



ecoVadis

EcoVadis Sustainability Assessment Report

Company rated:
TER CHEMICALS GMBH & CO KG (GROUP)

Overall score: 74 /100
September 2024

Sustainability performance: Advanced

Size: M
Headquarters country: Germany
Risk country operations: NO
Industry: Wholesale of waste, chemicals, fertilizers and agrochemical products, and other products n.e.c.

TABLE OF CONTENTS

1. Sustainability Performance Overview
2. Assessment Benefits
3. Assessment Process
4. EcoVadis Methodology
 - A. Four Themes and 21 Criteria
 - B. Seven Management Indicators
5. Understanding a Scorecard
 - A. Quantitative Information: Scores & Activated Criteria
 - B. Qualitative Information: Strengths & Improvement Areas
 - C. Scoring Scale
6. Environment
7. Labor & Human Rights
8. Ethics
9. Sustainable Procurement
10. 360° Watch Findings
11. Specific Comments
12. Contact Us
13. Appendix: Industry Risk Profile

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

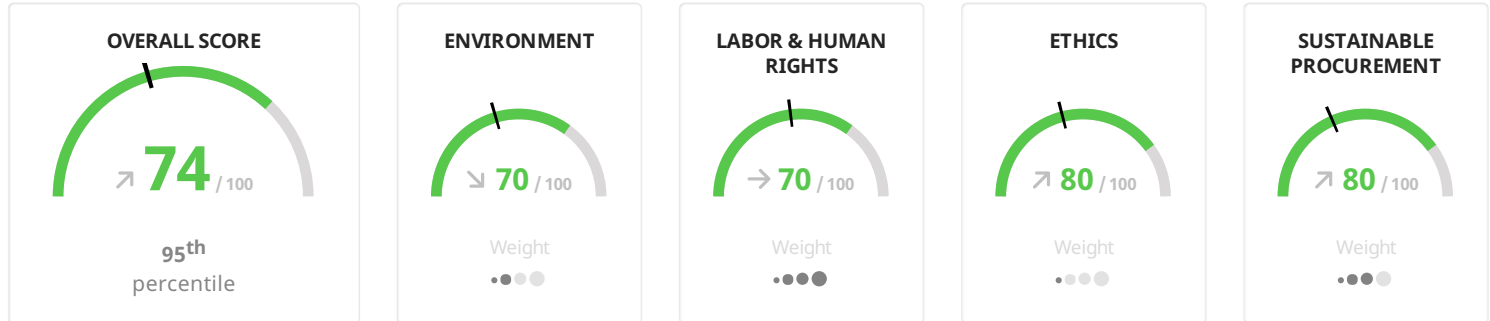
EcoVadis provides the leading solution for monitoring sustainability in global supply chains. Using innovative technology and sustainability expertise, we strive to engage companies and help them adopt sustainable practices.

No part of this document may be reproduced, modified or distributed in any form or manner without prior written permission from EcoVadis. Provided under contract for exclusive use by subscriber:

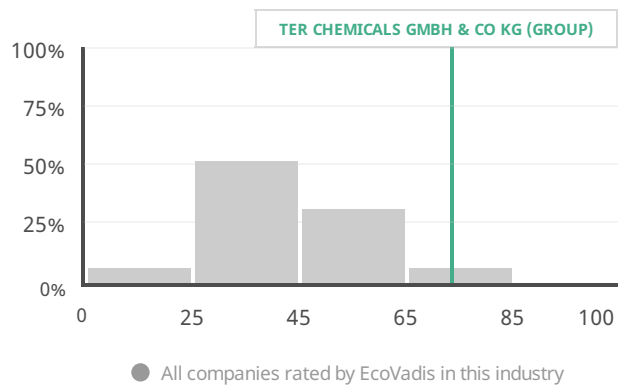
1. SUSTAINABILITY PERFORMANCE OVERVIEW

Score breakdown

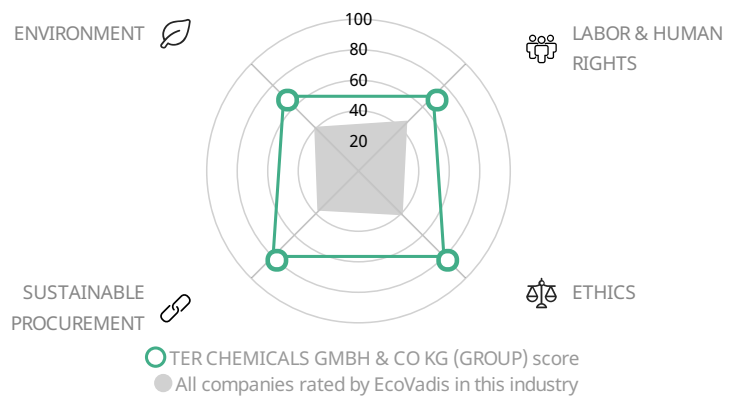
Sustainability performance ● Insufficient ● Partial ● Good ● Advanced ● Outstanding — Average score



Overall score distribution



Theme score comparison



TER CHEMICALS GMBH & CO KG (GROUP) has received a Gold Medal in recognition of its sustainability achievement. This award places it in the top of companies assessed by EcoVadis over the past 12 months.

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. TER CHEMICALS GMBH & CO KG (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 10,000 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
- Air 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, Equity & Inclusion
- 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	Good	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

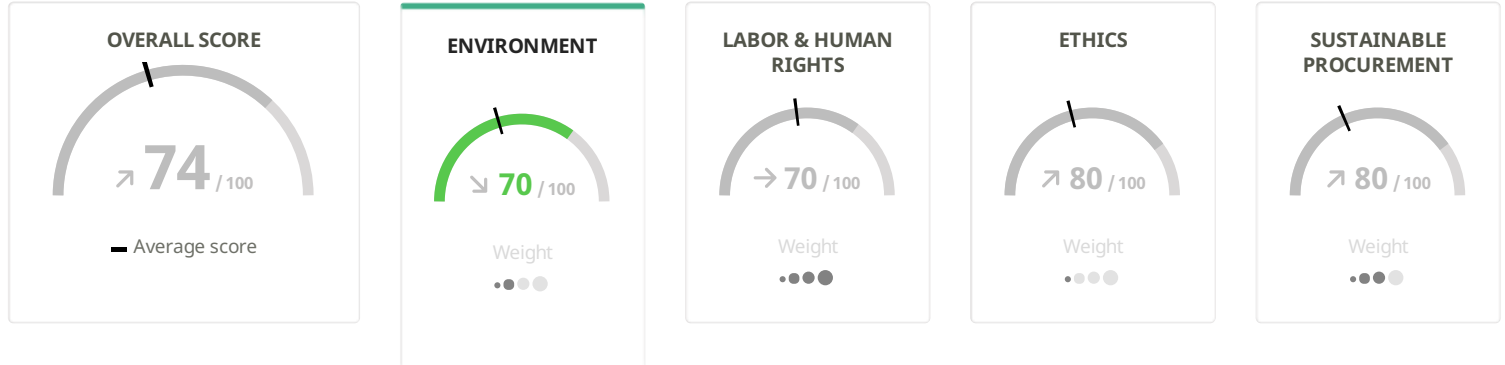
Qualitative information provides more details and insights into a company's score. For each theme, the company is assigned strengths (elements of their sustainability management system that are positive) and improvement areas (elements of their sustainability management system that need to be improved). 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.

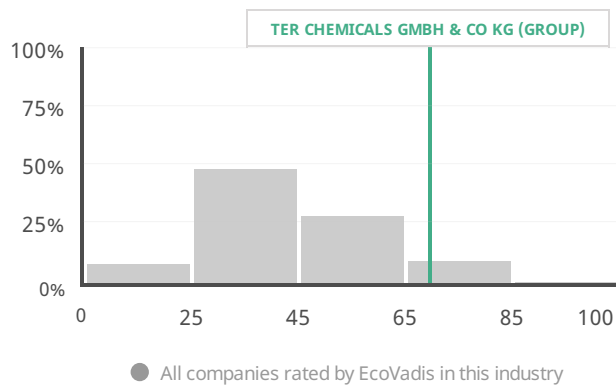
6. ENVIRONMENT

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).

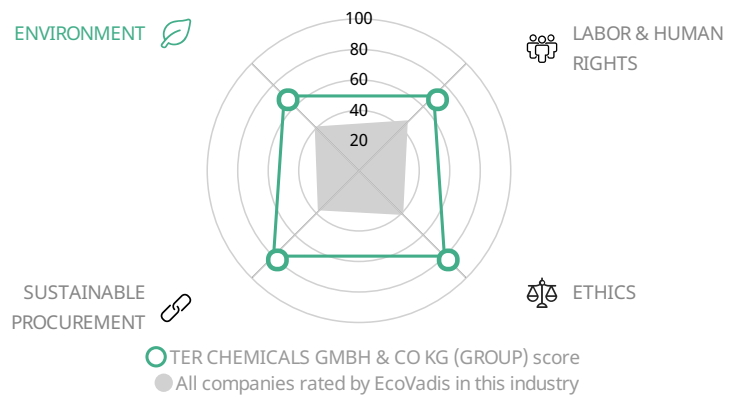
Environment Score Breakdown



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

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Environmental policy on air pollution

Environmental policy on environmental services & advocacy

Environmental policy on customer health & safety

Environmental policy on materials, chemicals & waste

Environmental policy on energy consumption & GHGs

Standard policy on a majority of environmental issues

Information

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

Guidance

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. It is also mandatory for the policy to incorporate some of the following organizational elements: scope of application, allocation of responsibilities, and/or a formal review process. Policies are deemed exceptional when all environmental issues are covered by qualitative and quantitative objectives, in addition to all of the aforementioned elements.

Endorsement of the Responsible Care Global Charter

Information

The company demonstrates evidence of its membership as a Responsible Care Global Charter member.

Guidance

Responsible Care is a global, voluntary initiative developed by the chemical industry. It runs in 52 countries whose combined chemical industries account for nearly 90% of global chemical production. The signatories agree to commit themselves to improve their performances in the fields of environmental protection, occupational health and safety protection, plant safety, product stewardship and logistics, as well as to continuously improve dialogue with their neighbors and the public, independent from legal requirements.

Actions

Other actions on customer health & safety management

Use of eco-friendly or bio-based input materials

Reduction of material consumption through process optimization

External partnerships or collection programs established to reuse and recycle major waste streams

Internal sorting & disposal of waste according to waste streams

Reduction of internal wastes through material reuse, recovery or repurpose

Actions to prevent emissions of atmospheric pollutants and other environmental nuisances (e.g. noise, odor, vibration, road and light)

Information

The company has proactive actions in place to prevent emissions of atmospheric pollutants and other environmental nuisances (e.g. noise, odor, vibration, road and light)

Guidance

Some examples of actions might include evidence of improvement or modification of production processes, enhanced equipment efficiency and any other factors leading to the prevention of atmospheric pollutants or other environmental nuisances at the generation source. This is differentiated from the mitigation actions which aim to reduce the impacts of the unavoidable emissions. Air and other environmental nuisances include dust, PM, VOC, SO₂, NO_x, noise, odor, vibration, light pollution and road congestion.

