BRONZE | Top 35%

ecovadis

Sustainability Rating

APR 2024

ecovadis

EcoVadis Sustainability
Assessment Report

Company rated:
IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP)

Overall score: 63 /100
April 2024

Sustainability performance: Good

Size: M
Headquarters country: Germany
Risk country operations: Yes
Industry: Manufacture of parts and accessories for motor vehicles

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ABOUT SUSTAINABILITY

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

ABOUT THE ASSESSMENT

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

ABOUT ECOVADIS

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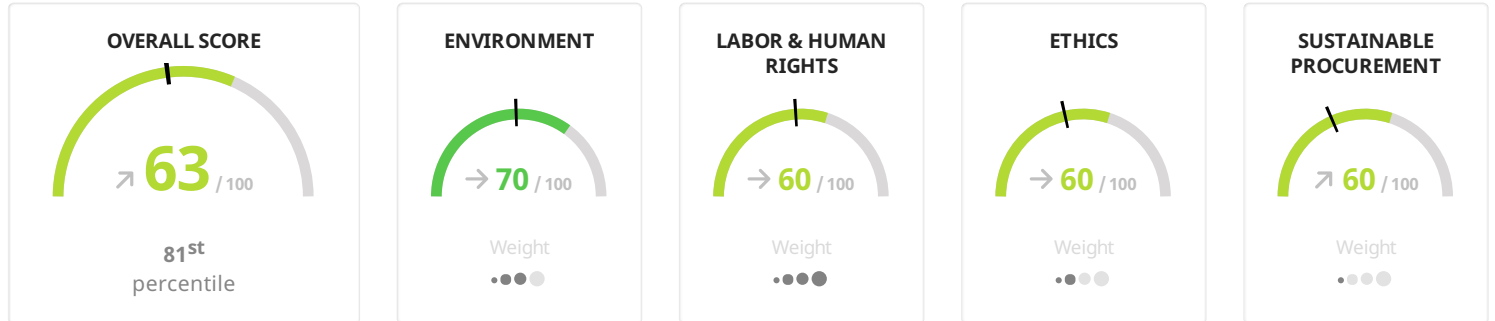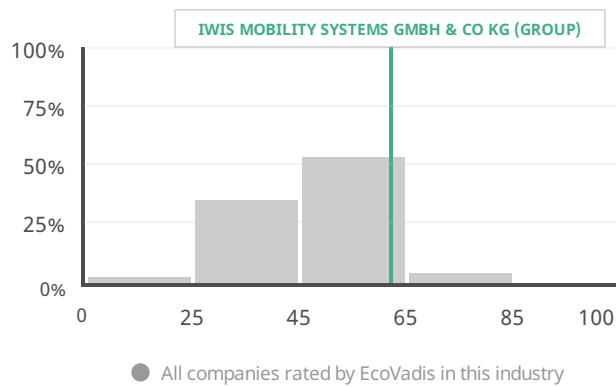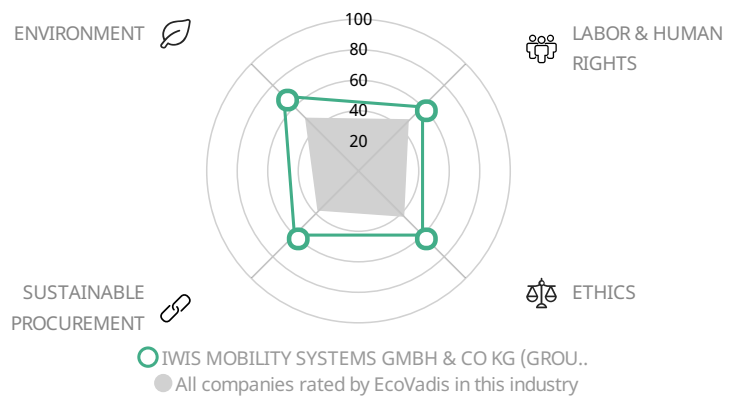
1. SUSTAINABILITY PERFORMANCE OVERVIEW

Score breakdown

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

OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
↗ **63** / 100	→ **70** / 100	→ **60** / 100	→ **60** / 100	↗ **60** / 100
81st percentile	Weight ●●●○	Weight ●●●●	Weight ●●○○	Weight ●●●○

Overall score distribution

IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP)

● All companies rated by EcoVadis in this industry

Theme score comparison

ENVIRONMENT   LABOR & HUMAN RIGHTS

SUSTAINABLE PROCUREMENT   ETHICS

○ IWIS MOBILITY SYSTEMS GMBH & CO KG (GROU..
● All companies rated by EcoVadis in this industry

BRONZE | Top 35%
ecovadis
Sustainability Rating
APR 2024

IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP) has received a Bronze 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. IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP) has a corrective action plan in place and is working on improving their sustainability management system.

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 sustainabiliy 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.
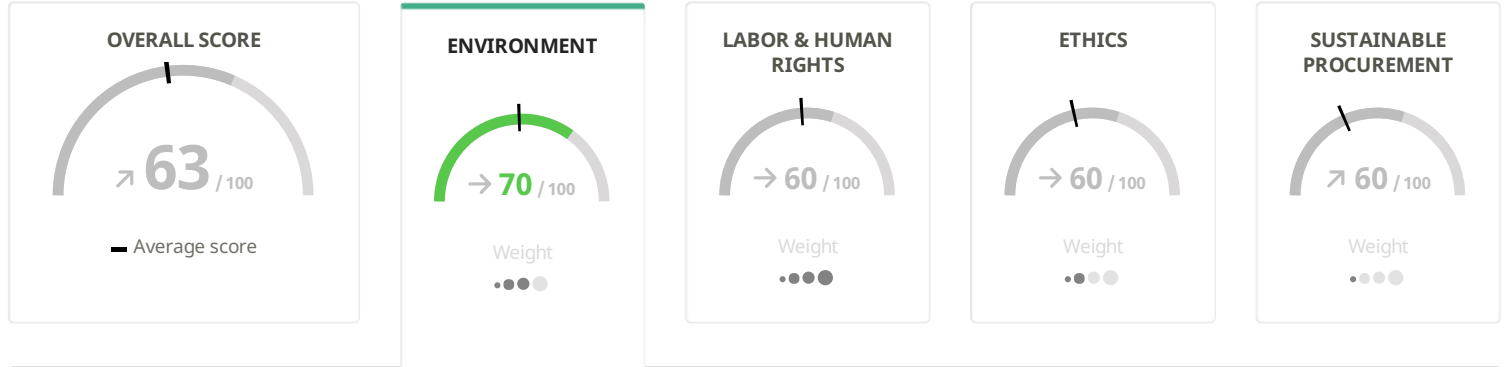
B. Qualitative Information: Strengths & Improvement Areas

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.

