence program on third parties in place

Information

The company has implemented systematic compliance and due-diligence measures when dealing with third-party intermediaries (i.e. commission agents, brokers, sales representatives, distributors, contractors, customs brokers, consultants) acting on its behalf.

Guidance

Provisions in key international laws hold companies liable for corruption related misconduct committed in the context of their relationships with third parties (i.e. their agents, consultants, suppliers, distributors, joint-venture partners, or any individual or entity that has some form of business relationship with the organization). Given the risk exposures caused by third-parties, it is important that companies have adequate due diligence procedures in place. Due diligence is the process of gathering independent information to gain an understanding of the risks associated with a third party and visibility of its compliance management systems which address these risks. It can involve background checks and screenings of third party by means of sanction lists, tracking adverse media reports and identifying links to politically exposed persons, assessments of third parties on their own ethics & compliance programs and risk controls. Companies should provide documentation of their procedures that demonstrate how these due diligence efforts are undertaken.

Specific approval procedure for sensitive transactions (e.g. gifts, travel)

Information

The company has implemented a verification process for sensitive transactions.

Guidance

Sensitive transactions are a broad range of business dealings which involve higher ethics-related risks. Some examples include (non-exhaustive) gifts, travel arrangements and other types of hospitality, which are common in the business world, but may in fact constitute unethical or even illegal kickbacks, bribes or payoffs to influence decision affecting a company's operations, etc. Such transactions also comprise facilitation payments which are usually made with the intention of expediting an administrative process and may be considered as a form of corruption. As such, a verification procedure should be put in place to review and approve any sensitive transactions made by the company.

Results

Materiality analysis in sustainability reporting

Standard reporting on ethics issues

Information

The company reports, either through formal documentation or questionnaire declaration, on fair business practices including key performance indicators (KPIs), statistical figures or associated concrete actions.

Guidance

Reporting is considered standard when relevant and meaningful KPIs cover the main fair business practices issues (i.e. corruption & bribery and optionally anti-competitive practices issues and consumer/client issues such as responsible marketing & data protection), when KPIs are recent (i.e. last 2 reporting years) and regularly updated. KPIs can be sector-specific and include for instance the % of employees trained on business ethics issues, number of breaches of the Code of Ethics, and number of incidents reported through the whistle blowing procedure. Comprehensive reporting on business ethics issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be aligned with external CSR reporting standards or guidelines such as the Global Reporting Initiative. Download the How-to Guide on this topic here (in English).

Improvement Areas (4)

Actions

Medium Supporting documentation demonstrates a medium level of coverage of ethics actions throughout the company operations

Information

The company has provided supporting documentation demonstrating a medium level of deployment of concrete actions throughout its operations to support its business ethics engagements and policies.

Guidance

Companies with more than 1000 employees and/or more than one operational site (such as manufacturing plants, offices, divisions, branches) have inherently greater potential CSR risks and impacts. Therefore, the coverage/ deployment of actions and certifications are important as a higher level of deployment provides higher assurance of an effective, company-wide CSR management system. Some examples of proxies used to determine the level of deployment of actions within the ethics theme (non-exhaustive) are % of the total workforce who received training on business ethics issues, % of all operational sites with an information security management system (ISMS) certified to ISO 27000 (or other equivalent/similar standard), % of all operational sites with certified anti-corruption management system etc.

Medium

No supporting documentation regarding an information security due diligence program on third parties

Information

No company declaration and no evidence within the supporting documentation regarding the implementation of systematic compliance and due-diligence measures when dealing with third-party intermediaries (i.e. commission agents, brokers, sales representatives, distributors, contractors, customs brokers, consultants) acting on its behalf.

Guidance

Provisions in key international laws hold companies liable for information security related misconduct committed in the context of their relationships with third parties (i.e. their agents, consultants, suppliers, distributors, joint-venture partners, or any individual or entity that has some form of business relationship with the organization). Given the risk exposures caused by third-parties, it is important that companies have adequate due diligence procedures in place. Due diligence is the process of gathering independent information to gain an understanding of the risks associated with a third party and visibility of its compliance management systems which address these risks. It can involve background checks and screenings of third party by means of sanction lists, tracking adverse media reports and identifying links to politically exposed persons, assessments of third parties on their own ethics & compliance programs and risk controls. Companies should provide documentation of their procedures that demonstrate how these due diligence efforts are undertaken.

Results

Medium

No alignment with a widely recognized reporting standard (e.g. GRI, SASB)

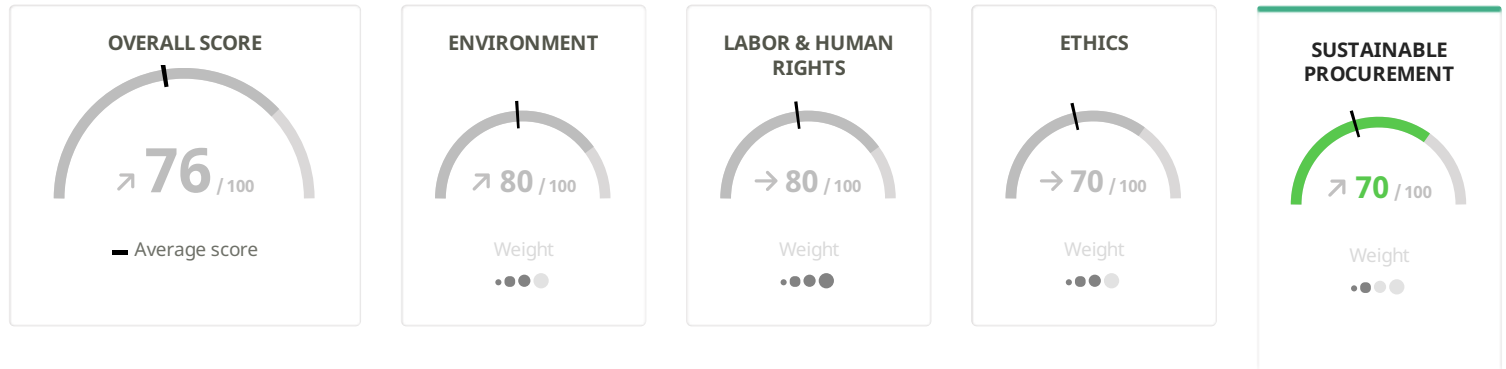
Low

No external assurance of sustainability reporting

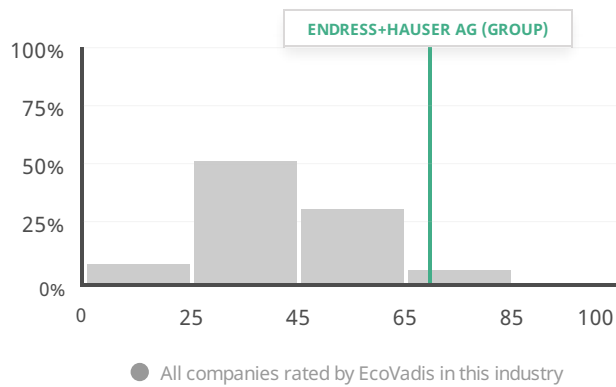
9. SUSTAINABLE PROCUREMENT

This theme focuses on both social and environmental issues within the company supply chain.