Training of employees on energy conservation/climate actions

Purchase and/or generation of renewable energy

Company-specific emergency preparedness and response procedure regarding customer health and safety

Information

The company has provided evidence of a company-specific emergency preparedness and response procedure regarding customer health and safety.

Guidance

The company demonstrates evidence of formalized instructions or operational processes to prepare for incidents related to customer health and safety and offer emergency support or real-time assistance to customers.

Work processes or technologies implemented to mitigate noise

Information

The company provided an evidence of work processes or technologies implemented to mitigate noise

Guidance

Some examples of actions might include evidence of actions implemented to reduce noise emissions to the surrounding environment, such as noise control walls (e.g. greenbelt barrier, sound barrier blankets & panels), installation of noise control systems or equipment (acoustic enclosures, muffling controls, silencers to exhaust air pneumatic equipment, insulation of specified production zones).

Purchase of verified carbon offset credits

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.

Communication to downstream users regarding the use of dangerous substances and/or substances of very high concern (SVHC)

Registration of substances to the ECHA

Information

The company has performed a registration of substances to the ECHA, with respect to the requirements defined by the REACH Directive.

Guidance

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

Company specific awareness program toward customers on environmental issues

Information

The company has implemented specific awareness programs toward customers on environmental issues.

Guidance

Such awareness programs can inform consumers on how their purchasing behaviours (of goods and services) have an impact on specific environmental factors. This company offers awareness programs or options to their customers directing them towards a more sustainable consumption behaviour.

Provision of services for reducing paper/carton consumption

Training employees to safely handle and manage hazardous substances

Information

The company has provided supporting documentation demonstrating that it provides regular training on work processes for labeling, storing, handling and transporting hazardous goods

Guidance

Proper labeling of hazardous substances might include alignment with the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals or other regional schemes like TSCA, IESCS. The company may also train its employees regarding the proper storage and handling of hazardous goods, such as procedures to avoid accidental spills or instructions on the use of appropriate personal protective equipment (PPE) in the handling of hazardous goods. Transportation procedures might include checklists for loading/unloading hazardous goods or procedures in place to ensure that all necessary information is included on documents for consignment of hazardous goods.

Product inventory & calculated volumes for REACH

Actions for labeling, storing, handling and transporting hazardous substances

Information

The company has implemented a procedure regarding the proper labeling, storage, handling and transportation of hazardous products

Guidance

Proper labeling might include alignment with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) or other regional schemes like TSCA, IESCS. The company also has formalized procedures regarding the proper storage and handling of hazardous goods, such as procedures to avoid accidental spills or instructions on the use of appropriate personal protective equipment (PPE) in the handling of hazardous goods. Transportation procedures might include checklists for loading/unloading hazardous goods or procedures in place to ensure that all necessary information is included on documents for consignment of hazardous goods.

Dedicated feedback channel on health & safety issues of products

Information

The company has implemented a channel for collection of external feedback regarding any potential health and safety issues of the company's products.

Guidance

External sources can provide feedback regarding any issues with the health and safety of products through a channel that is set up by the company. This is a good way for the company to be able to monitor and receive feedback regarding any potential health and safety risks to the customers, that may stem from their products. This can help reduce and/or remove the dangers that products could potentially pose on customers. By implementing a feedback program, the company can greatly reduce the risks as well as reduce the number of recalls. The company can greatly reduce the risks faced by its customers and their families as well as reduce the number of health and safety incidents for their customers who use their products.

Awareness program offered to customers regarding product/service health & safety issues

Information

The company raises awareness among its customers regarding the health & safety issues associated with the company's product or service.

Guidance

The company has implemented a program aimed to increase awareness among customers about the health & safety issues associated with products or services. Awareness programs might include brochures on health & safety given to customers upon purchase of their product or service, or provision of information online in order to engage customers on health & safety risks regarding products/services. According to the ISO 26000 standard, protection of consumers' health and safety involves the provision of products and services that are safe and that do not carry unacceptable risk of harm when used or consumed. The protection should cover both the intended use and foreseeable misuse. Clear instructions for safe use, including assembly and maintenance, are also an important part of the protection of health and safety. Companies should have a defined process to assess and document the customer health and safety risks.

Results

Total gross Scope 2 reporting value confirmed in supporting documentation

Information

It was confirmed in the documentation provided by the company that the declared value for total gross Scope 2 is true.

Guidance

The company provided supporting documentation which show that the reported value for total gross Scope 2 reporting value is true.

Total gross Scope 1 reporting value confirmed in supporting documentation

Information

It was confirmed in the documentation provided by the company that the declared value for total gross Scope 1 is true.

Guidance

The company provided supporting documentation which show that the reported value for total gross Scope 1 reporting value is true.

Reporting on total gross Scope 2 GHG emissions (market or location based)

Information

The company demonstrates that there is public or internal reporting of consolidated data on the total gross Scope 2 GHG emissions (market or location based).

Guidance

The company provided data which show the total gross Scope 2 GHG emissions (market or location based), these emissions refer to the GHG emissions resulting from the generation of purchased or acquired electricity, steam, heating, and cooling.

Reporting on total gross Scope 1 GHG emissions

Information

The company demonstrates that there is public or internal reporting of consolidated data on the total gross Scope 1 GHG emissions.

Guidance

The company provided data which show the total gross Scope 1 GHG emissions, these are direct GHG emissions which occur from sources that are owned or controlled by the company, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Total gross Scope 3 downstream GHG emissions value confirmed in supporting documentation

Reporting on total gross Scope 3 downstream GHG emissions

Total gross Scope 3 GHG emissions reporting value confirmed in supporting documentation

Reporting on total amount of renewable energy consumed

Reporting on total weight of non-hazardous waste

Reporting on total weight of hazardous waste

Reporting on total gross Scope 3 GHG emissions

Materiality analysis in sustainability reporting

Company reports to CDP

Information

The company has responded to the Carbon Disclosure Project (CDP) survey (either Investor or Supply Chain Responses) and made its response publicly or privately available on the CDP website.

Guidance

The Carbon Disclosure Project is an independent not-for-profit organization, after an initiative led by the institutional investor community. Each year, large corporations are asked through comprehensive questionnaires to disclose their greenhouse gas emissions and climate change strategies in their CDP response.

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 sustainability reporting standards.

Improvement Areas

Policies

Low

No quantitative target on environmental issues

Information

The company's policy does not contain quantitative objectives or targets on environmental issues.

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 energy consumption reduction, percentage targets to reduce waste, or targets for a number of products to be eco-labelled. 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).

Actions

Medium

No information regarding certification of an environmental management system

Results

Medium

Declares formal alignment with a sustainability reporting standard (e.g. in accordance with GRI, SASB) but no supporting documentation

Low

Declares external assurance or verification of sustainability reporting, but no supporting documentation

Information

The company declares external assurance of external assurance or verification of sustainability reporting by an independent third party but there is a lack of evidence in the documents provided.

Guidance

The company lacks evidence of external assurance that supports the quality and credibility of the qualitative and quantitative information reported by the organization. External assurance is provided by professional assurance providers such as KPMG and Deloitte (or others) that verify the credibility of reporting figures based on internationally recognized sustainability reporting standards such as the Global Reporting Initiative (GRI).

Low

No information related to reporting on total weight of waste recovered

Low

No information on reporting on total weight of air pollutants

Information

The company has not provided documents about reporting on total weight of air pollutants. Air pollutants refer to any direct or indirect emission of pollutants into the air, indoor and outdoor.

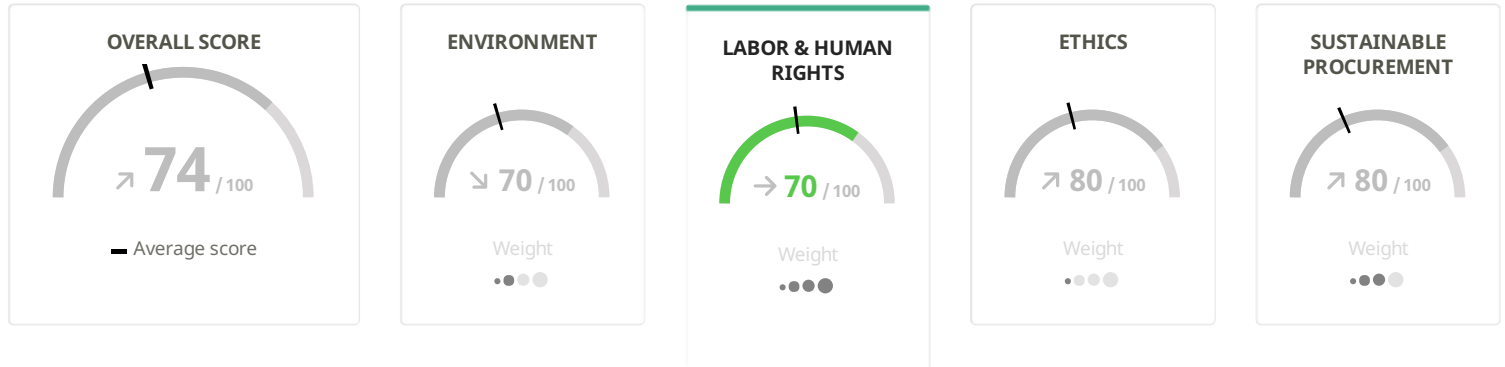
Guidance

There is no reporting documentation available about total weight of air pollutants. Air pollutants refer to any direct or indirect emission of pollutants into the air, indoor and outdoor. These pollutants include SOx (sulphur oxides), NOx (nitrogen oxides), CO (carbon monoxide), PM (particulate matter), Heavy metals, POPs (persistent organic pollutants), VOCs (volatile organic compounds), ODS (ozone-depleting substances), NH3 (ammonia), other (hazardous) chemicals regulated by REACH and CLP including their compounds.

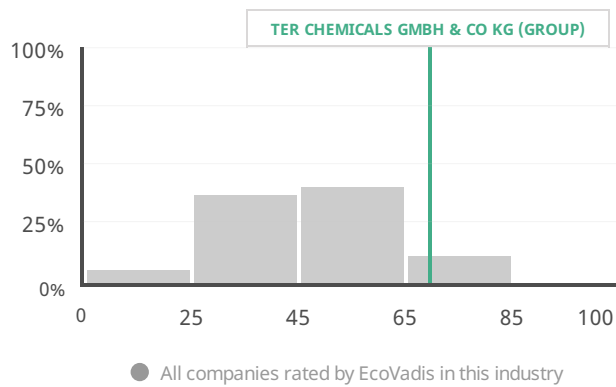
7. LABOR & HUMAN RIGHTS

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).