C. The Scoring Scale

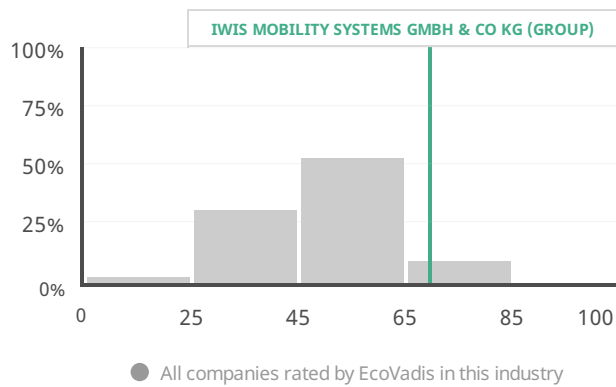| Score	Rating	Description
0 - 24	Insufficient	No engagements or tangible actions regarding sustainability. Evidence in certain cases of misconduct (e.g. pollution, corruption).
25 - 44	Partial	No structured sustainability approach. Few engagements or tangible actions on selected issues. Partial reporting 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.

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).
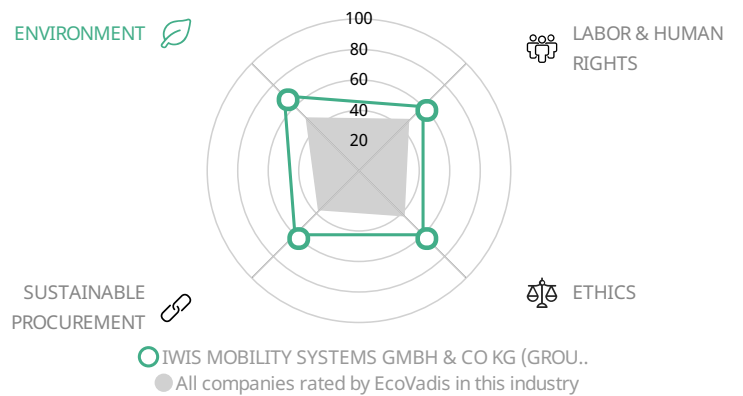
Environment Score Breakdown

OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
↗ 63 / 100	→ 70 / 100	→ 60 / 100	→ 60 / 100	↗ 60 / 100
— Average score	Weight ●●●○	Weight ●○●●	Weight ●●○○	Weight ●●●○

Theme score distribution

IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP)

● All companies rated by EcoVadis in this industry

Theme score comparison

ENVIRONMENT
LABOR & HUMAN RIGHTS
ETHICS
SUSTAINABLE PROCUREMENT

○ IWIS MOBILITY SYSTEMS GMBH & CO KG (GROU..
● All companies rated by EcoVadis in this industry

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.

Environment

Weight ● ● ● ●

Strengths

Policies

Environmental policy on air pollution

Quantitative objectives set on water

Quantitative objectives set on energy consumption & GHGs

Environmental policy on product use

Environmental policy on materials, chemicals & waste

Environmental policy on water

Environmental policy on energy consumption & GHGs

Endorsement of the Science Based Targets initiative - Committed

Comprehensive policy on a majority of environmental issues

Information

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

Guidance

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

Actions

Environmental emergency measures in place

Mapping of waste streams

Internal sorting & disposal of waste according to waste streams

Actions or training to raise employee awareness on waste reduction & sorting

Training of employees on energy conservation/climate actions

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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.

Provision of specific information to customers regarding safe use of the product

Products designed for easy dismantling and easy recyclability

Integration of eco-design features in product design

Implementation of a rainwater harvesting system

ISO 14001 certified

Information

The company has provided a valid ISO 14001 certificate that covers all of its operations.

Guidance

The ISO 14001 standard belongs to the ISO 14000 series, a family of environmental management standards developed by the International Organization for Standardization (ISO) designed to provide an internationally recognized framework for environmental management, measurement, evaluation and auditing. The standard serves as a framework to assist organizations in developing their own environmental management system and is based on the continuous Plan-Do-Check-Act cycle.

Results

Declares none of the sites/operations located in or near biodiversity-sensitive areas (not verified)

Materiality analysis in sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

Improvement Areas

Policies

| Medium | Inconclusive documentation for policies on product end-of-life |

| Medium | Inconclusive documentation for policies on customer health & safety |

Actions

| Low | Declares measures on air pollution, but no supporting documentation available |

Results

| High | Insufficient reporting on environmental issues |

Information

The company has provided reporting figures or Key Performance Indicators (KPIs) on some relevant environmental issues but the reporting figures are limited in terms of quantity or quality.

Guidance

The company has provided KPIs only on some of the relevant environmental topics or at parent company level only and the quality, transparency and level of reporting is not up to the required level. To improve environmental data communication to its stakeholders, the company should provide KPIs on the majority of environmental topics. Some additional quality factors which might also affect the level of reporting are; (1) External assurance to assess the quality and credibility of the qualitative and quantitative information reported by the organization, (2) Alignment with reporting standards such as GRI Core/Universal/Comprehensive, SASB,...etc. (3) Materiality analysis to identify the most relevant environmental issues based on the company's activity (4) The reporting figures should not be more than 2 years old. (XS company: KPIs/Reporting figures provided at parent level only and/or provided for only one or a few material environmental topics and/or the time period covered by the reporting figures might be too short, time period should be 12 months or more.)

| Low | Declares responding to the CDP, but no supporting document provided |

Information

The company declares being a respondent to the Carbon Disclosure Project (CDP) survey, however this could not be verified on the CDP website.

Guidance

The Carbon Disclosure Project is an independent not-for-profit organization. Each year, large corporations are asked through comprehensive questionnaires to disclose their greenhouse gas emissions and climate change strategies in their CDP responses. EcoVadis and the CDP have an active partnership which facilitates the assessment process for companies which are answering to the CDP questionnaires. Through this partnership, EcoVadis collects and analyzes available CDP answers and allows respondent companies to skip energy consumption & GHG related KPIs in the Ecovadis survey.

| Low | Declares reporting on total energy consumption, but no supporting documentation available |

| Low | Declares reporting on total water consumption, but no supporting documentation available |

`Low` Declares reporting on total weight of hazardous waste, but no supporting documentation available

`Low` Declares reporting on total weight of non-hazardous waste, but no supporting documentation available

`Low` No information related to reporting on total amount of renewable energy consumed

`Low` Declares reporting on total weight of waste recovered, but no supporting documentation available

`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.

`Low` Declares reporting on total amount of water recycled and reused, but no supporting documentation available

Information

The company has not provided documents about reporting on total amount of water recycled and reused.

Guidance

There is no supporting documentation available about total amount of water recycled and reused even though is has been declared. Recycled or reused water is water and wastewater (treated or untreated) that has been used more than once before being discharged from the undertaking's boundary, so that water demand is reduced. This may be in the same process (recycled), or used in a different process within the same facility or another of the undertaking's facilities (reused).

Low   Declares reporting on total gross Scope 1 GHG emissions, but no supporting documentation available

Information

The company has not provided documents about reporting on total gross Scope 1 GHG emissions.

Guidance

There is no supporting documentation available about total gross Scope 1 GHG emissions even though is has been declared. Scope 1 GHG emissions 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.