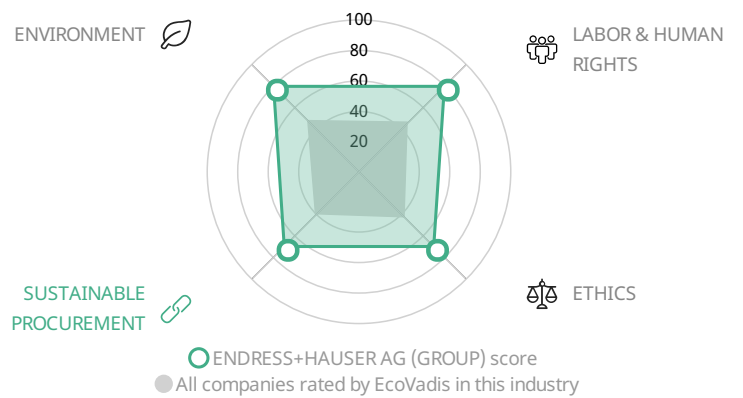
Sustainable Procurement Score Breakdown



Theme score distribution



Theme score comparison



Sustainable Procurement: Activated Criteria

Because the questionnaire is customized by industry, size and location, not all 21 criteria are activated for every company and some criteria are weighted more heavily than others.

Sustainable Procurement: Strengths & Improvement Areas

The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate planned and completed corrective actions and share feedback. Improvement areas with ongoing corrective actions are marked with labels below.



Strengths (16)

Policies

Policy on conflict minerals issues

Information

There is a formal policy regarding conflict minerals issues in the supporting documentation provided by the company. The policy is present in a dedicated policy document or in a dedicated section of a larger purpose document.

Guidance

Conflict minerals (CM) are gold, tin, tantalum, tungsten and their derivatives that are mined in conditions of armed conflict and human rights abuses, and which are sold or traded by armed groups. A standard policy on conflict mineral issues in the supply chain includes commitments and/or operational objectives designed to mitigate risk on this topic in the company's supply chain. It is communicated to internal and external stakeholders through a formal dedicated document.

Comprehensive sustainable procurement policies on both social and environmental factors

Information

The company has issued a comprehensive policy that integrates commitments, qualitative and quantitative objectives on the management of its sustainable procurement issues.

Guidance

The existing policy covers both environmental and social issues that the company may impact through its procurement strategy. Policies are deemed exceptional when they integrate not only qualitative but also quantitative operational objectives on all material sourcing risks the company faces, in addition to the following organizational elements: regular review mechanisms, a scope of application, the allocation of responsibilities, and communication of the policy to all stakeholders. Download the How-to Guide on this topic here (in English).

Actions

50-100% of suppliers for which conflict minerals information is available (e.g. CMRT)

Supporting documentation demonstrates a high level of coverage of sustainable procurement actions throughout the company supplier base/operations

Information

The company has provided supporting documentation demonstrating a high level of deployment of concrete actions throughout its operations to support its sustainable procurement engagements and policies.

Guidance

Companies with more than 1000 employees and/or more than one operational site (such as manufacturing plants, offices, divisions, branches) have inherently greater potential CSR risks and impacts. Therefore, the coverage/ deployment of actions and certifications are important as a higher level of deployment provides higher assurance of an effective, company-wide CSR management system. Some examples of proxies used to determine the level of deployment of actions within the sustainable procurement theme (non-exhaustive) are % of suppliers audited/assessed on CSR, % of employees trained on sustainable procurement, % of all suppliers who have signed the sustainable procurement charter/supplier code of conduct, etc.

Conflict minerals taken into account in supplier selection process

Information

The company provides evidence in supporting documentation of additional measures present to take conflict minerals into account in the supplier selection process.

Guidance

Conflict minerals (CM) are gold, tin, tantalum, tungsten and their derivatives that are mined in conditions of armed conflict and human rights abuses, and which are sold or traded by armed groups. Some examples of measures might include detailed CM risk analysis, mechanisms to identify all upstream suppliers potentially exposed to using CM, measures to obtain additional information on CM from suppliers (i.e. formal procedure, escalation steps), requirement to first tier suppliers to fill an EICC reporting template, and/or investigation of smelters or refiners' conflict minerals due diligence processes.

Selected suppliers required to fill Conflict Minerals Reporting Template (CMRT)/other customized conflict mineral-related questionnaire

Information

The company requires that all identified priority suppliers must fill in the reporting template of the Conflict-free Sourcing Initiative.

Guidance

The Conflict-free Sourcing Initiative (founded by members of the Electronic Industry Citizenship Coalition - EICC and the Global e-Sustainability Initiative) has developed a free, standardised reporting template (CMRT) that allows a company to track back minerals to the smelter where they have been processed. A company who requires their first-tier suppliers to fill out this template can find out from which smelters it is sourcing its minerals, thus ensuring a full traceability of their supply chain.

Formal assessment of suppliers' progress with regards to REACH requirements

Information

There is some evidence of formal reporting on concrete actions or measures implemented regarding supplier compliance with the European REACH regulation.

Guidance

REACH (Registration, Evaluation and Authorisation of Chemicals) is a regulation from the European Union that addresses the production and use of chemical substances and their potential impacts on both human health and the environment. It requires all companies manufacturing or importing chemical substances into the European Union in quantities of one tonne or more per year to register these substances to the European Chemicals Agency (ECHA) in Helsinki, Finland.

On-site audits of suppliers on environmental or social issues

Information

The company's supporting documentation demonstrates evidence of on-site supplier audits on environmental and/ or social issues through audit reports or third party audit certificates.