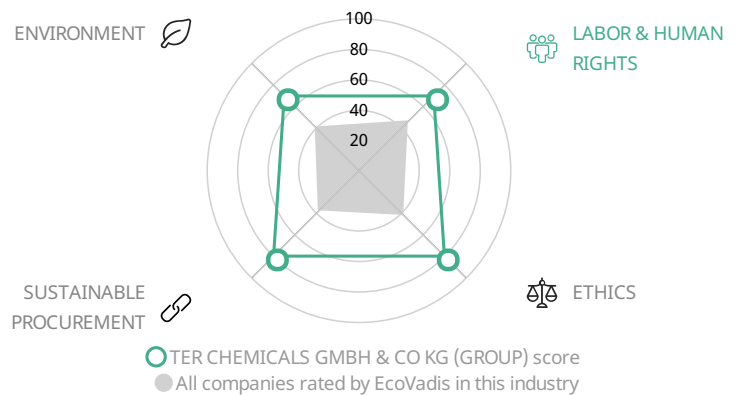
Labor & Human Rights Score Breakdown



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

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Labor & human rights policy on diversity, equity & inclusion

Labor & human rights policy on career management & training

Labor & human rights policy on social dialogue

Labor & human rights policy on working conditions

Labor & human rights policy on employee health & safety

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.

Endorsement of the Responsible Care Global Charter

Information

The company demonstrates evidence of its membership as a Responsible Care Global Charter member.

Guidance

Responsible Care is a global, voluntary initiative developed by the chemical industry. It runs in 52 countries whose combined chemical industries account for nearly 90% of global chemical production. The signatories agree to commit themselves to improve their performances in the fields of environmental protection, occupational health and safety protection, plant safety, product stewardship and logistics, as well as to continuously improve dialogue with their neighbors and the public, independent from legal requirements.

Actions

Actions to control hazardous substance exposure

Information

The company has taken actions to limit/control the exposure of employees to hazardous substances at the workplace.

Guidance

The company has implemented actions such as work instructions, installation records of enclosures, ventilation or extraction systems, job rotation or work adjustment procedures to minimize employees' contact with chemicals or other hazardous substances. These actions have been taken to limit the negative health effects that these hazardous substances can have on employees after prolonged exposure at the workplace.

Actions to address stress and psychological wellbeing in the workplace

Information

The company has implemented measures that will help with the employee wellbeing, not only physically but psychologically as well. These measures help prevent or reduce stressful situations that can also be linked to mental health issues.

Guidance

The company has implemented actions that demonstrate their commitment to minimize stress at the workplace and support their employees' psychological well being. These actions consist of stress check assessments, resources to help employees with a better management of their workload, assistance programs, counseling hotlines, among other support initiatives.

Employee health and safety emergency action plan

Information

The company has formal procedures that have been communicated to all employees regarding accidents, injuries, provision of emergency equipment, emergency evacuation, first aid, fire drills and other situations regarding health and safety at the workplace.

Guidance

A health and safety emergency action plan is a document that demonstrates the health and safety plan created by each company in order to guide its employees when facing emergency situations. These emergency situations depend on the operations of the company as well as their workforce, but also include accidents related to operations of heavy equipment, injuries, fires, chemical spills, explosions, falls, among others.

Family Friendly programs (FFPs) implemented (e.g. parental or care leaves, childcare services or allowances)

Women development, mentorship, and/or sponsorship programs in place

Information

The company has developed a mentoring or sponsorship program for women

Guidance

Companies should help women, especially those just starting their careers or changing careers. One valuable source of help is strong, effective mentors. Mentors can provide a great deal of help in guiding women through the new and unprecedented challenges they confront. Apart from mentors, companies can also opt to sponsor training courses for women to enable continuous skills development.

Actions to prevent workplace harassment

Information

The company has proactive actions in place to prevent workplace harassment.

Guidance

Harassment impacts negatively on the organization of work, workplace relations, worker engagement, enterprise reputation and productivity. Some actions that a company can take to prevent workplace harassment are; identify hazards and assess the risks of harassment along the participation of workers and their representatives, and take measures to prevent and control them.

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.

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.

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 (eg. remote work, flexi-time)

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

Grievance mechanism on discrimination and/or harassment issues

Information

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

Guidance

Employees can report on areas such as violations of the company's discrimination and/or harassment policy (e.g. on hiring, remuneration, training, promotion) through anonymous and secure communication channels. In addition, non-retaliation is ensured.

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).

Regular assessment of individual performance

Information

The company demonstrates evidence of regular assessments of individual performance.

Guidance

The company has a process in place to quantitatively and/or qualitatively assess and review employee's job performance on a regular basis. This includes processes such as performance reviews to allow the company to identify areas for improvement, provide support and guidance to employees as well as recognizing and rewarding top performers.

Two-way communication system in place to facilitate employee voice regarding working conditions

Information

The company has an interactive communication session with employees on working conditions.

Guidance

Interactive communication strategies help and allow companies to receive input and feedback directly from employees. These sessions should focus on working conditions & benefits. This assists companies in effectively running their business and helps eliminate or reduce workplace mistakes, oversights and inter-office conflict. Proactive strategies can include creating a discussion agenda, communication policies and structured workshops between employees and management.

Regular employee health check-up

Information

The company has been conducting regular health screening tests for employees.

Guidance

The company has made regular health check arrangements for employees through health service contracts or employee health surveillance procedures. These periodical and relevant occupational health check-ups provided to employees have had a particular focus on the health risk factors that the employees are exposed to at the workplace. Some of the health risks are; exposure to chemicals, potentially dangerous machines, noise, or other potential hazards to allow for early detection of effects on health and timely treatment.

Preventive actions for repetitive strain injury (RSI)

Information

The company has taken actions to prevent any type of repetitive strain injury (RSI) resulting from work process and/or task.

Guidance

A Repetitive Strain Injury (RSI) is the damage caused to a person's muscles, tendons or nerves caused by repetitive motions or constant use. The company has implemented actions to prevent any RSI from its work processes or tasks. They provide an environment that is ergonomically optimized, that will help mitigate any painful or uncomfortable conditions of muscles tendons or nerves cause by repetitive movements and overuse.

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.

Individual development and career plan for all employees

Information

The company demonstrates evidence of creating individual development and career plans for all employees.

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 employees on health and safety risks and best working practices

Information

The company has provided its employees with necessary training to strengthen their knowledge about health and safety risks at work and good working practices.

Guidance

The company has provided training with the help of training materials (slide decks, training content summaries) and/or evidence of training execution (progress reports, certificates of completion, attendance sheets) to demonstrate the execution of training programs regarding health and safety risks at work and good working practices. 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 number of recordable work-related accidents

Information

The company demonstrates that there is public or internal reporting of consolidated data on the recorded number of work-related accidents.

Guidance

The company provided data which show the recorded number of work-related accidents. An accident refers to an incident that results in injury or ill health.

Reporting on number of days lost to work-related injuries, fatalities and ill health

Information

The company demonstrates that there is public or internal reporting of consolidated data on the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

Guidance

The company provided data which show the recorded number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health. This metric applies to employees. Work-related injuries and work-related ill health arise from exposure to hazards at work. Injuries and ill health that occur when working from home are work related; if the injury or ill health occurs while the worker is performing work from home and the injury or ill health is directly related to the performance of work.

Reporting on the percentage of employees from minority and/or vulnerable groups in the whole organization

Information

The company has provided documents which demonstrate public or internal reporting of consolidated data on the percentage of workers from minority groups and/or vulnerable groups employed in the whole organization.

Guidance

The company demonstrates evidence of public or internal reporting of employees from minority and/or vulnerable groups in the whole organization. A minority group is usually defined as a group of people with common interests or characteristics (e.g. ethnicity, race, religion, sexual orientation, disability, or gender identity) which distinguish them from the majority of the population. Vulnerable workers are those with some specific physical, social, political, or economic condition or characteristic that places them at higher risk of suffering a burden (e.g. children and youth, the elderly, people with disabilities, refugees, etc). There was no negative repercussion on the EcoVadis rating if the KPIs are not available. Reporting for a partial scope or outside of company operations (e.g. from a subsidiary, parent company, sister company, etc.) is not guaranteed to have an impact on the assessment.

Reporting on the percentage of women employed in relation to the whole organization

Report on average unadjusted gender pay gap

Materiality analysis in sustainability reporting

Reporting on number of average training hours per employee

Information

The company reports, either through formal documentation or questionnaire declaration, on the average number of training hours per employee for the last reporting year.

Guidance

Investment in training is considered as beneficial for both the employees and the company. Training is a mean to increase the knowledge base of employees, to diversify the skills among the staff and can even act as a retention tool for the company. On the company side, different kinds of training can lead to different positive outcomes such as higher customer satisfaction, more innovation, and safer working practices for employees. By monitoring the number of hours of training provided to employees, a company can keep track on the training performance and where improvement is needed.

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 sustainability reporting standards.

Improvement Areas

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).

Actions

Medium

No information regarding certification of a labor and human rights management system

Results

Medium

Declares formal alignment with a sustainability reporting standard (e.g. in accordance with GRI, SASB) but no supporting documentation

Low

Declares external assurance or verification of sustainability reporting, but no supporting documentation

Information

The company declares external assurance of external assurance or verification of sustainability reporting by an independent third party but there is a lack of evidence in the documents provided.

Guidance

The company lacks evidence of external assurance that supports the quality and credibility of the qualitative and quantitative information reported by the organization. External assurance is provided by professional assurance providers such as KPMG and Deloitte (or others) that verify the credibility of reporting figures based on internationally recognized sustainability reporting standards such as the Global Reporting Initiative (GRI).

Low

Declares reporting on ratio of the annual total compensation of the highest paid individual, to the median annual total compensation for all employees, but no supporting documentation available

Information

The company has not provided documents about ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees.