Low   Declares reporting on total gross Scope 2 GHG emissions (market or location based), but no supporting documentation available

Information

The company has not provided documents about reporting on total gross Scope 2 GHG emissions.
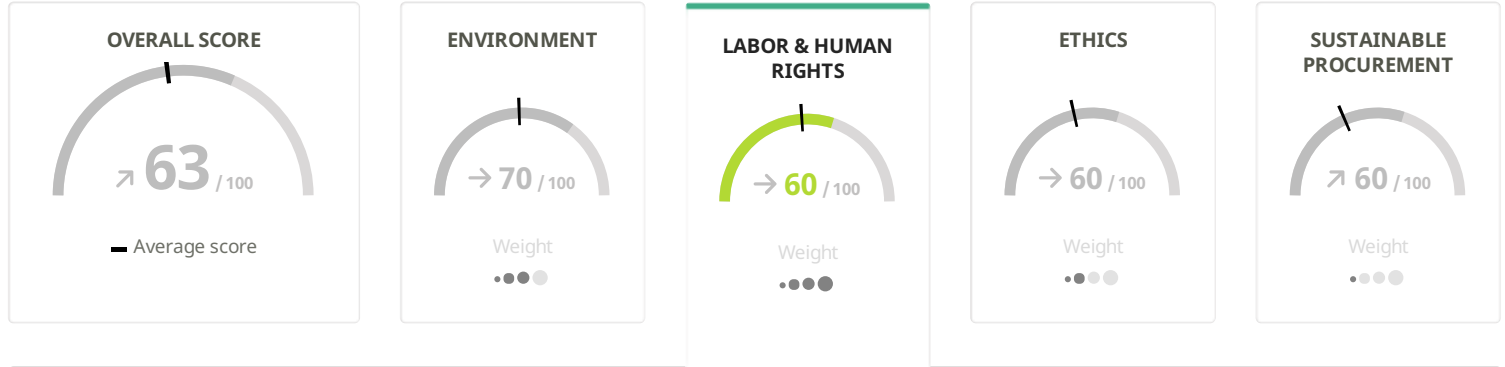
Guidance

There is no supporting documentation available about total gross Scope 2 GHG emissions even though is has been declared. Scope 2 GHG emissions (market or location based) refer to the GHG emissions resulting from the generation of purchased or acquired electricity, steam, heating, and cooling.
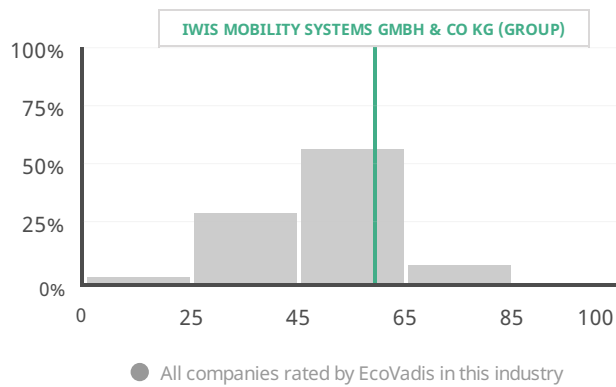
7. LABOR & HUMAN RIGHTS

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).
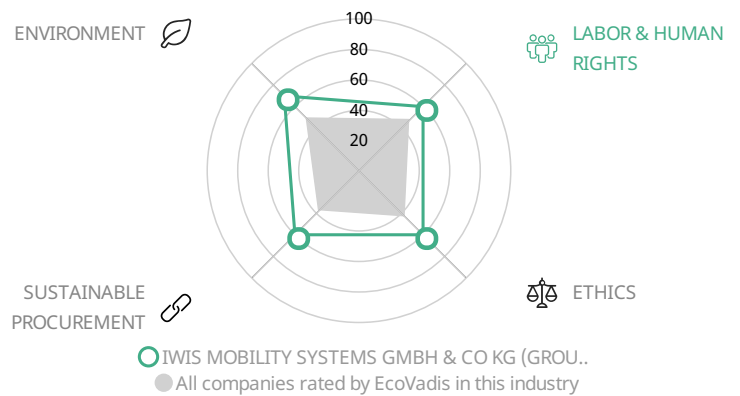
Labor & Human Rights Score Breakdown

OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
↗ **63** / 100	→ **70** / 100	→ **60** / 100	→ **60** / 100	↗ **60** / 100
— Average score	Weight ●●●○	Weight ●●●●	Weight ●●○○	Weight ●●●○

Theme score distribution

IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP)

● All companies rated by EcoVadis in this industry

Theme score comparison

○ IWIS MOBILITY SYSTEMS GMBH & CO KG (GROU..
● All companies rated by EcoVadis in this industry

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.

Labor & Human Rights

Weight ● ● ● ●

Strengths

Policies

Committed to continuously pay a living wage

Information

The company provides evidence of commitment to continuously pay a living wage.

Guidance

There is a commitment to continuously pay a living wage, which is the minimum income necessary for a worker to meet their basic needs

Labor & human rights policy on diversity, equity & inclusion

Labor & human rights policy on child labor, forced labor & human trafficking

Information

The company has issued a formal policy that integrates commitments and/or operational objectives on child labor, forced labor & human trafficking.

Guidance

The company has implemented a policy on the prevention of child labor, forced labor & human trafficking in its operations.There are at least qualitative objectives/commitments which specifies the efforts to be made by the company to eradicate the occurence of child labor, forced labor & human trafficking.

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.

Actions

Actions in place to ensure health and safety of non-employee workers and other contracted workers on premises

The company declares its main operation(s) is located in a region where the right to freedom of association is not restricted by local law/regulation (not verified)

Equipment safety inspections or audits

Information

The company conducts regular inspections and/or audits of equipment used at work to ensure employee health and safety.

Guidance

The company conducts audits of control and/or inspections for equipment that employees use daily. The actions conducted include evaluation reports on equipment safety, work instructions on equipment safety, tracking record of equipment used or audits conducted by a third party regarding equipment used.

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.

Actions in place to prevent excessive use of force and limitation of freedom of movement of employees by security forces

Information

The company has implemented actions to protect freedom of movement of employees in case of unforeseen incidents. The use of force by security forces is strictly limited.

Guidance

The company has implemented actions to ensure that security officers use force only when strictly necessary. Actions can include a response plan or risk mitigation plan to prevent the excessive use of force, having a set of rules of engagement, use of force competency certificates or readiness standards, internal audits on the use of force or incident documentation specific to the use of force.

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

ISO 45001 certified

Information

The company has provided a valid ISO 45001 certificate that covers all of its operations.

Guidance

ISO 45001 is an international standard for occupational health and safety management systems. It addresses employee health and safety issues and involves an external audit on the facilities' health & safety conditions. Organizations that implement ISO 45001 have a clear management structure with defined authority and responsibility, clear objectives for improvement, with measurable results and a structured approach to risk assessment. This includes the monitoring of health and safety management failures, auditing of performance and review of policies and objectives.

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 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.

Awareness training regarding diversity, discrimination, and/or harassment

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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).