Guidance

Evidence of internal/external on site audits is recent enough (i.e. less than 12 months). Audits can be announced or unannounced and are systematically conducted at least for suppliers most exposed to CSR risks. External audits are carried out by credible third party auditors and recognized environmental and/or social auditing standards are utilized (e.g. SMETA, EICC). Audits are directly conducted via field visits, i.e. on the suppliers' operational sites and/or business premises.

Regular supplier assessment (e.g. questionnaire) on environmental or social practices

Information

The company provides evidence in supporting documentation of supplier assessments (in-house, 3rd party, or self-assessments) on environmental (including regulatory issues), social and/or ethical issues.

Guidance

Supplier CSR assessments are an effective way to obtain and validate pertinent information from suppliers on CSR issues to facilitate a better understanding of supplier performance. These are often requested by the company undergoing the EcoVadis evaluation to their own suppliers. CSR supplier assessments can be done through checklists, questionnaires or online forms and can be conducted by the client (undergoing the EcoVadis evaluation), a reliable third party or by the supplier itself. The objectives of such assessments are to identify general and sustainability-related practices as well to help identify high-risk suppliers and the need for further risk mitigation actions.

Training of buyers on social and environmental issues within the supply chain

Information

The company provides evidence in supporting documentation regarding training on CSR issues to buyers in their organization to ensure ethical and sustainable procurement practices.

Guidance

The buyer-supplier relationship plays an important role in improving sustainability in the supply chain. Raising awareness / training of procurement professionals on sustainable purchasing to ensure understanding of social and environmental issues and how to integrate them into their procurement function. For example, procurement professionals can be trained to identify and respond to supply chain risks related to slavery and human trafficking. Evidence of the training conducted can be included in the CSR reports, training presentation slides.

Integration of social or environmental clauses into supplier contracts

Information

The company provides evidence in supporting documentation that social and/or environmental clauses are included in the contractual agreements with its suppliers.

Guidance

Provisions/clauses in business contracts that cover social & environmental issues which are not directly connected to the subject matter of the specific contract. It's a measure defining the behaviour/setting the expectations and for engaging with suppliers on sustainability. Commercial legal contract between the company and its supplier, usually mention termination of contract when expectations concerning CSR issues are not met.

CSR risk analysis (i.e. prior to supplier assessments or audits)

Information

The company carries out an in-depth screening of its spend categories to map potential CSR risk, thus allowing it to establish a list of high-risk suppliers for CSR assessments and/or audits.

Guidance

CSR risk mapping allows companies to identify, prevent and reduce social and environmental risks in the supply chain. The company can conduct a CSR risk mapping of its suppliers based on criteria such as procurement category, geographical presence of suppliers and total spend. CSR risk mapping is done before deciding to carry out assessments or audits in order to select which suppliers should receive assessments or audits.

Results

Reporting on Scope 3 GHG emissions

Materiality analysis in sustainability reporting

Publication of conflict minerals related reporting

Standard reporting on sustainable procurement issues

Information

There is evidence of formal reporting implemented regarding both labor and human rights issues from the company supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions.

Guidance

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. KPIs may include (but are not limited to): the percentage of suppliers covered by sustainable procurement measures, and percentage of buyers trained on sustainable procurement issues. Comprehensive reporting on sustainable procurement issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external CSR reporting standards. Download the How-to Guide on this topic here (in English).

Improvement Areas (4)

Actions

High Declares having a supplier CSR code of conduct, but no supporting documentation available

Information

The company declares it has a supplier Code of Conduct (i.e. a document that comprises requirements on environmental, labor and/or ethical issues to be followed by its suppliers or subcontractors). However, no evidence of this document was found in the supporting documentation.

Guidance

Supplier Codes of Conduct outline the company's expectations on their suppliers' practices on the following topics: responsible environmental management, implementation of safe working conditions, treatment of their employees with respect and dignity, and ethical business practices. It can also include information on how the Code will be monitored and reviewed and how violations of the Code will be handled.

Low Declares capacity building of suppliers on CSR issues, but no supporting documentation available

Information

The company declares it has implemented supplier capacity building measures concerning environmental and/or social issues, but no information was found on this topic within the supporting documentation.

Guidance


Capacity building measures include any proactive support by the company directed towards its suppliers with the aim to enhance their ability to identify and manage environmental, social and ethical issues. Such support includes supplier training, participation in supplier meetings or forums, development of close collaborations with suppliers on CSR topics, provision of generic tools to address concerns, and continuous improvement feedback on CSR performance (e.g. Corrective Action Plan [EcoVadis CAP tool]).

Results

Medium No alignment with a widely recognized reporting standard (e.g. GRI, SASB)

Low No external assurance of sustainability reporting

10. 360° WATCH FINDINGS

<p>12 June 2017</p>	<p>24 February 2021</p>	
<p>Banertek LLC v. Endress + Hauser Inc</p>	<p>No records found for this company on Compliance Database</p>	
<p>http://insight.rpxcorp.com/litigation_documents/12490615</p>	<p>null</p>	
<p>Plaintiff Banertek LLC has filed a patent infringement lawsuit against Endress + Hauser Inc. Banertek LLC demands a trial by jury of all issues properly triable by jury in this action.</p>		<p>→ No score impact</p>
<p> Ethics</p>		<p>→ No score impact</p>

360° Watch Findings comprise relevant public information about companies' sustainability practices that have been identified via more than 2,500 data sources (including NGOs, press and trade unions). 360° Watch Findings are incorporated into the EcoVadis assessment and can have positive, negative or no score impact.



EcoVadis is connected to the following international sources:

- Sustainability networks and initiatives (e.g. AccountAbility, Business for Social Responsibility, CSR Europe)
- Trade unions and employers' organizations
- International organization (e.g. United Nations, European Court of Human Rights, Global Compact, International Labor Organization, World Bank)
- NGOs (e.g. China Labor Watch, Greenpeace, WWF, Movimento Difesa del Cittadino)
- Research institutes and specialized press (e.g. CSR Asia, Blacksmith Institute, Corpwatch)

11. SPECIFIC COMMENTS

Additional comments from our analysts pertaining to the assessment.