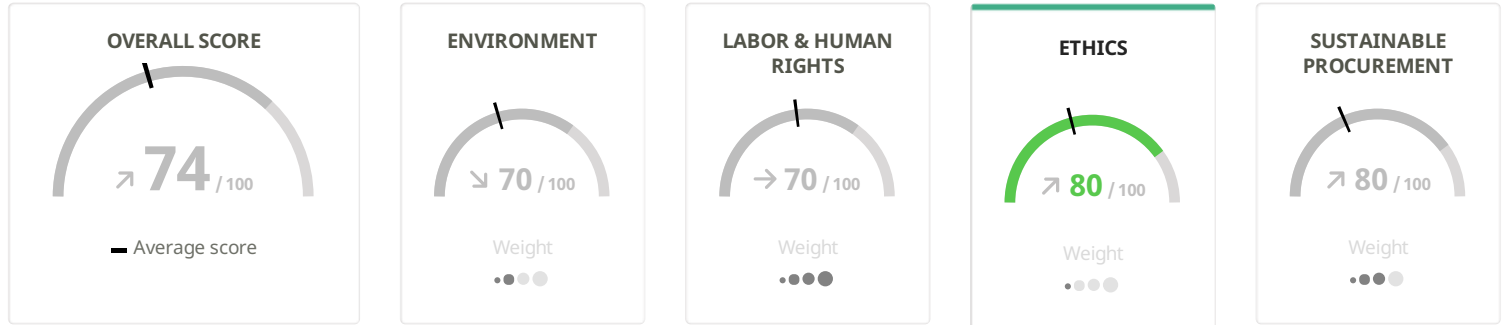
Guidance

There is no supporting documentation available about ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees even though is has been declared. Annual total compensation includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.

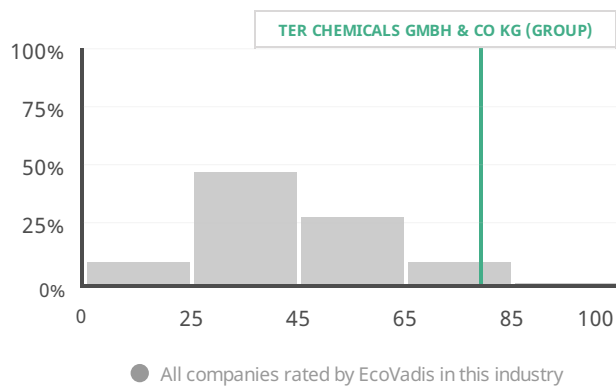
8. ETHICS

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

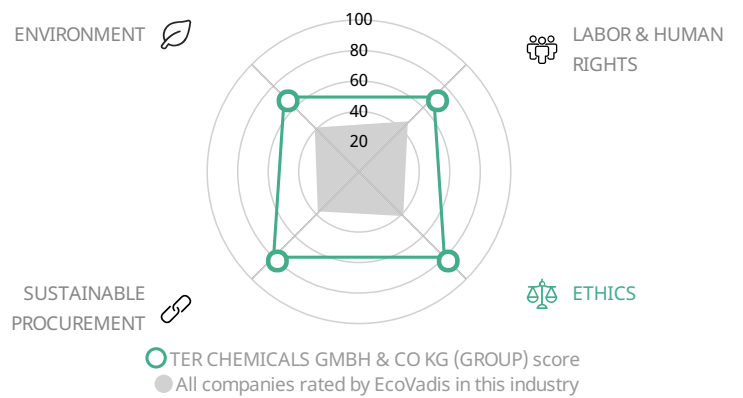
Ethics Score Breakdown



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

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Policy on fraud

Policy on money laundering

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).

Employee signature acknowledgement of ethics policies

Information

There is evidence within the supporting documentation provided by the company that it is mandatory for employees to sign their acknowledgement of the company's business ethics policies.

Guidance

Business ethics policies such as Code of Ethics/Code of Conduct should include a section requiring employees to sign (to ensure that all employees are aware of the policy).

Policy on information security

Information

The company has issued a formal standard policy that integrates commitments in the form of qualitative objectives on information security issues. The policy is formalized in a document such as a Code of Ethics and includes at least some organizational elements (e.g. review process, dedicated responsibilities, scope of application).

Guidance

It is imperative for companies who manage sensitive information to set commitments on the protection and responsible management of third-party data. The security of third party data encompasses the protection of customer personal identification information (PII) and the protection of third party intellectual property rights.

Policies on corruption

Information

There is a formal policy that integrates qualitative objectives/commitments on anti-corruption & bribery issues (including for example conflict of interest, fraud and money laundering) in the supporting documentation provided by the company.

Guidance

Corruption & bribery covers all forms of corruption issues at work namely extortion, bribery, conflict of interest, fraud, money laundering. A comprehensive policy is formalized in a standalone document or is part of a Code of Ethics/Conduct on the issues mentioned and incorporate as well some of the following elements: scope of application, allocation of responsibilities, quantitative objectives, and review mechanisms.

Exceptional policy on ethics issues

Information

The company has issued a formal exceptional policy that integrates commitments, qualitative and quantitative objectives on business ethics issues.

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 the allocation of responsibilities, structured mechanisms to deal with policy violations, a formal review process, and communication of the policy to all employees and business partners, etc.

Dedicated responsibility for ethics issues

Actions

Whistleblower procedure for stakeholders to report information security concerns

Whistleblower procedure for stakeholders to report corruption and bribery

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.

Awareness training to prevent information security breaches

Information

The company has delivered awareness trainings to employees on information security issues.

Guidance

Information management is the process of collecting, storing, managing and maintaining information securely in all its forms. Through the use of rigorous information management practices, companies can help maintain their credibility and confidence of consumers. Awareness or trainings on such practices are regularly conducted to ensure that employees are familiar with the company's information management policy and procedures. They may be conducted either online or in person, and should include regular testing to ensure the training effectiveness.

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.

Awareness training performed to prevent corruption

Information

The company has implemented awareness or training program on anti-corruption and bribery issues for its employees.

Guidance

According to the ISO 26000 guideline, "Corruption can be defined as the abuse of entrusted power for private gain". There are all forms of public and proprietary corruption in the workplace, including among other things extortion, bribery, conflict of interest, fraud, money laundering. Since corruption undermines a company's effectiveness and ethical reputation, awareness or trainings on anti-corruption & bribery issues are regularly conducted to ensure that employees are familiar with the company's policy and procedures. They may be conducted either online or in person, and should include regular testing to ensure the training effectiveness.

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 sustainability reporting standards or guidelines such as the Global Reporting Initiative.

Improvement Areas

Policies

Low

Inconclusive documentation for policies on conflict of interest

Actions

High

No conclusive documentation regarding corruption risk assessments

Information

No company declaration and no evidence within the supporting documentation regarding the implementation of a 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.

High

No conclusive documentation regarding information security risk assessments

Information

The company did not provide document evidence to show that it conducts regular information security risk assessments.

Guidance

An information security risk assessment is carried out across a company's operations to identify risks associated with the storage or processing of third-party data. The main elements of a complete information security risk assessment are; (i) periodic review of risks (ii) presence of risks' descriptions (iii) presence of a corrective action plan. If these requirements/conditions are not met, this measure is not credited.

Low

No conclusive documentation on audits of control procedures to prevent corruption

Information

No company declaration and no supporting documentation evidence provided on audits of internal controls relating to anti-corruption issues within the company's own operations.

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 & 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.

Low

No conclusive documentation regarding an anti-corruption 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 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.

Results

Medium

Declares formal alignment with a sustainability reporting standard (e.g. in accordance with GRI, SASB) but no supporting documentation

Low

Declares external assurance or verification of sustainability reporting, but no supporting documentation

Information

The company declares external assurance of external assurance or verification of sustainability reporting by an independent third party but there is a lack of evidence in the documents provided.

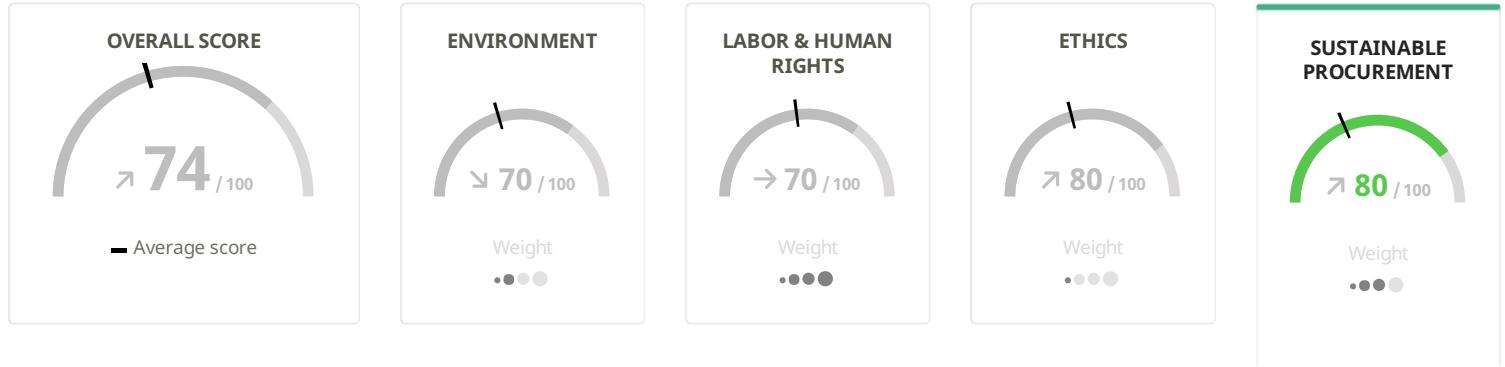
Guidance

The company lacks evidence of external assurance that supports the quality and credibility of the qualitative and quantitative information reported by the organization. External assurance is provided by professional assurance providers such as KPMG and Deloitte (or others) that verify the credibility of reporting figures based on internationally recognized sustainability reporting standards such as the Global Reporting Initiative (GRI).

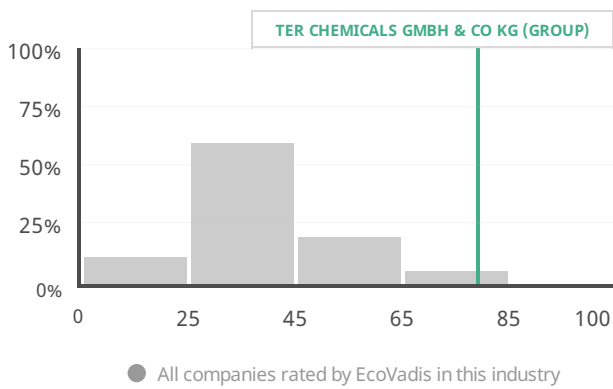
9. SUSTAINABLE PROCUREMENT

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

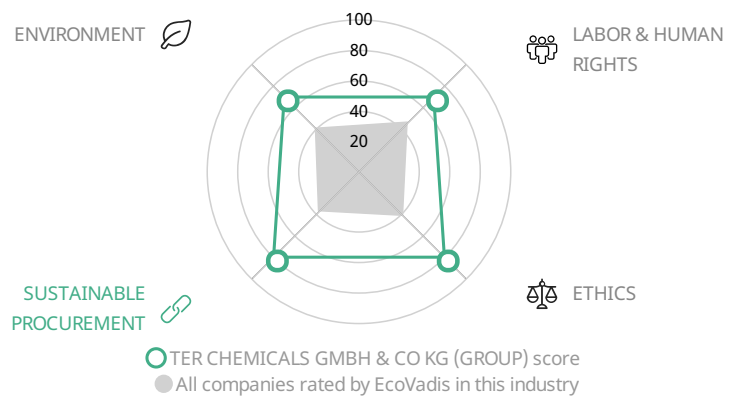
Sustainable Procurement Score Breakdown



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

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

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.