Employee health & safety risk assessment

Information

The company has provided documents which demonstrate that an employee health and safety risk assessment has been conducted. The assessment took into consideration the daily operational tasks of employees, the health and safety hazards present at the workplace and the associated risks and has a proposed corrective action plan to address these identified risks.

Guidance

A health and safety risk assessment is systematically conducted to identify and evaluate the potential impact of operational tasks or conditions on employees' health and safety. The main elements of a complete risk assessment are; 1) description of hazards or risk factors identified to have the potential to cause harm and determining the significance of the risks. 2) periodic review of risks to reflect the latest risks and health and safety environment in the business. 3) presence of a preventive and corrective action plan in the form of steps and/or recommendations that an organization needs to take to effectively prevent and address the risks identified, mapped & evaluated in risk assessments. If applicable, the results of a health and safety risk assessment should be made available to relevant stakeholders such as employees, members of the health and safety committee , staff representatives, the occupational physicians, and labor inspectors.

Regular assessment of individual performance

Information

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

Guidance

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

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.

Actions to prevent noise exposure

Information

The company has taken actions to minimize the noise exposure of employees at the workplace.

Guidance

The company has implemented actions to limit the noise exposure of employees by implementing work instructions to prevent noisy work environments or by implementing records of noise barriers or noise cancelling equipment, or noise inspection reports.

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.

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

Materiality analysis in sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

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).

Low   No conclusive information on endorsement of external initiatives or principles on labor and human rights issues

Actions

Low   Declares that job applicants are responsible for recruitment fees

Low   No information on measures on living wage

Information

The company has not provided information on their measures about living wage.

Guidance

There is no information on measures on living wage, which is the minimum income necessary for a worker to meet their basic needs.

Results

High   Insufficient reporting on labor and human rights issues

Information

The company has provided reporting figures or Key Performance Indicators (KPIs) on some relevant labor and human rights issues but the reporting figures are limited in terms of quantity or quality.

Guidance

The company has provided KPIs only on some of the relevant labor and human rights topics but the quality, transparency and level of reporting is not up to the required level. To improve labor and human rights data communication to its stakeholders, the company should provide KPIs on the majority of activated labor and human rights topics. Some additional quality factors which might also affect the level of reporting are; (1) External assurance to assess the quality and credibility of the qualitative and quantitative information reported by the organization, (2) Alignment with reporting standards such as GRI Core/Universal/Comprehensive, SASB,...etc. (3) Materiality analysis to identify the most relevant environmental issues based on the company's activity (4) The reporting reporting figures should not be more than 2 years old. (XS company: KPIs/Reporting figures provided at parent level only and/or provided for only one or a few material labor and human rights topics and/or the time period covered by the reporting figures might be too short, time period should be 12 months or more.)

Low   No information on average hours of training per employee

Information

No company declaration and no evidence within the supporting documentation of its yearly average training hours for each employee.

Guidance

Average training hours per employee refers to the total hours of skill development related training delivered to the employees in relation to the number of employees.

Low   Declares reporting on workplace diversity but no supporting documentation

Low   No information regarding reporting on living wage issues

Information

The company has not provided documents about reporting on living wage issues.

Guidance

There is no reporting documentation available about living wage issues.

Low   Declares reporting on number of days lost to work-related injuries, fatalities and ill health, but no supporting documentation available

Information

The company has not provided documents about number of days lost to work-related injuries, fatalities and ill health.

Guidance

There is no supporting documentation available about number of days lost to work-related injuries, fatalities and ill health even though is has been declared. 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.

Low   No information on reporting on number of recordable work-related accidents

Information

The company has not provided documents about reporting on number of work-related accidents.

Guidance

There is no reporting documentation available about number of work-related accidents. An accident refers to an incident that results in injury or ill health.

Low   No information on reporting on ratio of the annual total compensation of the highest paid individual, to the median annual total compensation for all employees

Information

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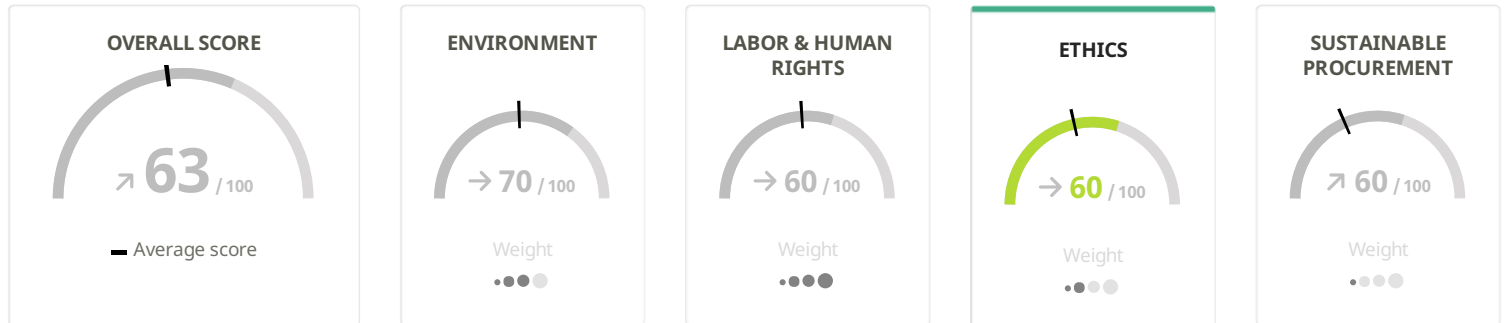
Guidance

There is no reporting documentation available about ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees. 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.
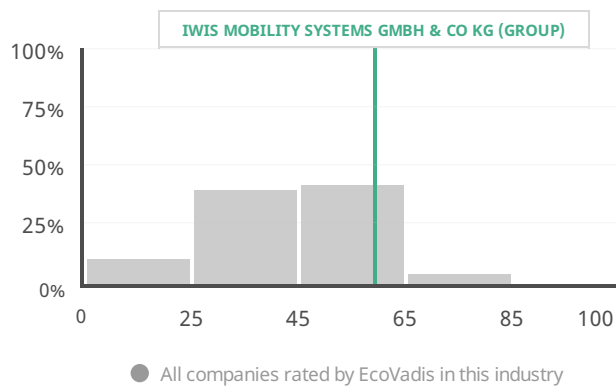
8. ETHICS

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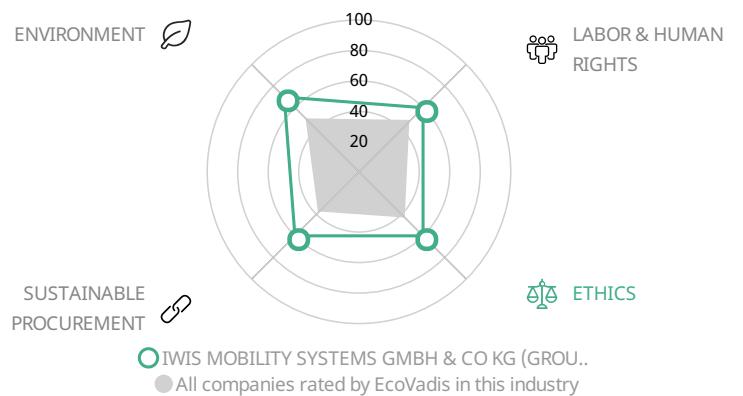
Ethics Score Breakdown

OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
↗ **63** / 100	→ **70** / 100	→ **60** / 100	→ **60** / 100	↗ **60** / 100
▬ Average score	Weight ●●●○	Weight ●●●●	Weight ●●○○	Weight ●●●○

Theme score distribution

IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP)

● All companies rated by EcoVadis in this industry

Theme score comparison

ENVIRONMENT · LABOR & HUMAN RIGHTS · SUSTAINABLE PROCUREMENT · ETHICS

○ IWIS MOBILITY SYSTEMS GMBH & CO KG (GROU..
● All companies rated by EcoVadis in this industry

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.