Specific comments

<p> No records found in third party risk and compliance database.</p>
<p> The company demonstrates an advanced sustainability management system that covers all four themes under review.</p>

12. CONTACT US

Any questions or need help? Visit our Help Center at support.ecovadis.com

APPENDIX:

INDUSTRY RISK PROFILE

Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

EcoVadis determines industry based on the International Standard Industrial Classification of All Economic Activities (ISIC), which is a compilation of all global economic activities published by the United Nations Statistical Commission. Its main purpose is to provide a set of activity categories that can be utilized for the collection and reporting of statistics according to such activities.

It is possible that a company has operations in more than one industry. In these cases, EcoVadis classifies companies based on their main area of operation, as determined by sustainability risk and/or total revenue.

CRITERIA ACTIVATION BY THEME:

Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

Environment

Medium	Energy consumption & GHGs
Medium	Water
Non-activated	Biodiversity
Non-activated	Local & Accidental Pollution
Medium	Materials, Chemicals & Waste
Medium	Product Use
Medium	Product End-of-Life
Non-activated	Customer Health & Safety
Non-activated	Environmental Services & Advocacy

Labor & Human Rights

High	Employee Health & Safety
Medium	Working Conditions
Medium	Social Dialogue
Medium	Career Management & Training
High	Child Labor, Forced Labor & Human Trafficking
Medium	Diversity, Discrimination & Harassment
Non-activated	External Stakeholder Human Rights

Ethics

Medium	Corruption
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Medium

Anticompetitive Practices

Medium

Responsible Information Management

Sustainable Procurement



Medium

Supplier Environmental Practices

Medium

Supplier Social Practices

KEY SUSTAINABILITY ISSUES

Find qualitative explanations of the key sustainability issues and risk associated with Manufacture of measuring, testing, navigating and control equipment; watches and clocks



Environment

Importance

Sustainability issue

Medium

Energy consumption & GHGs

Definition

Energy consumption (e.g. electricity, fuel, renewable energies) used during operations and transport. Greenhouse gases direct and indirect emissions including CO₂, CH₄, N₂O, HFC, PFC and SF₆. Also includes production of renewable energy by the company.

Industry issues

The manufacturing of measuring, testing, navigating and control equipment as well as the manufacturing of watches and clocks are energy-intensive as it is highly mechanized and involves many thermal processes. This means that it consumes a significant amount of energy and thus emits large amounts of greenhouse gases. Energy consumption monitoring and carbon footprinting could be the first step for companies to identify opportunities for reducing energy use and carbon emissions. An effective starting point for reducing energy consumption is to monitor energy usage, by energy type, and to calculate GHG emissions on an ongoing basis. This enables targets to be set and guides subsequent action. Approaches to reduce greenhouse gas emissions include measures to increase energy efficiency at each lifecycle stage and use of low carbon content fuels. Companies can use specialized equipment which combines improved performance efficiency and energy efficiency. Certifications can act as guiding principles for successful energy management systems. ISO 50001:2011 is a world-renowned Energy Management System that is suitable for any organization irrespective of size, sector, or geographical location. Companies in this sector should also consider publicly reporting their energy use and greenhouse gas emission KPIs. This level of transparency in regards to environment data is becoming the norm across manufacturing industries. Annual reporting builds trust with stakeholders and gives the company a sense of accomplishment and direction on climate change and energy efficiency.

Medium

Water

Definition

Water consumption during operations. Pollutants rejected into water.

Industry issues

The manufacturing processes of measuring, testing, navigating and control equipment as well as watches and clocks can potentially create pollutants. The sources of water pollutants include, for example, plating solutions from electroplating (which contain heavy metals, cyanides, fluorides etc.), chlorinated solvents used for degreasing, oil and grease, cutting and drilling liquids. With the diverse range of raw materials, chemicals and processes, wastewater treatment may require the use of unit operations specific to the manufacturing process in use and the specific contaminant. Companies should adopt measures to reduce pollutant discharge and volume of effluent e.g. by designing processes that allows for less discharge and by treating wastewater. Best practice companies also invest in closed-loop water recycling as a solution to wastewater discharge problem including for electroplating, metal finishing, etc.

Medium

Materials, Chemicals & Waste

Definition

Consumption of all types of raw materials and chemicals. Non-hazardous and hazardous waste generated from operations. Also includes air emissions other than GHG (e.g. SOx, NOx).

Industry issues

Measuring, testing, navigating and control equipment as well as watches and clocks are generally made of metal, glass, electrical, and electronic components - all of which contain chemical substances that can be hazardous in nature. Manufacturing processes of these products generate hazardous wastes, such as spent deionized water (containing inorganic acid), spent cleaning solutions, sludges from wastewater treatment, spent cyanide solutions (electroplating), spent sandblasting grit. To manage chemical substances appropriately, companies should develop and implement material-specific chemical protection programs. Companies should share information on the chemical substances that are in raw materials, parts, and products accurately and efficiently along the supply chain from upstream to downstream, and to ensure compliance with all regulations. Relevant safety data sheets containing the required information on the safe handling of chemical products should be present to avoid accidents. In addition, companies shall replace substances with dangerous properties with safer/environmentally-friendly substances, for example, substitution of cyanide plating solutions with acid sulfate copper and electroless nickel, phasing out of mercury in thermometer products, etc.

Medium

Product Use

Definition

Environmental impacts generated from the direct use of products. Can include energy, water, materials and chemicals use.

Industry issues

Many of the measuring, testing, navigating and control equipments as well as watches and clocks are electrical - some of which are battery-powered. The amount of energy consumed and CO2 emitted varies across the products. To reduce CO2 emission at the customer stage, companies shall first conduct a lifecycle assessment (LCA) of their products which will enable companies to reduce impacts of product use through product design. For example, an LCA of three types of clock - mechanical, semi-mechanical, and electronic clock showed that the environmental impacts remain almost the same. However, when each function of these three types of clock was taken into consideration, it reveals functions that contribute significantly to the overall environmental impact. Companies can thus develop a hybrid design by combining the best approach (from an environmental perspective) to achieve each function (1).

Medium

Product End-of-Life

Definition

Direct Environmental impacts generated from the end-of-life of the products. These impacts can include hazardous, non-hazardous waste generated, emissions and accidental pollution.