Actions

Supplier sustainability code of conduct in place

Information

The company has provided formalized documents that demonstrate evidence of a supplier CSR code of conduct in place.

Guidance

There is evidence of a separate supplier code of conduct document that outlines the company's expectations for their suppliers to follow in order to be socially and environmentally responsible.

On-site audits of suppliers on environmental or social issues

Information

The company has provided formalized documents that demonstrate on-site audits of suppliers on environmental or social issues.

Guidance

There is evidence of employee instructions or operational process relating to on-site audits of the company's suppliers, unannounced or announced, to identify non-conformances to the mandatory sustainability requirements.

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

Information

The company has provided formalized documents that demonstrate training of buyers on social and environmental issues within the supply chain.

Guidance

There is evidence of a training materials, programs and additional evidence of training execution such as progress reports, certifications of completion with company name. This demonstrates training of the company's procurement professionals on sustainable purchasing to ensure their understanding of social and environmental issues and their integration into the procurement function.

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

Information

The company has provided formalized documents that demonstrate evidence of a CSR risk analysis process to identify which suppliers, products or purchasing categories expose the company to sustainability risks.

Guidance

There is evidence of a process to identify which suppliers, products or purchasing categories expose the company to sustainability risks. The result of this risk analysis demonstrates evidence of consideration whether further action should be taken on a particular supplier, product or purchasing category.

Results

Total gross Scope 3 upstream GHG emissions value confirmed in supporting documentation

Reporting on total gross Scope 3 upstream GHG emissions

Declares using no tin, tantalum, tungsten, gold, and/or their derivatives (Not verified)

Materiality analysis in sustainability 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 sustainability reporting standards.

Improvement Areas

Policies

Low

Inconclusive documentation for policies on the purchase of palm oil and/or palm-based products from sustainable sources

Actions

High No conclusive documentation on the integration of social or environmental clauses into supplier contracts

Information

The company lacks evidence of formalized documents that demonstrate the integration of social or environmental clauses into supplier contracts.

Guidance

There is no conclusive evidence of provisions/clauses in business contracts that cover labor practices and human rights issues such as good working conditions, health and safety precautionary measures, anti-discrimination/anti-harassment measures and/or environmental issues such as energy consumption and GHG emissions reduction, biodiversity, or waste management initiatives which are not directly connected to the contract subject matter with the aim to set the expectations on sustainability.

Medium No conclusive documentation on supplier assessment (e.g. questionnaire) on environmental or social practices

Information

The company lacks evidence of formalized documents that demonstrate evidence of a supplier assessment (e.g. questionnaire) on environmental or social practices.

Guidance

There is no conclusive evidence of a questionnaire-based review of a supplier's sustainability practices which is remote either done by a third party or directly by the supplier without verification (i.e. self-assessment).

Low No conclusive documentation on capacity building of suppliers on environmental or social issues (e.g. corrective actions, training)

Low No conclusive documentation on performing suppliers have access to unique incentives (e.g. supplier awards, preferred supplier program, access to RFPs)

Low No conclusive documentation on sustainable procurement objectives integrated into buyer performance reviews

Information

The company lacks evidence of formalized documents that demonstrate the integration of sustainable procurement objectives into buyer performance reviews.

Guidance

There is no conclusive evidence of a process to integrate sustainable procurement objectives into buyer performance reviews through a mechanism that integrates the sustainability performance of suppliers into the performance appraisal of buyers.

Results

Medium Declares formal alignment with a sustainability reporting standard (e.g. in accordance with GRI, SASB) but no supporting documentation

Low

Declares external assurance or verification of sustainability reporting, but no supporting documentation

Information

The company declares external assurance of external assurance or verification of sustainability reporting by an independent third party but there is a lack of evidence in the documents provided.

Guidance

The company lacks evidence of external assurance that supports the quality and credibility of the qualitative and quantitative information reported by the organization. External assurance is provided by professional assurance providers such as KPMG and Deloitte (or others) that verify the credibility of reporting figures based on internationally recognized sustainability reporting standards such as the Global Reporting Initiative (GRI).

Low

Declares reporting on palm oil issues, but no supporting documentation available

10. 360° WATCH FINDINGS





8 Jul 2024 |

Impact on Score

Neutral →

valid from 2 Sep 2024 to 8 Jul 2029

No records found for this company on Compliance Database

 Environment  Labor & Human Rights  Ethics  Sustainable Procurement

360° Watch Findings comprise relevant public information about companies' sustainability practices that have been identified via more than 10,000 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

 No records found in third party risk and compliance database.

 Since the last assessment, the overall score has increased thanks to the implementation of additional policies.

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

High	Energy consumption & GHGs
Non-activated	Water
Non-activated	Biodiversity
Medium	Air Pollution
High	Materials, Chemicals & Waste
Non-activated	Product Use
Non-activated	Product End-of-Life
High	Customer Health & Safety
Medium	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, Equity and Inclusion
High	External Stakeholder Human Rights

Ethics

Medium	Corruption
--------	------------

Non-activated

Anticompetitive Practices

Medium

Responsible Information Management

Sustainable Procurement



High

Supplier Environmental Practices

High

Supplier Social Practices

KEY SUSTAINABILITY ISSUES

Find qualitative explanations of the key sustainability issues and risk associated with Wholesale of waste, chemicals, fertilizers and agrochemical products, and other products n.e.c.



Environment

Importance

Sustainability issue

High

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

For wholesale companies, energy consumption and greenhouse gas emissions come primarily from electricity and fuel use for warehouses and offices and from the transportation of goods[1]. In the US, lighting in warehouses accounts for 60% of total electricity usage while heating accounts for 84% of natural gas usage[2]. The total cost of energy use typically accounts for 15% of a warehouse’s operating budget[2], with the largest energy cost being lighting at 41%[3]. Since the recent implementation of energy legislation in many states and countries[4][5][6], there are regulations in place that mandate companies to reduce their greenhouse gas emissions within a certain time frame, as well as sizeable incentives and tax rebates that go towards companies that are able to cut down on energy use. Energy consumption and the consequent greenhouse gas (GHG) emissions from transportation are increasingly crucial CSR issues for companies in this category. Transport emissions in the US made up 27% of total GHG emissions in the country in 2013[7]. These emissions have increased by 16% since 1990 and continue to rise at an alarming rate[7]. Similarly in the United Kingdom, road transport makes up 27% of energy consumed, contributing a large proportion of total GHG emissions[8]. This has resulted in increasing scrutiny on transportation, particularly as public awareness of climate change continues to develop. Furthermore, the likelihood of government regulations limiting energy consumption and GHG emissions is growing, posing substantial risk for companies that don’t address the problem proactively. The European Commission passed legislation in 2014 addressing GHG emissions from trucks and other high occupancy vehicles[9]. There is similar legislation in the US and other countries, and governments are likely to strengthen these laws in the coming years. There are a myriad of changes, from small and low-hurdle to more extensive, which companies can implement to bring down energy consumption and greenhouse gas emissions. In warehouses and offices, lighting fixtures can be replaced with, for example, linear fluorescent or pulse start metal halide lamps, and heating and cooling systems upgraded to high efficiency models[10]. For more drastic improvements, buildings can be retrofitted to incorporate sustainable design, making use of natural lighting and other elements to reduce the need for energy use[11]. To cut down fuel-use in transportation operations and the associated greenhouse gas emissions, fuel efficient or even electric vehicles can make a significant difference. More radically, the mode of transport and/or route can be optimized in order to maximize efficiency. For example, goods previously transported by air could be shipped instead.

Medium

Air Pollution

Definition

Impact from operations on local environment around company facilities: emissions of dust, noise and odor. It also includes accidental pollution (e.g. spills) and road congestion around the operation facilities.

Industry issues

Local pollution is often a consequence of normal day-to-day operations for many wholesale companies. Noise and traffic congestion from transporting goods are among the most common forms of local pollution for wholesalers. These can be significant issues, particularly when distribution centers or trucking routes are located near residential areas. A heavy truck can produce the same level of noise as over 30 cars, and can subsequently constitute a threat to health as well as quality of life[12]. Failure to address these issues can lead to negative relationships with local stakeholders. For wholesalers handling hazardous goods there are also other risks to address, primarily the danger of a toxic spill. In the United States alone there are around 30,000 chemical and other hazardous spill incidents a year[13]. Legal issues, community anger, and damaging media attention are all potential consequences of a hazardous material accident. Carefully selecting trucking routes to reduce congestion around company sites and avoid areas that are sensitive to noise can help reduce local pollution impacts from transport. Utilizing quieter braking systems in trucks and instructing drivers not to use horns unless absolutely necessary are also viable ways to reduce noise. For wholesale companies dealing with hazardous products, stringent procedures for handling these goods should be put in place to avoid the potentially disastrous impacts of a spill. These procedures should cover packaging, labelling, storage, transportation, and loading and unloading. Employees should be regularly trained on these processes and on emergency preparedness measures to ensure consistent safety and readiness in case of an accident.

High

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

This criteria is particularly important for companies involved in the wholesale of chemicals and other potentially hazardous goods. There are a number of laws that companies in this sector must take into account. For example in France and other European nations the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) lays out regulations for the transportation of hazardous goods between countries. Similarly, the REACH requirements concern chemicals produced in, and coming into, the European Union. Wholesale companies dealing with hazardous goods must navigate the various laws and requirements in order to avoid fines and other serious sanctions. Successfully navigating these regulations must start with formal, company-wide procedures for handling, storing, and transporting hazardous goods. These procedures should leave every employee clear on their individual responsibilities. Regular awareness and training programs are also suggested. Chemical wholesalers must be aware of the risks of mixing different chemicals, which can cause harmful air emissions, such as volatile organic carbons, and even explosions. Again, clear procedures should be implemented to reduce the likelihood of an accident.

High

Customer Health & Safety

Definition

Negative health and safety impacts of products and services on customers or consumers.