⚖ Ethics

Weight ●●○○

Strengths

Policies

Policy on fraud

Policy on conflict of interest

Disciplinary sanctions to deal with policy violations

Information	**Guidance**
There is evidence within the supporting documentation provided that the company has implemented structured mechanisms to deal with policy violations such as disciplinary actions.	In order to ensure the adequate implementation of business ethcis 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	**Guidance**
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.	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	**Guidance**
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).	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	**Guidance**
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.	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.

Dedicated responsibility for ethics issues

Comprehensive policies on ethics issues

Information

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

Guidance

Policies are deemed exceptional when all business ethics issues are covered by qualitative and quantitative objectives. Additionally, an exceptional policy has exhaustive organizational elements such as allocation of responsibilities, mechanisms to deal with policy violations, formal review process, communication of the policy to all employees and business partners, etc.

Actions

Whistleblower procedure for stakeholders to report information security concerns

Whistleblower procedure for stakeholders to report corruption and bribery

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.

Audits of control procedures to prevent corruption

Information

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

Guidance

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

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

Company communicates progress towards the Sustainable Development Goals (SDGs)

Improvement Areas

Policies

| Low | No conclusive information on endorsement of external initiatives or principles on ethics issues |

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 |

| Medium | No conclusive documentation on awareness training to prevent corruption and bribery |

Information

No company declaration and no evidence within the supporting documentation regarding the implementation of awareness or training programs on anti-corruption & bribery issues for 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 workplaces such as 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.

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.
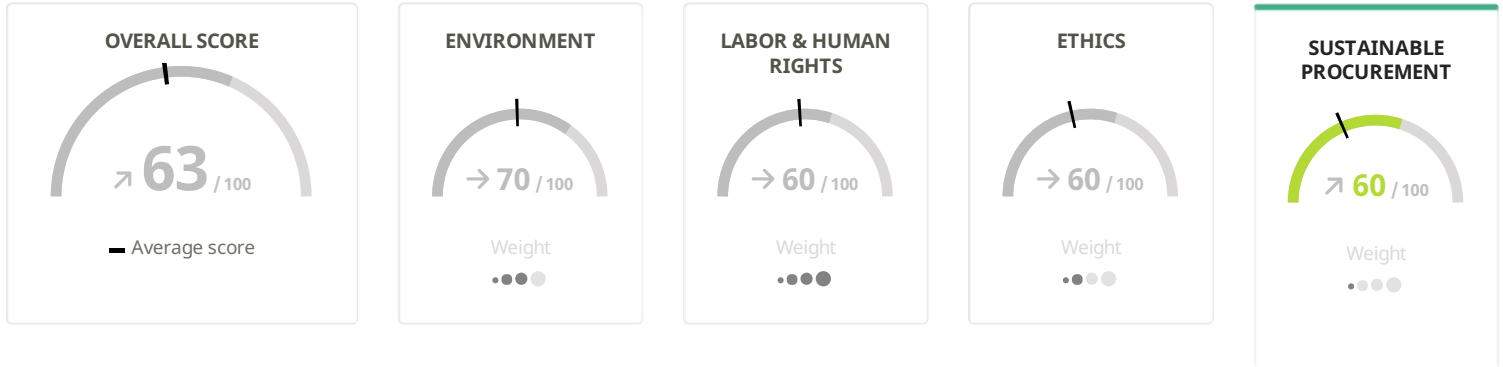
Results
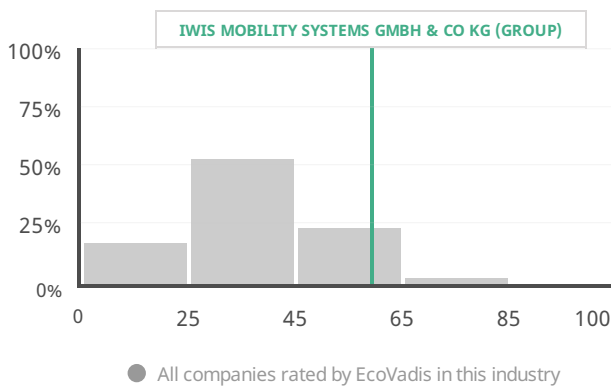
High   No conclusive reporting on ethics issues

9. SUSTAINABLE PROCUREMENT

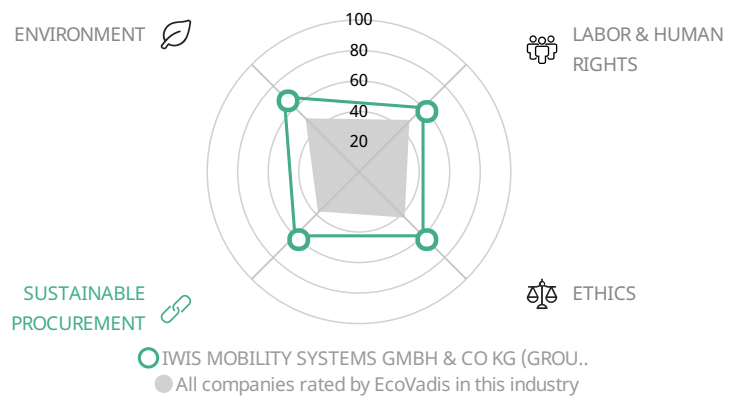This theme focuses on both social and environmental issues within the company supply chain.

Sustainable Procurement Score Breakdown

OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
↗ **63** / 100	→ **70** / 100	→ **60** / 100	→ **60** / 100	↗ **60** / 100
▬ Average score	Weight ●●●○	Weight ●●●●	Weight ●●○○	Weight ●●●○

Theme score distribution

IWIS MOBILITY SYSTEMS GMBH & CO KG (GROUP)

● All companies rated by EcoVadis in this industry

Theme score comparison

○ IWIS MOBILITY SYSTEMS GMBH & CO KG (GROU..
● All companies rated by EcoVadis in this industry

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.

Sustainable Procurement

Weight ● ● ● ●

Strengths

Policies

Policy on conflict minerals issues

Information

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

Guidance

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

Comprehensive sustainable procurement policies on both social and environmental factors

Information

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

Guidance

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

Actions

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

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.