Industry issues

Measuring, testing, navigating and control equipment consist of a complex mixture of materials and small components that are potentially hazardous contents and can cause major environmental and health issues if not disposed of properly. Due to the chemical substances found in components of these products, major countries established specific waste management programs and/or regulations to manage hazardous substances in these products. For example, many countries have developed collection/exchange programs for mercury-containing devices such as thermometers, manometers, and thermostats. Companies can start from product design to reduce environmental impact from product end of life. Companies should also engage downstream partners to ensure that products are responsibly managed at the end of life. Although nearly 100 percent of e-waste is recyclable, the current recycling rate of e-waste is still sluggish. From the statistics done by EPA in the United States, only 15-20% of e-waste is recycled while the rest is usually deposited in landfills (2). Concern over e-waste has led to the introduction of several international directives to manage and restrict electronic waste generation. This includes the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) and the Waste Electrical and Electronic Equipment (WEEE) Directives. These directives aim to promote the collection and recycling of e-waste and also restricts the use of certain heavy metals and brominated flame retardants to reduce the environmental impact of e-waste which is landfilled or incinerated.



Labor & Human Rights

Importance

Sustainability issue

High

Employee Health & Safety

Definition

Deals with health and safety issues encountered by employees at work i.e. during operations and transport. Includes both physiological and psychological issues arising from, among others, dangerous equipment, work practices and hazardous substance.

Industry issues

Manufacturing exposes workers to several health & safety risks, including exposure to heavy metals and hazardous chemicals, and ergonomic problems from long working hours. Insufficient ventilation, inadequate protection gear and the lack of relevant information on the dangers of chemicals contribute to accidents and illness within this kind of working environment. Temporary workers, which this sector tends to use frequently, also often report that they receive inadequate training on occupational safety and health and unfamiliar with safety measures (3). To minimize occupational safety risks, manufacturers should first undertake a detailed risk assessment to understand the existing and potential risks in the working environment. Companies should adopt a health & safety management system that is customized to the manufacturing infrastructure and identify feasible safety goals. This can be done through safety training, distribution of protective equipment and safety manuals, and through implementing these safety measures to workers' daily routines and periodical monitoring to ensure a safe work environment. To further establish a solid health & safety management system, audits to obtain recognizable health & safety certifications such as OHSAS 18001/ ISO 45001 will demonstrate the company's commitment in workers' health & safety towards stakeholders.

Medium

Working Conditions

Definition

Deals with working hours, remunerations and social benefits granted to employees.

Industry issues

Human capital investment is increasingly important for companies seeking to develop a sustainable workforce while reducing hiring costs associated with high employee turnover. Employees should be adequately compensated through wages and other social benefits that reflect regional variations in living costs and state provided social protections. According to the 2017 International Trade Union Confederation Global Poll, nearly half of global respondents claim that their household incomes fail to accommodate cost of living. 84% of respondents believe that national minimum wages are insufficient to enable workers to lead a decent life (4). In the absence of public provision of social protection, including healthcare, family vacation and rest periods, workers are likely to change employers in order to obtain livable wages and adequate social protection. Companies that voluntarily develop human capital management systems position themselves to attract and retain the best talent, while preventing operational disruptions caused by worker strikes. In determining adequate wages companies operating in less developed countries where minimum wage laws are deemed inadequate, companies should default to wage standards established by ILO conventions. In addition to benchmarking with international standards, companies should also engage their workers through labor unions or employee representatives to determine workers' needs. In countries where unions and worker appointed representatives are illegal, it is key to leverage employee satisfaction surveys and other forms of worker voice tools to determine worker needs. When operating in countries where state provided social protections are minimal or absent, companies should provide employees with employer paid healthcare benefits and retirement pensions.

Medium

Social Dialogue

Definition

Deals with structured social dialogue i.e. social dialog deployed through recognized employee representatives and collective bargaining.

Industry issues

Social dialogue, as defined by the International Labour Organization, includes all types of negotiation, consultation or exchange of information between, or among, government representatives, employers and workers (5). Companies that promote social dialogue through unions and other forms of worker-selected representatives are in a better position to obtain better visibility of potential health and safety issues and worker grievances around wages, working conditions, career development. A vast majority of the International Trade Union Confederation’s 2017 respondents disapprove of their working conditions, including wages, benefits and job security. As a result of the concerns by global workers, 91% of respondents are in support of laws that give workers the right to collective bargaining, while 85% want the right to unionize (4). When worker issues are not identified and remedied, companies and their supply chain partners risk business interruptions caused by worker strikes. While there is no “one size fits all” model of social dialogue that can be readily exported from one country to another due to cultural and political factors, adapting social dialogue to the national situation is key to ensuring local ownership of the worker engagement process. When companies engage in worker dialogue, they are in a better position to manage talent retention issues that potentially hinder long-term business sustainability. Given the importance of social dialogue in helping establish policies and procedures that promote both employer and employee interests, companies should work to promote collective bargaining, regardless of national laws that prohibit such activity. Collaboration with work councils, labor unions or worker representatives can be leveraged to address working conditions, remuneration, skills development and occupational health and safety needs. In countries where union membership is not permitted, or are insignificant due to low member rates, companies should establish alternative modes of social dialogue that promote worker interests.

Medium

Career Management & Training

Definition

Deals with main career stages i.e. recruitment, evaluation, training and management of layoffs.

Industry issues

In addition to fair pay, social benefits, and safe and stimulating working conditions, companies in the plastics production industry should include occupational skills development in their human capital management strategies. Occupational skills development, through formal training, developmental assignments, and feedback, provides mutual benefits for employees and employers. Manufacturers will benefit from a higher skilled workforce capable of meeting market demands, and workers will develop skills necessary for promotions and/or future employment opportunities in the sector. Workers are increasingly demanding occupational skills development in order to stay up-to-date on technological developments, ultimately ensuring they remain competitive on the job market. The reciprocal benefits ultimately reduce employee turnover costs, evidenced by one Harvard Business Review article (6) that finds that thriving workers are 32% more committed to their organization and 46% more satisfied with their jobs. To take advantage of the benefits provided by a skilled workforce, manufacturers should develop and implement occupational training and development programs. Ongoing employee evaluations accompanied by continuous feedback should be deployed to identify skills that enable employees to be placed in positions that allow for promotions. Lastly, companies should ensure that, when necessary, workers performing redundant tasks are helped to access other responsibilities through training. Occupational skills development programs can benefit companies across all functional areas and should therefore be embedded throughout all operations.

High

Child Labor, Forced Labor & Human Trafficking

Definition

Deals with child, forced or compulsory labor issues within the company owned operations.