Industry issues

Any companies that supply products need to make sure the products are safe. The heaviest responsibility of product safety falls on manufacturers, but in many countries importers and distributors also have significant legal responsibilities with regard to the products they supply. The impacts of unsafe products can affect both direct customers of wholesalers (such as chemical manufacturers) during product use, or the end-consumer over the life of the product, and thus is a critical concern for companies in this category. When distributing materials, it is important for companies to ensure that the products they are selling conform to relevant regulations regarding dangerous chemicals and substances. The consequences of failing to meet safety responsibilities include legal action with possible fines or even criminal charges. Companies can also be sued by anyone who has been injured as a result of using their products. Wholesale businesses, even though they did not manufacture the products, can be held jointly liable by consumers and governments if a product causes harm. Additionally, in many countries governments have the authority to pursue recalls and to ban products that expose consumers to risks or death, which can cause major financial impacts for businesses, damage of reputation, and disruption of operations. To avoid facing legal trouble, wholesalers can take an active approach to preventing safety problems with the products they distribute. Wholesalers must be aware of the materials they are distributing and have control and monitoring systems in place regarding toxic or harmful substances in products. They also have a responsibility to warn consumers about potential risks of using the product by providing information to help consumers understand the risks. To further reduce liability with regard to product safety, companies can implement formal procedures to quickly address product safety incidents, such as formal product call back processes.

Medium

Environmental Services & Advocacy

Definition

Programs implemented to promote the sustainable consumption of their own products or services among their customer base. This criteria includes the positive/negative indirect impacts of the use of products and services.

Industry issues

Companies in the wholesale of waste, chemicals, fertilizers, agrochemicals, and other products can provide information to consumers on how they can mitigate indirect impacts through the purchase of a certain product or service. The mitigation of impacts can be either related to the products themselves, or to the products' life cycle. Through the proper communication tools, consumers can be adequately informed and given the opportunity to actively choose to mitigate their impacts through their purchasing decisions. Providing detailed information about the environmental and social issues associated with products is a crucial step in enabling sustainable consumption. Awareness programs can take many forms, from the inclusion of booklets to meetings and information seminars with buyers. Additionally, to empower buyers to make sustainable purchasing decisions, qualifying products can be branded with eco-labels.



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

Workers in this wholesale category can be exposed to a wide variety of health and safety hazards, depending on their specific role and work environment. Drivers, vulnerable road safety threats, are amongst the most at risk. There are around 500,000 trucking accidents every year in the US alone[14]. In the EU, approximately 4,000 people die annually in accidents involving heavy goods vehicles[15]. Warehouse workers are also exposed to various threats, including injury from lifting, falling objects, and forklifts and other machinery related accidents[16]. Companies engaged in the wholesale of hazardous goods need to take special precautions to protect their employees working with or near these products. Contact with toxic substances, for example through chemical spills or the inhalation of toxic fumes, must be avoided. As well as being an ethical matter, addressing health and safety also makes good business sense. Employees who feel safe at work have higher job satisfaction and productivity rates than those who do not[17]. Decreased time off due to injury and illness are also benefits of a robust health and safety management system[17]. Companies must take proactive precautions to ensure the safety of their workers in order to foster a safe, productive, and liability free work environment. Routine risk assessments are a good first step as they enable the identification and assessment of hazards. Providing personal protective equipment (PPE) and training on health and safety best practices for relevant workers are important further preventative measures. Truck and forklift drivers should receive special training to deal with the particular risks that they face, as should employees handling hazardous materials. For chemical wholesalers, safety data sheets and formalized storage and transport procedures should be used to reduce the risks to workers. For a robust health and safety management system wholesale companies can be certified as OHSAS 18001 compliant. As well as ensuring a safe working environment, having this certification reassures employees and external stakeholders that the company operates a responsible working environment that is compliant with regulatory requirements.

Medium

Working Conditions

Definition

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

Industry issues

According to a 2010 European Union survey, 18% of workers in the EU are not satisfied with their work-life balance[18]. In France, a 2003 study showed that 23.7% of wholesale and retail workers reported working beyond their official work hours[19]. A similar survey in Sweden in 2009 found that 37% of employees in this sector had to cut down on lunch breaks, work overtime, and/or bring work home at least once a week[19]. Long working hours have been associated with high levels of work intensity[18], compounding employee stress and leading to lower overall job satisfaction and productivity. These statistics demonstrate a real risk and missed opportunity for companies in the wholesale sector. There is evidence that workers with inadequate work-life balance and working conditions tend to be less productive[20] and often quit their jobs earlier, resulting in higher turnover[19]. Furthermore, workers who are fatigued, from lack of sleep or time off, are not only unmotivated, they may also place themselves and coworkers at higher risk of work-related accidents[21]. This especially pertains to drivers, machinery operators, and warehouse workers doing heavy lifting, which are common activities in the wholesale sector. There are also legal considerations as companies that lag behind laws face financial impacts through government fines and lawsuits[22][23]. Even those companies that meet the legal minimums can face employee strikes and denunciation by non-governmental organizations or labor groups and face reputational damage and disruptions. In order to avoid the negative impacts of a dissatisfied and unproductive workforce, companies should think specifically in terms of remuneration, time off, and the social benefits they provide to their employees. A happy workforce can provide many financial and operational benefits to businesses, including talent attraction and retention, building diversity in skills and personnel, reducing sickness and absenteeism, and decreasing employee stress and burnout[24]. Recommendations for employers in this sector include being familiar with local and national labor laws on minimum wage and overtime pay and maintaining time records of employees[22], as well as providing flexible working arrangements, maternity and paternity leave, and employee assistance programs[24]. Companies can also take a more proactive approach by establishing frequent communication between management and employees regarding working conditions[19].

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 with work councils and labor unions is an effective tool to assist companies in identifying human capital management needs, including in areas such as wages, benefits and skills development training. A vast majority of ITUC’s 2014 respondents believe that workplaces with unions provide better wages, work conditions and safety, evidence of the impact that advanced social dialogue has in reinforcing human capital management strategies[25] (see Working Conditions and Career Management). Numerous factors influence the level of social dialogue with workers representatives, including national laws that outlaw labor unions, and employee apathy caused by the declining impact of unions to serve worker interests. From an internal management perspective, the challenges associated with managing social dialogue in global operations is exacerbated by the disparity in union membership across the world, currently 6.7% in the US[26], 30-35% in China[27], and over 60% in the Nordic countries[26]. According to the 2014 ITUC survey, a vast majority of respondents disapprove of their working conditions, including the wages, benefits and job security-a figure that provides tremendous opportunities for companies by implementing effective dialogue in countries that clearly lack such engagements[25]. 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. 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 can include occupational skills development in their human capital management strategies. Many positions in the wholesale sector require skills in areas including sales, customer service, staff supervision, training, and back office work. At higher levels and in larger organizations, wholesale companies are dependent on professional skills such as accountancy, information technology, finance and human resource management, supply chain management and modelling, category management and data mining[28]. Over the last decade, trends in efficient supply management, including the proliferation of new technologies, have led to a need for a highly skilled and innovative workforce[28]. Additionally, workers increasingly expect occupational skills development in order to stay up-to-date on technological developments, ultimately ensuring they remain competitive. These reciprocal benefits ultimately reduce employee turnover costs, evidenced by one HBR report that finds that workers are 125% less likely to change jobs due to burnout when these needs are met[29]. To take advantage of the benefits provided by a skilled workforce, wholesale companies can develop and implement occupational training and development programs across all operations. Ongoing employee evaluations accompanied by continuous feedback can be deployed to identify skills that enable companies to place employees in positions that reflect their skill levels, allowing for promotions as skill levels increase. Lastly, companies can ensure that, when necessary, workers required to perform redundant tasks are helped to access other functional areas through training. Occupational skills development programs can benefit companies across all functional areas, and can 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

Wholesale companies need to be aware of, and proactively address, the issues of child labor and forced labor. Worldwide, almost 21 million people are victims of forced labor, of which 19 million victims are exploited by private individuals or enterprises[30]. Migrants and indigenous peoples are especially vulnerable to forced labor[30]. On an even larger scale, UNICEF estimates that about 150 million children around the world can be classified as child laborers[31]. While much of this forced and child labor takes place in agriculture, mining, and manufacturing industries[30], wholesale companies can also be affected, particularly those with operations in identified high-risk countries[32]. Companies have an ethical and legal responsibility to ensure that they are not complicit in child or forced labor. In most countries, forced labor is punishable as a crime, and companies found culpable can face criminal prosecution[33]. Companies that fail to take the necessary precautions are at risk of facing these legal and reputational damages if violations come to light. Even allegations of forced labor present legal risks as well as serious threats to brand and company reputation[33]. In order to safeguard against child and forced labor violations, wholesale companies can implement various precautionary measures. Zero tolerance policies should be formalized and communicated clearly to all employees in a company Code of Conduct or policy statement[33]. All employees upon hiring should be provided with written and signed contracts, in a language that they can easily understand, specifying their rights with regard to payment of wages, overtime, and retention of identity documents[33]. Additionally, proactive measures can be implemented, such as training of auditors, human resource and compliance officers in identifying forced labor in practice[33], and checking of age and ID cards before hiring[34]. Finally, a whistleblowing procedure for child and forced labor infractions can be put in place to strengthen internal checks against violations.

Medium

Diversity, Equity and Inclusion

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

Discrimination and diversity are key issues in any organization around the world. Risk of facing discrimination is especially acute for low-skilled employees, older and migrant workers, women, and other vulnerable groups[35]. Research has shown that women’s wages around the world are on average 70-90% of men’s, and gay employees are paid 3 to 30% less their non-gay counterparts[35]. In a 2009 EU survey, 58% of people surveyed considered age discrimination to be widespread in their country[36]. Discrimination can take many forms, both directly and indirectly. It can relate to recruitment, promotion, termination, compensation, training and development, and access for disabled employees, among other elements[35][37]. Workplace discrimination can lead to poor work culture and a demoralized workforce, job performance and productivity and a damaged organizational reputation[37]. Additionally, many countries have laws against workplace discrimination, and violations of these laws expose companies to potentially costly lawsuits[38]. Diversity, on the other hand, can provide multiple benefits to companies as a result of having a wide range of experiences, perspectives, and cultural understandings within the organization[38]. Diversity has been identified as a key driver of innovation and crucial for companies that want to attract and retain top talent[37]. Other business advantages include improved productivity, a better market focus, enhanced reputation, and reduced vulnerability to legal challenges[39]. To avoid the negative impacts of discrimination and reap the benefits of a diverse workforce, wholesale companies can start by implementing clear zero-tolerance policies on discrimination, and creating procedures to enforce these policies[39]. Proactive measures can be taken by training employees and managers on discrimination issues, examining potential discrimination risks that may arise from existing labor policies and practices, and taking actions to provide for the protection of vulnerable groups. Companies should also encourage employees to report on discrimination violations through safe reporting channels that protect their confidentiality.