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

Information

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

Guidance

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

Formal assessment of suppliers' progress with regards to REACH requirements

Information

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

Guidance

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

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

Information

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

Guidance

There is 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).

Integration of social or environmental clauses into supplier contracts

Information

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

Guidance

There is evidence of provisions/clauses in business contracts that cover labor practices and human rights and/or environmental issues which are not directly connected to the contract subject matter with the aim to set the expectations on sustainability.

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

Materiality analysis in sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

Improvement Areas

Policies

Low   Claims endorsement of specific international or industry sector initiatives on conflict minerals issues, but information could not be verified [i.e. Responsible Minerals Initiative]

Actions

Medium No conclusive documentation on the training of buyers on social and environmental issues within the supply chain

Information

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

Guidance

There is no conclusive evidence of training of the company's procurement professionals on sustainable purchasing to ensure understanding of social and environmental issues and their integration into the procurement function. This can be demonstrated through training programs such as training progress reports, certificates of completion with company name or training materials.

Medium No conclusive documentation on on-site audits of suppliers on environmental or social issues

Information

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

Guidance

There is no conclusive 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.

Low Declares a percentage of suppliers for which conflict minerals information is available (e.g. CMRT) but no supporting documentation

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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

High No conclusive reporting on sustainable procurement issues

Low   Declares having a due diligence report on conflict minerals, but no supporting documentation available

Information

The company declares having a due diligence report on conflict minerals, however, no information to support this claim was found in the supporting documentation.

Guidance

Tin, tantalum, tungsten and gold (3TG) (often called 'Conflict Minerals'), are natural resources whose systematic exploitation and trade can result in serious violations or abuses of international human rights. The topic of sourcing from conflict zones such as the Democratic Republic of Congo (DRC) has faced increasing attention in recent years from international government, industry and non-governmental groups with the aim of bringing about awareness and international legal frameworks on Conflict Minerals. In July 2010, in response to these concerns, the United States Congress enacted legislation that requires certain public companies to publicly disclose their use of conflict minerals emanating from the DRC and nine adjoining countries. Section 1502 of the Dodd Frank Act requires companies to disclose if any of the 3TG minerals are "necessary to the functionality or production of a product" manufactured by those companies. Although the law is restricted to companies listed on a U.S. Stock Exchange, transparency on due diligence mechanisms has become necessary for a range of companies in the value chain in order to trace back the origin of the minerals (e.g. 1st tier, 2nd tier suppliers) and respond to their client's inquiries. Various industry groups such as the Conflict-Free Sourcing Initiative (GeSI and EICC) have developed reporting templates and programs intended to support companies in their public declarations on Conflict Minerals.

Low   Declares sourcing tin, tantalum, tungsten, gold and/or their derivatives only from recycled sources but no supporting documentation

10. 360° WATCH FINDINGS

1 Dec 2021 | https://www.insblue.com.cn...

Impact on Score
Neutral →
valid from 24 Jun 2024 to 1 Jan 2027

Impacted themes 🌿

2021, 2022, 2023 & 2024 Government Credit Rating for iwis mobility systems (pinghu) co., ltd. [CN]

For 2021, 2022, 2023 & 2024, iwis mobility systems (pinghu) co., ltd. was rated green by the Corporate Environmental Credit Rating System in Zhejiang Province. Green indicates that the company complied with all legal requirements, did not receive community complaints, earned full credit on evaluation indicators within the past 3 years AND participated in more than 2 voluntary activities including obtaining ISO 14001 certification, participating in Cleaner Production audit, supporting community NGO or engaging in responsible purchasing.

28 Apr 2021 | https://www.kreisbote.de/l...

Impact on Score
Neutral →
valid from 1 Apr 2021 to 1 May 2026

Impacted themes 🌿

Ammonia leak in the Landsberg industrial park [DE]

Around 70 emergency services were on duty from 8:30 am and reacted to a "dangerous goods leakage alarm" that was reported by the IWIS company in Celsiusstrasse. When changing an ammonia bottle, a pipe leaked and around 1,000 kilograms of the gas was released. IWIS is a global company and manufactures chains and drive technology.

Expired

6 May 2019 | http://www.augsburger-allg...

Impact on Score
Neutral →
valid from 1 May 2019 to 1 Jun 2024

Impacted themes 👥

IWIS is rebuilding: Loss of 130 jobs at the Landsberg site [DE]

Iwis Motorsysteme, based in Landsberg, relocates part of its production to Romania. According to the company, about 130 jobs will be lost in Landsberg, which is about one third of the current 400 jobs.

19 Mar 2024 |

Impact on Score
Neutral →
valid from 24 Jun 2024 to 19 Apr 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 Responsability, 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.
💬	There is a lack of reporting on KPIs regarding ethics issues.
💬	The company demonstrates an advanced management system on environmental issues.
💬	Since the last assessment, the overall score has increased thanks to the implementation of additional measures.

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
Medium	Water
Non-activated	Biodiversity
Medium	Air Pollution
High	Materials, Chemicals & Waste
Medium	Product Use
High	Product End-of-Life
Medium	Customer Health & Safety
Non-activated	Environmental Services & Advocacy

Labor & Human Rights 👥

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

Ethics ⚖️

Medium	Corruption

Medium   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 Manufacture of parts and accessories for motor vehicles

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

The manufacturing of parts and accessories for motor vehicles industry consists of a number of energy-intensive processes, including stamping, welding, forging, casting, and other industrial practices. These activities require large amounts of electricity and fossil fuels, resulting in high levels of greenhouse gas emissions. The carbon footprint of a new car is, on average, around 17 tons of CO2e [1]. While some of this is produced during the assembly stage, the majority is from the manufacturing of the thousands of parts and accessories that go into an automobile. While each part may have a different manufacturing process, the majority are energy intensive. Not only is this high energy use expensive, it can also lead to problems with business-to-business buyers and eventually the customers who are trying to reduce the Carbon footprint of their vehicles. It is important to address the issue in order to keep prices competitive and secure market positions as more scrutiny is placed on greenhouse gas emissions. These processes are energy-intensive by nature, however, efficiency improvements and a reduction of greenhouse gas emissions are possible through a number of means. The first step is to begin monitoring energy use and greenhouse gas emissions. Through monitoring, companies can establish an emissions 'baseline' and move forward with setting reduction targets. Moving forward to meet these targets, there are a variety of measures that can be implemented to reduce energy consumption. In this sector, heavy investment in energy efficient technology will often yield the greatest results. This investment can pay for itself from the resulting energy savings. There are also less expensive and quicker options. Often small changes to the manufacturing process can lead to energy reduction. Other measures to reduce Carbon footprint include the purchasing of renewable energy and buying carbon offsets.

Medium   Water

Definition

Water consumption during operations. Pollutants rejected into water.