Industry issues

Modern slavery—characterized by low wages, wage theft, violent and coercive working conditions, debt bondage, identification documentation retention, forced trafficking and exposure to unsafe working conditions is a global phenomenon. An estimated 40 million people worldwide are the victims of some form of forced labor—16 million in private sector alone (7). An estimated 168 million children are engaged in labor—an estimated 90 million are exposed to hazardous work that jeopardizes the physical, mental or moral well-being of a child (8). The reasons for labor exploitation include companies seeking cheap labor—often through the hiring of indigenous groups, children and migrant workers to perform hazardous work, and the dependency on temporary labor—often filled through labor agents that engage in practices that facilitates worker indebtedness. The manufacturing sector as a whole has significant exposure to slavery risks because of its dependency on migrant and other vulnerable labor groups to fill cheap, low-skilled positions. Combined with the construction sector, the manufacturing sector have an estimated 18% of the global migrant class (9). Documented reports of migrant workers subjected to recruitment fees and passport confiscation have been abundant around the world. In accordance with the Guiding Principles on Business and Human Rights, manufacturers must respect human rights through the establishment of policies, due diligence procedures and provide remedy to victims of human rights violations. In accordance with the Dhaka Principles companies should prohibit recruitment fees or deposits from workers and should allow workers to move or relocate freely. Companies must implement effective slavery and child labor awareness training, perform impact assessments and monitoring procedures such as site audits. Given the inherent exposure to hazardous chemicals, it is important that manufacturers adhere to ILO child labor conventions for working in hazardous job functions. Employers should provide transparent contracts to all workers regardless of their status, should not require employees to pay recruitment fees or withhold employee documentation during any duration of the labor contract. When cases of forced or child labor are discovered, it is important for companies to remedy the issues through engagement with NGOs to provide remedy to victims e.g. housing, psychological support and educational opportunities for child workers.

Medium

Diversity, Discrimination & Harassment

Definition

Deals with discrimination and harassment prevention at the workplace. Discrimination is defined as different treatment given to people in hiring, remuneration, training, promotion, termination; based on race, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age. Harassment may include physical, psychological and verbal abuse in the work environment.

Industry issues

Developing a diverse workforce is not only a socially responsible business practice, it is also good for business. Diverse workforce unlocks business innovation and drives market growth due to the knowledge that workers from different gender, sexual orientation, race and ethnicity bring to their functions. More diverse companies are rather able to win top talent and improve customer orientation, employee satisfaction, and decision making, each of which lead to increasing financial returns. A 2015 report by McKinsey found that companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians, and companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians. In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10% increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8% (10). Many of the world's biggest and most successful companies have advanced diversity strategies that include respect of LGBT. Nearly 90% of Fortune 500 companies prohibit discrimination based on sexual orientation and gender identity and almost 60% of them extend benefits to the same-sex partners of their employees (11). Given the higher returns associated with a diverse workforce, it is important that companies take steps to promote diversity in their operations. Companies must first create an environment that is welcoming of workers from all social backgrounds. Anti-discrimination and harassment policies should be framed to protect workers from all social backgrounds including, but not limited to, gender, race, ethnicity and national identity and increasingly important - sexual identity. While most countries have laws that prohibit discrimination, differences exist in the scope of groups protected and the level of enforcement—making it a strategic challenge for companies that operate in less progressive countries. When developing policies for operations in such locations, it is key for companies to be as inclusive as possible and to keep the business benefits in mind. In order to reinforce policies, diversity training should be provided to all employees, and anti-discrimination training should be required of all management levels—particularly human resources—with decision making authority. Human resources personnel should perform frequent internal salary audits to determine where wage gaps exist between different social groups within the organization. Additional pro-diversity measures that reinforce non-discriminatory efforts include employee cultural and gender associations that enable social groups to share experiences related to professional integration and networking. Lastly, an effective whistleblowing procedure should be available to all employees to report concerns related to, or violations of, established anti-discrimination policy.



Ethics

Importance

Sustainability issue

Medium

Corruption

Definition

Deals with all forms of corruption issues at work, including among other things extortion, bribery, conflict of interest, fraud, money laundering.

Industry issues

Corruption distorts fair markets and increases business costs. Global anti-corruption laws are becoming more stringent in their expectations that companies establishing effective controls to prevent all types of corruption. Business exposures to corruption vary depending on the nature, scope and location of a company's international activity. They can arise both when companies seek to sell their products and services directly to foreign governments and state-owned entities and in the form of bribe payments in return for favorable contracting decisions. Risks can also take other, less obvious forms, such as when companies face shakedowns from customs inspectors and tax assessors during efforts to import or export raw materials or finished products. Additionally, risks can surface when companies operate manufacturing facilities in foreign countries, which requires frequent interaction with hosts of foreign officials ranging from maintaining utility service to paying local taxes and securing police protection. To minimize corruption risks, companies should implement a risk-based due diligence procedure to identify opportunities or situations where corrupt transactions are possible. It is important that companies identify anti-corruption training needs in order to keep employees abreast on the regional or sector environment that exposes them to potential risks. Lastly, companies must document and maintain detailed records of all due diligence measures in order to minimize liability in the event that the company is implicated in corruption investigations involving internal employees or third-party relationships.

Medium

Anticompetitive Practices

Definition

Deals with anti-competitive practices including among others: bid-rigging, price fixing, dumping, predatory, pricing, coercive monopoly, dividing territories, product tying, limit pricing, and the non respect of intellectual property.

Industry issues

Anticompetitive practices are relevant mostly for companies of large size, given their potential leverage on the market. Industry cartel behavior harms a wide range of stakeholders. When companies form cartels, market dominance prevents smaller businessmen from accessing and competing in markets, and consumers are unable to freely select the quality and variety of goods and services they desire. Buyers working in a cartelized sector are also subjected to higher prices that ultimately cut into the company's bottom line. Antitrust enforcement has received greater attention from US, EU and global law enforcement agencies in recent years. The electronics sector has been subjected to enhanced antitrust scrutiny due to large cartel settlements, most notably in the components sector: the cathode ray tube cartel in 2006, involving major market players such as Samsung, Philips, LG Electronics and Panasonic was even described as a textbook case (12). As part of their compliance systems, companies in the electronics sector should implement internal controls to prevent employees and business partners from engaging in anti-competitive practices. Employees should be adequately trained in the market impacts caused by such behaviors. Providing clear and detailed competitor interaction guidelines is one effective way to raise awareness among key employees. Lastly, companies should have an effective whistleblower procedure allowing employees to confidentially report collusion concerns without retaliation by employers.