High

External Stakeholder Human Rights

Definition

Deals with the prevention of direct and indirect human rights impacts of the company's operations on external stakeholders. External stakeholder human rights include any of the inherent rights outlined in the UN Universal Declaration on Human Rights, such as rights to property/land, rights to self-determination, rights to safety/security etc.

Industry issues

Companies around the world have an obligation to respect and promote internationally recognized fundamental human rights, particularly when operating in identified high-risk countries. In protecting human rights, companies must ensure that their business operations and business relationships do not contribute to the denial of basic human rights, including harassment and sexual harassment, violence, property rights, privacy rights, water rights, and cultural and religious rights of either their employees or the communities in which they operate[41][42]. As laid out in the UN Guiding Principles on Business and Human Rights, businesses in signatory countries are required by law to act in compliance with the respect of human rights[41]. Without proper measures in place to safeguard against human rights violations, companies risk facing legal, financial, and reputational impacts if violations come to light[43]. Conversely, businesses have much to gain from addressing human rights, and many reap benefits through enhancing risk management, reducing risks to operational continuity, and increasing worker productivity and retention[44]. In order to gauge human rights risk and help safeguard against violations, companies can identify and assess the actual or potential human rights impacts of their operations on internal and external stakeholders[41]. Findings from impact assessments should be implemented across relevant internal functions and processes, and responsibility and oversight positions allocated[41]. Companies can also develop clear policies on human rights issues and should train all relevant employees on the rights outlined in the Universal Declaration on Human Rights or other internationally recognized frameworks[42]. To add a further layer of internal checks against violations, companies can establish clear grievance mechanisms and whistleblower procedures to monitor and respond to potential human rights violations.



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 and bribery presents a constant risk for wholesale companies. According to a recent OECD report, bribes amount to approximately 19% of total transaction value in the wholesale and retail industry[45], representing a high cost of corruption in the industry. Whether it is the risk of company employees or external parties acting unethically, organizations must proactively confront these issues in order to reduce the dangers that they pose. Legal cases or allegations of corruption that come to light can seriously damage a company's reputation and can even result in the loss of a company's social 'license to operate' in the eyes of stakeholders. Furthermore, sanctions can be extremely costly. It is important to note that these risks are especially high when it comes to dealing with government entities and employees[46]. In order to mitigate the risk of corruption and bribery, companies should develop strong formal policies that apply to all employees. Employees should also be trained on corruption and bribery issues and be required to sign a company Code of Conduct or Ethics. These formal documents are most effective when they contain detailed guidelines for what constitutes corruption and bribery violations. Finally, implementation of clear disciplinary procedures for offenders and anonymous whistleblowing channels for employees to report violations will ensure a strong reduction in risk. .

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

Responsible marketing includes, among other issues, consumer data protection and privacy. This is a key issue for companies that resell waste electronic equipment. Computers and separate hard drives may still contain confidential information from their previous owners. Even if the previous owners deleted their files before discarding the equipment, in many cases data can still be retrieved[53]. One study found that over 40% of hard drives sold on eBay still contain personal and confidential information[54]. The reseller should ensure that this information does not get passed on to another party when the product is sold. Failure to do so can result in the loss of credibility and the confidence of consumers and other stakeholders. Companies reselling electronic equipment should have formalized procedures ensuring that any and all sensitive information is permanently deleted from hardware they collect. Although this can be done internally, businesses may want to consider having a third party perform the task and certify its completion. Either way, reliably handling sensitive information will boost consumer confidence and organizational credibility.



Sustainable Procurement

Importance

Sustainability issue

High

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

One of the most crucial issues for wholesale companies in this category is the environmental performance and practices of their suppliers. In order to have an effective environmental management system, companies must ensure that good practices extent into their supply chain, where many risks originate. More than three quarters of the greenhouse gas (GHG) emissions associated with many industry sectors come from their supply chains[47]. This is particularly true in this wholesale category where the manufacturing stage accounts for most of the greenhouse gas emissions[48]. Similarly, the majority of the waste and material consumption occurs at the manufacturing stage or earlier in the supply chain[49]. Companies can suffer if their suppliers have a negative environmental performance. Brand image and company reputation can be badly damaged if environmental harm further up the supply chain is revealed. There are also legal risks, either due to current legislation or the danger of being caught unprepared if new laws are enacted. For chemical wholesalers, regulations like the European Union REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) must be taken into consideration. Engaging with suppliers on environmental issues can have many positive results. As well as reducing the aforementioned risks, it can also help improve supplier relationships and lead to exchange of best practices. To mitigate environmental risk within the supply chain, wholesalers can implement policies, processes and incentives to ensure that environmental regulations are complied with and environmental performance is improved. Companies can help ensure that their suppliers are acting in an environmentally responsible way by including environmental criteria in supplier codes of conduct and contracts, by monitoring or auditing their performance, or having them complete questionnaires. Chemical wholesalers should do formal assessments of supplier’s progress with regards to REACH requirements.

High

Supplier Social Practices

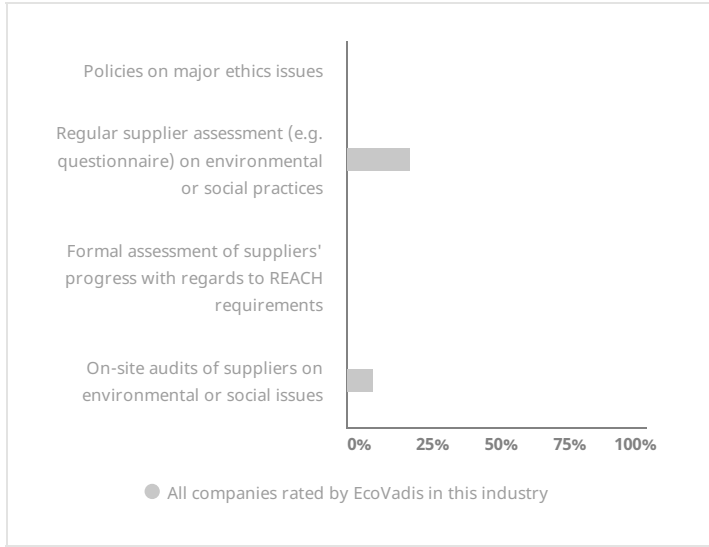
Definition

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.

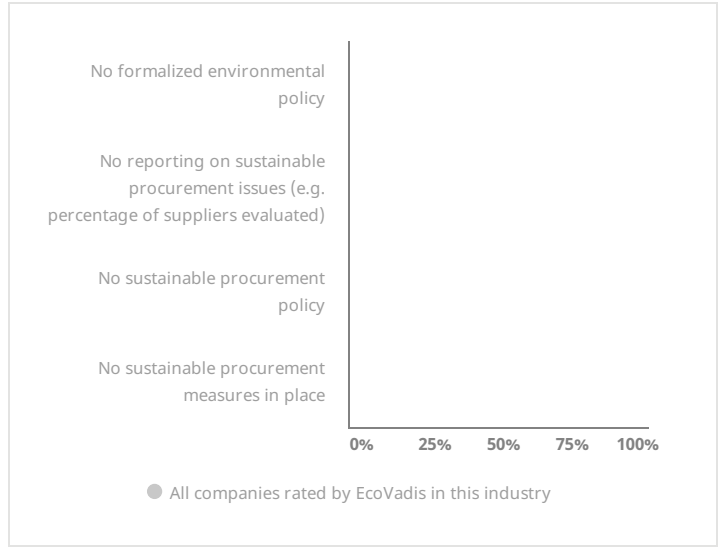
Industry issues

Wholesalers must be fully aware of how social issues in their supply chain can affect their own business. As many examples have demonstrated in recent years, supplier’s maltreatment of employees can damage a company’s reputation to a considerable extent[1]. Reputational damage can occur even if the company concerned is unaware of the issues or events unfolding in its supply chain. It is also important for companies to ensure that suppliers are acting socially responsible in order to mitigate the risk of supply disruptions[50]. Worker strikes, legal proceedings, and other disruptions can prevent a company from accessing critical products or resources[51]. Suppliers with substandard social practices are also vulnerable to strengthening regulations creating the risk of future liability and disruptions. There is a likelihood that some waste, chemical, fertilizer, agrochemical, or other products will be sourced from various manufacturers present in identified high-risk countries. Sourcing from risk countries compounds the risk of suppliers operating unsafe work environments, using forced or child labor, discriminating against vulnerable groups, or abusing basic human rights[52]. Companies should be proactive in mitigating these risks by selecting suppliers and partners that have at least standard social measures in place, especially regarding health and safety conditions. Wholesalers in the industry can mitigate risks by confirming supplier compliance with basic labor and human rights requirements through CSR assessments or audits. If there are any violations of social issues found within the supply chain, companies can implement processes to provide capacity-building to suppliers such as specific trainings on human rights and conflict minerals.

Key industry Strengths



Key industry Improvement Areas



Sustainability KPIs Overview

KPI	All companies rated by EcoVadis in this industry
Audit or assessment of suppliers on CSR issues	34%
Carbon disclosure project (CDP) respondent	10%
Global Compact Signatory	12%
Grievance mechanism or whistleblowing procedure in place	28%
ISO 14001 certified (at least one operational site)	34%
ISO 45001 certification or equivalent (at least one operational site)	22%
Policy on sustainable procurement issues	33%
Reporting on energy consumption & GHGs	42%
Reporting on health & safety indicators	30%

Main Regulations and Initiatives

Agreement ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road)

http://www.unece.org/trans/danger/publi/adr/adr_e.html

 Regulatory

The agreement, adopted under the auspices of the United Nations Economic Commission for Europe,

 **Environment**

EU directive on batteries and accumulators and waste batteries and accumulators

<http://ec.europa.eu/environment/waste/batteries/index.htm>

 Regulatory

The directive, which came into force in September 2008 aims at minimising the negative impacts of batteries and accumulators on the environment and also harmonising requirements for the smooth functioning of the internal market. It introduces measures to prohibit the marketing of some batteries containing hazardous substances such as mercury or cadmium and establishes rules for the collection, recycling, treatment and disposal of batteries and accumulators.

 **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**

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

<http://www.basel.int/index.html>

 Regulatory

The Basel Convention, which came into force in 1992, is the most comprehensive global environmental agreement on hazardous and other wastes. The Convention has 172 Parties and aims to protect human health and the environment against the adverse effects resulting from the generation, management, transboundary movements and disposal of hazardous and other wastes.

 **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.


 **Sustainable Procurement**

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**

Standard OHSAS 18001 (Occupational Health and Safety Assessment Series)

<http://www.ohsas-18001-occupational-health-and-safety.com/index.htm>

OHSAS 18000 is an international occupational health and safety management system specification.