Industry issues

The manufacturing of parts and accessories for motor vehicles is a water intensive sector, due to industrial processes, like metal casting, that require large amount of water for cleaning and cooling. While in many cases the water does not have to be potable, high water use can nevertheless have negative repercussions. On average, industry accounts for 20% of water use [2]. High usage can lead to local backlash or restrictions that can hinder companies' ability to operate. This is particularly true in regions with water shortages As well as inputs, companies' need to control and managed their water emissions. The manufacturing processes associated with this sector often produce water polluted with solvents, grease, oil, and other hazards chemicals. Where this water ends up and in what condition is of great importance. If polluted water ends up contaminating the local environment or water sources, public and even legal backlash can take place. This makes up a major part of how the company will be seen and thus treated in the community. There are a number of ways in which companies in this sector can reduce the water they use. Installing flow restrictors and using dry machining limits the amount of water needed. Beyond that, a closed loop system where water is fed back into the system can reduce usage drastically. This often requires a water treatment plant onsite to remove pollutants but is often worth the investment. Waste water treatment capabilities are also useful when it comes to reducing pollutants in water emissions. If the company does not have an on-site treatment plant, some improvements can still be made. PH adjustment or oil removal may be necessary before the water can be discharged to a water treatment plant either onsite or at a municipal water treatment plant. Biological treatment can be used to reduce the quantity of pollutants in the wastewater.

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 auto parts manufacturing companies. Noise and dust are among the most common forms of local pollution for these manufacturers. These can be significant issues, particularly when manufacturing sites are located near populated areas. Failure to address these issues can lead to negative relationships with local stakeholders. For manufacturers using hazardous goods there are also other risks to address, primarily the danger of toxic spills. In the United States alone there are around 30,000 chemical and other hazardous spill incidents a year [3]. Legal issues, community anger, and damaging media attention are all potential consequences of a hazardous material accident. Employees should be regularly trained on these processes and on emergency preparedness measures to ensure consistent safety and readiness in case of an accident. Monitoring procedures, for noise, dust, and more, are also important to ensure that these emissions do not rise out of control. If they are too high, reduction measures, such as noise dampening technology and dust catchers should be put in place.

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

Considerable amounts of hazardous raw material and chemicals may be used in auto parts manufacturing. Hazardous properties relating to these substances include flammability, toxicity from carcinogens, and corrosive potential and oxidizing potential, and various other properties [4]. Some chemicals may possess a hazard potential if they have the opportunity to react with other compounds. Manufacturers in this sector must be aware and manage these hazardous components in order to be compliant with various hazardous materials regulations. This sector also has high consumption of raw materials that have a high environmental cost due to the damaging extraction and refining processes. Metals and plastics both have an environmental cost. Finally, waste byproducts are produced at almost every step of the manufacturing process[1]. Mitigation strategies for use of chemicals or waste emissions include modifying products or product design to reformulate products to reduce chemicals used. Regulations like REACH and the Globally Harmonized Classification System (GHS) ensure chemical safety regarding proper labelling, handling and storage [5]. When it comes to raw materials and waste, new processes and designs that limit the amount of material needed and going to waste is the best approach.

Medium   Product Use

Definition

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

High   Product End-of-Life

Definition

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

Industry issues

End-of-life considerations are very important for auto parts manufacturers. The average car stays on the road for only 10.8 years [6]. Many of the thousands of components that make up the cars are still usable, for scrap material at the very least. Increasingly, consumers and other stakeholders are seeing it as the manufacturer's responsibility to deal with these products at the end of their life. The concept of the circular economy is pushing this further and increasingly companies that ignore it risk being left behind by competitors. Furthermore, take back schemes can help save money by reducing sourcing costs. Action in this area generally requires engagement with customers up the value chain. Take-back-schemes where old cars are taken back and broken down into parts and materials for reuse in a very effective way to manage this. This could require additional facilities and/or third-party partnerships to facilitate the process. For example, in one of its French plants, Renault remanufactures old engines, transmissions, injection pumps, and other parts for resale [7]. Not only does this stop waste and save raw materials, it also requires less energy and water use, and is a profitable business for the company. Simpler than take-back schemes, auto parts manufactures can reduce the environmental impact of their products at end-of-life by cutting back on packaging and designing packaging for easy recyclability.

Medium   Customer Health & Safety

Definition

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

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 the manufacturing of parts and accessories for auto parts industry are exposed to a wide variety of health and safety hazards, depending on their specific role and work environment. On average 2% of workers in manufacturing industries like this one sustain a work-related injury on the job each year [8]. The sources of these injuries can vary widely. Accidents associated with machinery are among the most prevalent [9]. Falling from height, being trapped or struck by something also account for a large proportion of injuries [10]. Manufacturing processes that involve hazardous materials or extremely hot temperatures carry added risk. 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 [3]. Decreased time off due to injury and illness are also benefits of a robust health and safety management system [4]. 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. At the same time, machinery should be routinely inspected to ensure proper, safe, functionality. For a robust health and safety management system manufacturing 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.

High Working Conditions

Definition

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

Industry issues

Human capital investment is increasingly important for companies seeking to develop a sustainable workforce while reducing hiring costs associated with high employee turnover [11]. The provision of fair pay and working hours, retirement pensions and healthcare are each issues which workers cite as insufficient, and which lead to employment insecurity. The International Trade Union Confederation's 2014 Global Poll indicates that wages have failed to increase at a rate consistent with global cost of living inflation, a conclusion supported by 79% of respondents that believe national minimum wages are insufficient, and 87% believe that the social protections, including pensions, healthcare and family leave are inadequate [12]. These numbers highlight the opportunities for companies operating in countries where wage increases can improve quality of life. As indicated by the above figures, it is in the interest of companies involved in the manufacturing of parts and accessories for motor vehicles to invest in their human capital by providing adequate wages, social benefits and fair work hours to employees. Companies operating in less developed countries where minimum wage laws are deemed inadequate, including in China where 81% of ITUC respondents believe the national minimum wage is inadequate, companies should default to wage standards established by the ILO. When operating in countries where state provided social protections are minimal or absent, companies should provide employees with healthcare and retirement pensions that are consistent with international standards. Employee satisfaction surveys and collective bargaining through worker representative groups, including unions and work councils can assist companies with identifying human capital management needs. Fair pay and social protections, and sector appropriate working condition are essential for companies to reduce labor costs without sacrificing ethics or production efficiency.

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 manufacturing parts for motor vehicles 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 [12] (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 [13], 30-35% in China [14], and over 60% in the Nordic countries [13]. 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 [12]. Given the importance of social dialogue in helping establish policies and procedures that promote both employer and employee interests, companies in this manufacturing sector 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 in this manufacturing field should include occupational skills development in their human capital management strategies. Occupational skills development, through formal training, developmental assignments and feedback, provides mutual benefits for employees and companies. Companies benefit from a higher skilled workforce capable of meeting 21st century market demands, and workers develop skills necessary for promotions and/or future employment opportunities in the sector. Workers are increasingly demanding occupational skills development in order to stay up-to-date on technological developments, ultimately ensuring they remain competitive. The 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 [15]. To take advantage of the benefits provided by a skilled workforce, companies should develop and implement occupational training and development programs across all operations. Ongoing employee evaluations accompanied by continuous feedback should 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 should 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 should therefore be embedded throughout all operations.