Medium

Responsible Information Management

Definition

Deals with third-party data protection and privacy which encompasses the protection of customer personal identification information (PII) and third party intellectual property rights.

Industry issues

Breaches of stakeholder data, including proprietary intellectual property, trade secrets and consumer PII expose companies to operational seizures, financial and reputational impacts caused by stakeholder lawsuits. According to PWC's 2016 Global State of Information Security Survey, the theft of hard intellectual property increased 56% in 2015 (17), indicating that cyber criminals have identified the value that successful attacks can yield. The financial impacts of information security breaches can be both immediate and drawn out over several years, due to possible litigation action by parties who lost confidentiality of their information entrusted to the breached company. It may also result in investor divestment, which ultimately could lead to lower share prices. Regulatory violations remain severe. The Ponemon Institute estimates the global average cost of a cyber-attack to be US\$4 million (18). Beyond direct regulatory and financial penalties, breaches in a company's information management system can cause long term distrust in the company's information security management. The electronics industry is directly exposed to high information security risks, as it manufactures the very products storing sensitive data. Electronics companies should implement a privacy-by-design approach, in which data privacy considerations are taken into account from the very beginning of the product development process. In case privacy features were not implemented in the earlier development stages, later changes to the product design can be very costly. It is therefore vital to treat information security as a central business issue, rather than a mere IT problem. Appropriate risk mitigation actions include a thorough risk assessment of information security issues, adequate training of employees and regular audits of internal controls. Finally, implementing adequate incident response plans is crucial to prevent the spread of breaches to business partners and customers. The plan should appoint a cross-functional response team, establish clear roles and outline precise escalation procedures and communication protocols.



Sustainable Procurement

Importance

Sustainability issue

Medium

Supplier Environmental Practices

Definition

Deals with environmental issues within the supply chain i.e. environmental impacts generated from the suppliers and subcontractors own operations and products.

Industry issues

Companies manufacturing these measuring, testing, navigating and control equipment as well as watches and clocks most likely source a variety of primary raw materials and secondary components from their suppliers. Some of these raw materials are produced in a way that could have negative environmental impacts. For example, the mechanical shaping of metal parts and the chemical treatment of metal surfaces can contribute to emissions to air in the form of metal dust and solvents from varnishes and paints. Metal dusts can result in long-term contamination and poisoning. Environmental issues in the supply chain of companies in the electronics sector can be effectively addressed through a variety of due diligence management activities. This may start with developing a supplier code of conduct, contract clauses or a risk analysis of the supplier base. Companies can first identify particularly critical or high-risk suppliers. Once expectations with regard to environmental factors are set, further monitoring, evaluation or capacity building should follow, which may lead to long-term partnerships with suppliers to address major environmental concerns along the value chain.

Medium

Supplier Social Practices

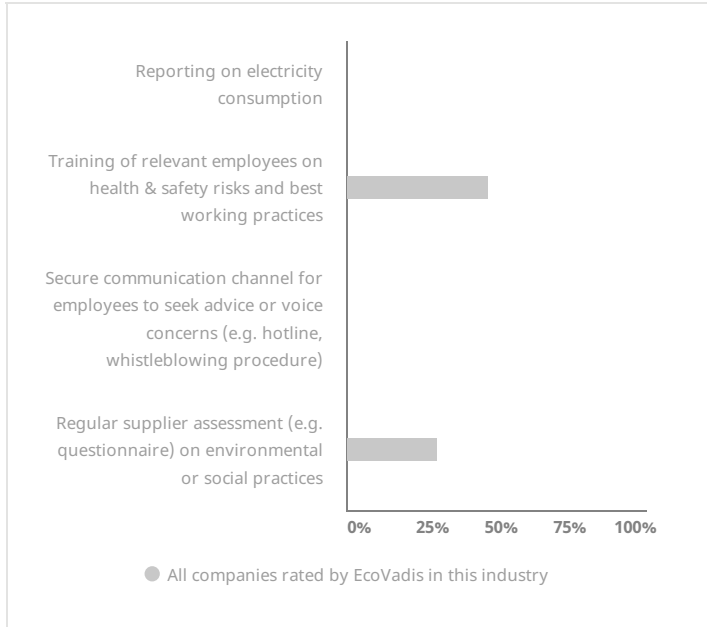
Definition

Deals with labor practices and human rights issues within the supply chain i.e. labor practices and human rights issues generated from the suppliers and subcontractors own operations or products.