 **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**

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)

<http://www.globalreporting.org/Home>

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**

United Nations Convention against Corruption (UNCAC)

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

 Regulatory

The UNCAC is the first leg12y 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**

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**

Sources

1- [1] "Sources of Greenhouse Gas Emissions: Commercial and Residential Sector Emissions". EPA. 7 May 2015. Web. 3 June 2015

<http://www.epa.gov/climatechange/ghgemissions/sources/commercialresidential.html>

2- [2] "Managing Energy Costs in Warehouses". energyright solutions. 21 March 2013. Web. 3 June 2015.

<http://tva.bizenergyadvisor.com/warehouses>

3- [4] Smart Energy Design Assistance Center. Energy Smart Tips for Warehouses. Illinois: 2011.

<http://smartenergy.illinois.edu/pdf/Warehouses%20Niche%20Market%20Report%20FINAL%20-%202005.02.2011.pdf>

4- [5] "Energy Independence and Security Act of 2007". U.S. Department of Energy. Web. 3 June 2015.

<http://www.afdc.energy.gov/laws/eisa>

5- [6] "Energy Efficiency Directive". European Commission. 3 March 2015. Web. 3 June 2015.

<http://ec.europa.eu/energy/en/topics/energy-efficiency/energy-efficiency-directive>

6- [7] "Assembly Bill 32 Overview". CA.gov. 5 August 2014. Web. 3 June 2015.

<http://www.arb.ca.gov/cc/ab32/ab32.htm>

7- [8] "Sources of Greenhouse Gas Emissions: Transportation Sector Emissions". EPA. 7 May 2015. Web. 3 June 2015.

<http://www.epa.gov/climatechange/ghgemissions/sources/transportation.html>

8- [10] Department for Transport, UK. Transport Energy and Environment Statistics 2011. UK: 2011.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8947/energy-2011.pdf

9- [11] "Reducing CO2 Emissions From Heavy-Duty Vehicles". European Commission. 8 May 2015. Web. 3 June 2015.

http://ec.europa.eu/clima/policies/transport/vehicles/heavy/index_en.htm

10- [12] Smart Energy Design Assistance Center. Energy Smart Tips for Warehouses. Illinois: 2011.

<http://tva.bizenergyadvisor.com/warehouses>

11- [13] Louisiana Workforce Commission. The Greening of Louisiana's Economy. Baton Rouge: 2011.

<http://business.lsu.edu/Economic-Development/Green%20jobs%20Project/NAICS%2042%20-%20Wholesale%20Trade.pdf>

12- [1] "Noise Pollution". Edmonton Trolley Coalition. November 2014. Web. 9 June 2015.

<http://www.trolleycoalition.org/noise.html>

13- [2] "Spills and Accidents (ERNS) Database". RTKNET. 2013. Web. 9 June 2015.

<http://www.rtknet.org/db/erns>

14- [1] "Truck Accident Statistics". LegalInfo. Web. 4 June 2015.

<http://www.legalinfo.com/content/truck-accidents/truck-accident-statistics.html>

15- [2] European Road Safety Observatory. Traffic Safety Basic Facts 2011. 2011.

http://ec.europa.eu/transport/road_safety/pdf/statistics/dacota/bfs2011_dacota_intras_hgvs.pdf

16- [3] "Shocking Warehouse Statistics". KokeInc. 5 January 2014. Web. 4 June 2015.

<http://www.kokeinc.com/blog/tag/warehouse-safety-statistics/>

17- [4] Oxenburgh, Maurice et al. Increasing Productivity and Profit through Health and Safety. London: Taylor and Francis Inc., 2004.

http://www.taksimdanismanlik.com/inc/uploads/katalog_images/katalogs-1075-increasing%20productivity.pdf

18- [1] Eurofound. Fifth European Working Conditions Survey. Luxembourg: Publications Office of the European Union, 2012.

http://www.eurofound.europa.eu/sites/default/files/ef_files/pubdocs/2011/82/en/1/EF1182EN.pdf

19- [2] Eurofound. Social Dialogue and Working Conditions. Luxembourg: Publications Office of the European Union, 2011.

http://www.eurofound.europa.eu/sites/default/files/ef_files/pubdocs/2011/12/en/2/EF1112EN.pdf

20- [5] Beauregard, Alexandra; Henry, Lesley. "Making the Link Between Work-Life Balance Practices and Organizational Performance". Human Resource Management Review. 19.1 (2009): 9-22.

<http://www.sciencedirect.com/science/article/pii/S105348220800065X>

21- [7] Spurgeon, A et al. "Health and Safety Problems Associated With Long Working Hours: A Review of the Current Position". Occupational and Environmental Medicine. 54.6 (1997).

<http://oem.bmj.com/content/54/6/367.short>

22- [8] US Wage and Hour Division. Wholesale and Warehouse Industries Under the Fair Labor Standards Act. Washington, DC: 2008.

<http://www.dol.gov/whd/regs/compliance/whdfs10.pdf>

23- [9] "Employment, Social Affairs & Inclusion". European Commission. Web. 3 June 2015.

<http://ec.europa.eu/social/main.jsp?catId=157&langId=en>

24- [10] "OSH Answers Fact Sheets". Canadian Center for Occupational Health and Safety. 29 May 2015. Web. 3 June 2015.

http://www.ccohs.ca/oshanswers/psychosocial/worklife_balance.html

25- [1] ITUC 2014

26- [2] Harvard Business Review 2014

27- [3] ILO 2013

28- [1] "Future Skills Needs of the Wholesale and Retail Sector". Expert Group on Future Skills Needs. April 2010.

<http://www.skillsireland.ie/media/EGFSN%20Wholesale%20Retail%20ONLINE%20FINAL.pdf>

29- [3] Spreitzer, Gretchen and Porath, Christine. "Creating Sustainable Performance". Harvard Business Review. January 2012. Web. 3 June 2015.

<https://hbr.org/2012/01/creating-sustainable-performance>

30- [1] "Forced Labor, Human Trafficking and Slavery". International Labor Organization. Web. 3 June 2015.

<http://www.ilo.org/global/topics/forced-labour/lang-en/index.htm>

31- [3] "Adolescence: An Age of Opportunity". UNICEF. 2011.

http://www.unicef.org/sowc2011/pdfs/SOWC-2011-Main-Report_EN_02092011.pdf

32- [5] "What is child labour". International Labor Organization. Web. 3 June 2015.

<http://www.ilo.org/ipec/facts/lang-en/index.htm>

33- [6] "Strengthening Employers' Activities against Forced Labour". International Labour Organization. 2008.

http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_097734.pdf

34- [11] "What you can do as a company or organisation". Stop Child Labour. Web. 3 June 2015.

<http://www.stopchildlabour.org/Stop-Childlabour/What-you-can-do/As-a-company-or-organisation>

35- [1] "Equality at work: The continuing challenge". International Labour Organization. 2011.

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_154779.pdf

36- [3] "New opinion survey". European Commission. November 2009.

http://europa.eu/rapid/press-release_IP-09-1686_en.htm

37- [5] "Good Practice Note: Non-Discrimination and Equal Opportunity". International Finance Corporation. January 2006.

<http://www.ifc.org/wps/wcm/connect/629b648048865944b8aafa6a6515bb18/NonDiscrimination.pdf?MOD=AJPERES>

38- [6] Crosby Burns. "The Costly Business of Discrimination". Center for American Progress. March 2012.

https://www.americanprogress.org/wp-content/uploads/issues/2012/03/pdf/lgbt_biz_discrimination.pdf

39- [9] "Global Diversity and Inclusion – Fostering Innovation Through a Diverse Workforce". Forbes Insights. July 2011.

http://images.forbes.com/forbesinsights/StudyPDFs/Innovation_Through_Diversity.pdf

40- [11] What can employers do to tackle discrimination and promote diversity?". Europa. No date.

http://ec.europa.eu/justice/discrimination/files/factsheet_employers_diversity_en.pdf

41- [1] "Guiding Principles on Business and Human Rights". United Nations Human Rights Office of the High Commissioner. 2011.

http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

42- [2] "The Universal Declaration of Human Rights" United Nations. Web. 3 June 2015.

<http://www.un.org/en/documents/udhr/>

43- [4] "The Corporate Responsibility to Respect Human Rights". United Nations Human Rights Office of the High Commissioner. 2012.

http://www.ohchr.org/Documents/Publications/HR.PUB.12.2_En.pdf

44- [5] Secretary of State for Foreign and Commonwealth Affairs. Good Business: Implementing the UN Guiding Principles on Business and Human Rights. United Kingdom: September 2013.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236901/BHR_Action_Plan_-_final_online_version_1_.pdf

45- [1] "OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign Public Officials". OECD. 2014.

<http://www.oecdbookshop.org/get-it.php?REF=5JXSWC2LZ50T&TYPE=browse>

46- [2] "Anti-Corruption Ethics and Compliance Handbook for Business. OECD, UNODC, The World Bank. 2013.

<http://www.unodc.org/documents/corruption/Publications/2013/Anti-CorruptionEthicsComplianceHandbook.pdf>

47- [1] "Is Your Confidential Information Being Sold on eBay?", Kessler International. 2 February 2009. Web. 4 June 2015.

<https://investigation.com/2009/02/02/confidential-information-sold-ebay/>

48- [2] "How To Erase Your Data So No One Can Ever Recover It". Business Insider. 10 March 2010. Web. 4 June 2015.

<http://www.businessinsider.com/how-to-erase-your-data-so-no-one-can-ever-recover-it-2010-3>

49- [1] EPA. Managing Supply Chain Greenhouse Gas Emissions. United States. December 2010.

http://www.epa.gov/climateleadership/documents/managing_supplychain_ghg.pdf

50- [2] "Tracking Industrial Energy Efficiency and CO2 Emissions". International Energy Agency. 2007.

https://www.iea.org/publications/freepublications/publication/tracking_emissions.pdf

51- [3] "Material Resources, Productivity and the Environment: Key Findings". OECD. Date Unknown.

http://www.oecd.org/greengrowth/MATERIAL%20RESOURCES,%20PRODUCTIVITY%20AND%20THE%20ENVIRONMENT_key%20findings.pdf

52- [1] "Supply Chain Sustainability: A Practical Guide for Continuous Improvement". BSR, UN Global Compact. Zurich, Switzerland: 2013.

http://www.bsr.org/reports/BSR_UNGC_SupplyChainReport.pdf

53- [2] "Reducing Disruption in the Global Supply Chain". The Wall Street Journal. Web. 5 June 2015.

<http://online.wsj.com/ad/article/managingrisk-disruption>

54- [3] "From Red Flags to Green Flags: The Corporate Responsibility to Respect Human Rights in High-Risk Countries". Institute for Human Rights and Business. London, UK: 2011.

http://www.ihrb.org/pdf/from_red_to_green_flags/complete_report.pdf