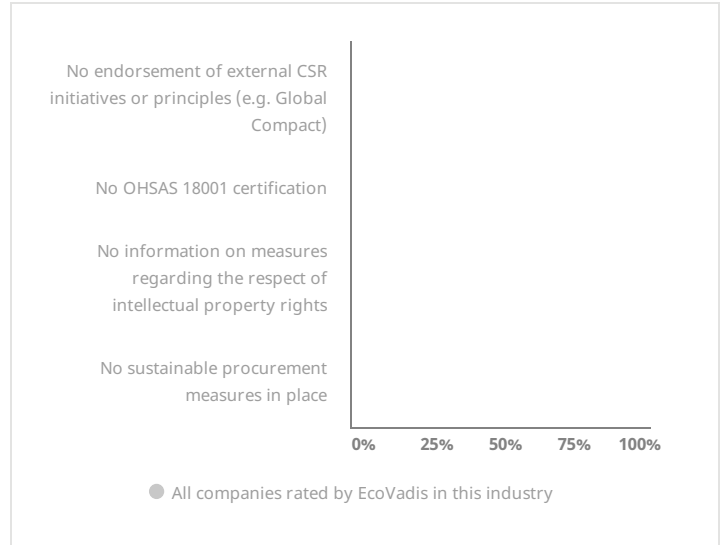
Industry issues

To prevent supply disruptions and potentially costly litigation, companies should work to embed their human rights and labor practices commitments throughout their supply chain in order to address operational impacts on stakeholders. Companies must ensure that subcontractors are covered by at least standard social measures, especially relating to health and safety conditions. Furthermore, conflict minerals is one of the most important, timely issues for the electronics sector; they are defined as natural resources whose systematic exploitation and trade in the context of conflict contribute to, benefit from, or result in the commission of serious violations of human rights, violations of international humanitarian law, or violations amounting to crimes under international law. Companies sourcing from these conflict zones, especially in African countries like the Congo, can face a number of specific human rights risks, as these minerals are known to directly or indirectly benefit armed groups in the covered countries. As defined by the US legislation, conflict minerals currently include the metals tantalum, tin, tungsten and gold, which are the derivatives of the minerals cassiterite, columbite-tantalite and wolframite, respectively. Downstream companies often refer to the derivatives of these minerals as 3TG (13). As a result of increasing importance on extended supply chain responsibility beyond the first or second tier suppliers, these companies are increasingly acknowledging that the mining phase is part of their supply chain (14). Governmental, industry-focused and social issue-focused groups such as the US Government Accountability Office, the Organization for Economic Co-operation and Development (OECD), the Responsible Minerals Initiative (RMI), and the Global e-Sustainability Initiative (GeSI) have been working to raise awareness and bring about change. On 21 July 2010, in response to these concerns, the United States Congress enacted legislation that requires certain public companies to provide disclosures about the use of specified conflict minerals emanating from the Democratic Republic of Congo (DRC) and nine adjoining countries (15). In 2017, the European Union has also passed its own conflict minerals regulation, requiring large EU importers of 3TG to perform due diligence on their suppliers worldwide (16). To minimize social liability deriving from the supply chain, companies should develop a supplier risk-based due diligence procedure to identify high-risk suppliers, establish a supply chain mapping, engage suppliers through training and on-site audits, and integrate whistle-blowing procedures on the supplier's behalf.

Key industry Strengths



Key industry Improvement Areas



Sustainability KPIs Overview

KPI	All companies rated by EcoVadis in this industry
Active whistleblowing procedure in place	35%
Audit or assessment of suppliers on CSR issues	30%
Carbon disclosure project (CDP) respondent	6%
Global Compact Signatory	10%
ISO 14001 certified (at least one operational site)	32%
OHSAS 18001/ISO 45001 certification or equivalent (at least one operational site)	21%
Policy on sustainable procurement issues	22%
Reporting on energy consumption or GHGs	30%
Reporting on health & safety indicators	24%

Main Regulations and Initiatives

Décret no 2002-775 du 3 mai 2002 (France)

<http://admi.net/jo/20020505/INDI0220135D.html>

 Regulatory

Ce décret est relatif aux valeurs limites d'exposition du public aux champs électromagnétiques émis par les équipements utilisés dans les réseaux de télécommunication ou par les installations radioélectriques

 Environment

EU directive WEEE (waste electrical and electronic equipment)

http://ec.europa.eu/environment/waste/weee/legis_en.htm

 Regulatory

The WEEE directive sets collection, recycling and recovery targets for all types of electrical goods. It imposes the responsibility for the disposal of waste electrical and electronic equipment on the manufacturers of such equipment.

 Environment

Standard ISO 14000 (International Standard Organisation)

http://www.iso.org/iso/iso_14000_essentials

The ISO 14000 family addresses various aspects of environmental management


 Environment

International Labor Organization's Fundamental Conventions

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_095895.pdf

 Regulatory

The Governing Body of the International Labour Office has identified eight Conventions as fundamental to the rights of human beings at work. These rights are a precondition for 12 the others in that they provide a necessary framework from which to strive freely for the improvement of individual and collective conditions of work.

 Labor & Human Rights

Foreign Corrupt Practices Act of 1977

<http://www.usdoj.gov/criminal/fraud/fcpa/>

 Regulatory

The Foreign Corrupt Practices Act of 1977 (FCPA) prohibits payments, gifts, or Practices Act contributions to officials or employees of any foreign government or government-owned business for the purpose of getting or retaining business.

 Ethics

EU directive RoHS (Restriction of Hazardous Substances)

http://ec.europa.eu/environment/waste/rohs_eee/legis_en.htm

 Regulatory

The RoHS directive restricts the use of six hazardous materials in the manufacture of various types of electronic and electrical equipment.

 Environment

EU regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)

http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm

 Regulatory

The REACH European Community Regulation (18 December 2006) encourages manufacturers and importers of "Substances of Very High Concern" to pre-register them.


 Environment

Universal Declaration of Human Rights

<http://www.un.org/Overview/rights.html>

 Regulatory


The Universal Declaration of Human Rights (UDHR) is an advisory declaration adopted by the United Nations General Assembly (10 December 1948)

 Labor & Human Rights

ISO 45001 Standard for Occupational Health and Safety

<https://www.iso.org/iso-45001-occupational-health-and-safety.html>

The ISO 45001 standard was developed by a committee of occupational health and safety experts, and follows other generic management system approaches such as ISO 14001 and ISO 9001. It was based on earlier international standards in this area such as OHSAS 18001, the International Labour Organization's ILO-OSH Guidelines, various national standards and the ILO's international labour standards and conventions.

 Labor & Human Rights

United Nations Convention against Corruption (UNCAC)

<http://www.unodc.org/unodc/en/treaties/CAC/index.html>

 Regulatory

The UNCAC is the first legally binding international anti-corruption instrument. In its 8 Chapters and 71 Articles, the UNCAC obliges its States Parties to implement a wide and detailed range of anti-corruption measures affecting their laws, institutions and practices.

 Ethics

United Nations Global Compact (10 principles)

<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of ten principles in the areas of human rights, labour standards, the environment, and anti-corruption:

 All themes

Standard Global Reporting Initiative's (GRI)

<https://www.globalreporting.org/Pages/default.aspx>

The GRI is a network-based organization, that has set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.

 All themes

Carbon disclosure project

<https://www.cdp.net>

CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

 Environment

OECD guidelines for multinational enterprises

http://www.oecd.org/about/0,2337,en_2649_34889_1_1_1_1_1,00.html

The Guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide voluntary principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation.

 All themes

Standard ISO 26000 (International Standard Organisation)

<http://www.iso.org/iso/pressrelease.htm?refid=Ref972>

The future International Standard ISO 26000, Guidance on social responsibility, will provide harmonized, glob12y relevant guidance based on international consensus among expert representatives of the main stakeholder groups and so encourage the implementation of best practice in social responsibility worldwide.

 All themes

Responsible Business Alliance (RBA)

<http://www.responsiblebusiness.org/>

RBA (formerly EICC) promotes an industry code of conduct for a group of companies working together to create a comprehensive set of tools and methods that support credible implementation of the Code of Conduct throughout the Electronics and Information and Communications Technology (ICT) supply chain.

 All themes

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