Medium

Child Labor, Forced Labor & Human Trafficking

Definition

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

Industry issues

According to the International Labor Organisation (ILO), child labor, forced labor and human trafficking encompasses all work or service which is exacted from any child or adult under the threat of a penalty and for which the person has not offered himself or herself voluntarily (16). Forced labor is observed in all types of economic activity in every country including the manufacture of parts and accessories for motor vehicles. An estimated 24.9 million people are reported to be trapped in forced labor comprising 16 million in the private economy and 4.1 million in state authorities (17). The manufacturing sector itself is reported as one of the most relevant for child labor (18). With an extensive global footprint through manufacturing facilities and supply chains, the automotive industry is known to have a high impact and leverage on human rights, with numerous areas of risk for human rights harm (19). Forced labor incidents are common at the car and parts manufacturing level, regularly paired with violence and oppression. Migrant workers are a particularly vulnerable group, with sponsorship issues attributing to forced labor risks in automotive manufacturing contexts, for example in the Middle East and North Africa region (19). Similarly, child labor incidents are common and span across countries of varying degrees of economic development, such as China and Malaysia (20). Children working in the manufacture of vehicle parts are required to work with dangerous machinery, equipment, and tools, or which involves the manual handling or transport of heavy loads; and work in an unhealthy environment that may expose children to hazardous substances or vibrations damaging their health (18). In an attempt to eradicate this issue, manufacturers can sign International Framework Agreements (or Global Framework Agreements) through which they commit to respect the same labor rights standards in all the countries where the company operates, including with respect to child labor (21). They can control safety risks identified through risk assessment so that young employees of legal working age can perform the tasks safer or transfer them to locations where work is more suitable. Companies can invest in mechanizing the tasks to remove the need for child labor and also increase efficiency (22). Companies can implement whistleblower systems for employees to report modern slavery violations confidentially and without retaliation (19).

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

In an increasingly global economy, companies benefit from promoting diversity internally due to the various business perspectives and work habits that derive from different cultural and social groups. In order to promote diversity, and therefore take advantage of the associated value added with such workforces, it is key that companies take a firm non-discrimination stance in order to attract and retain a competent and stable workforce. Research performed by the ILO indicates that women are paid on average 70%-90% of the salaries received by the male counterparts; gay employees recieve 30% than non-gay workers [23]. The manufacturing sector experiences, according to some estimates, a 20% gender wage gap [24]. While most countries have laws that prohibit discrimination, differences exist in their level of enforcement and scope of racial and social groups covered by their respective legislation, making it a strategic must for companies to establish internal policies that promote internal efforts. Many of the world's biggest and most successful companies have advanced diversity strategies, including in respect of LGBT. Nearly 90 per cent of Fortune 500 companies prohibit discrimination based on sexual orientation and gender identity and almost 60 per cent of them extend benefits to the same-sex partners of their employees [23]. Companies operating in the manufacturing of parts and accessories for motor vehicles sector should establish internal measures that reinforce a non-discrimination policy. Training of all managers that have authority over recruitment, training, and promotions should be implemented across all operations. Human resources personnel should perform frequent internal salary audits to determine where wage gaps exist. Additional pro-diversity measures that reinforce non-discriminatory efforts include employee cultural and gender associations that enable social groups to share experiences related to professional acclimation and networking. Lastly, an effective whistle-blowing procedure should be available to all employees to report concerns related to, or violations of, the anti-discrimination policy.

⚖ Ethics

Importance	Sustainability issue
Medium	Corruption

Definition

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

Industry issues

Corruption and bribery presents a constant risk for manufacturing companies. In a study by Transparency International, heavy manufacturing was ranked 12th out of 19 industries surveyed in for bribery [25]. 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 [26]. 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   Anticompetitive Practices

Definition

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

Industry issues

Intellectual property protection contributes to business, sector and macroeconomic sustainability by preserving fair markets in which companies are rewarded for innovation. According to the International Chamber of Commerce, the global economic and social impacts of counterfeit and pirated products are expected to reach US $1.7 trillion in 2015. Intangible assets and intellectual property generate, by some estimates, generate 75% of most organizations' value and revenue streams [27], making the protection of intellectual property protection an enterprise level must. Given the social and environmental pressures that challenge sustainable economic development, companies involved socially-responsible and environmentally-sustainable innovation will likely serve as the catalyst for sustainability; however, the protection of their innovations is key to motivating innovative companies to continuously develop products and services that meet the sustainability needs of the 21st century. Other forms of anti-competitive behaviors, including monopolies, price-fixing and bid-rigging impact markets in similar ways, notably by creating uncompetitive markets for which small and medium sized companies are able to compete. Such anti-competitive practices ultimately increase the cost of goods and services, preventing consumer driven economic growth, ultimately exposing companies to financial risks. Certain sectors implement cost structures with business partners that enable collusion through product purchasing incentives, including excessive product discounts, which can be perceived by competitors as bribes, and therefore should be managed effectively. Such collusive practices that lead to the development of cartels are receiving greater attention form US and EU regulators, and in the US, the Justice Department has increased prosecutions significantly in the last several years, exposing companies to greater risks when appropriate measures are not implemented internally to prevent such practices. Companies should implement mitigation strategies to prevent employees and business partners from engaging in anti-competitive practices. Training of employees in the market impacts caused by such behaviors can serve as an effective tool because of the job insecurity that the loss of business creates when sector actors engage in such practices. Employees should be trained in how to avoid such situations, particularly those operating in activities which require effective judgement. Through training, audits and whistle-blower procedures, companies can greatly reduce risk exposures to internal anti-competitive practices.

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

Companies collect, process and share confidential information belonging to third-parties in order to operate their business. Third-party confidential information includes employee and consumer personal identification information, third parties' intellectual property, and business partner trade secrets. Companies are legally mandated in several jurisdictions to manage third party data responsibly. Breaches of third-party data, including proprietary intellectual property, trade secrets and employee and consumer PII expose companies to operational seizures, financial and reputational impacts caused by stakeholder lawsuits and regulatory penalties. The financial impacts of information security breaches can be both immediate and drawn out over several years, due to possible litigation action by parties who lost confidentiality of their information entrusted to the breached company. The costs of regulatory violations remain severe, and proposed changes to major regulatory frameworks in major countries are likely to impose greater fines. Ponemon Institute estimates the global average cost of a cyber-attack to be US$3.86 million [31]. Beyond direct regulatory and financial penalties, breaches in a company' information management system can cause long term distrust in the company' information security management. Almost immediately after Target's information breach, the company' net earnings for the fourth quarter were down 46 percent from the same period the year before. Over time, Target will pay an estimated US$1.4 billion when factoring ongoing legal costs, class-action lawsuits by consumers and business partners, and credit monitoring services for affected consumers [32]. In order for companies to manage operational and legal risks associated with information security breaches, it is vital that robust information security management systems are developed and implemented across to the operational scope. Companies should perform vulnerability assessments, implement access and disclosure controls and provide thorough training for all employees responsible for processing third-party data. An adequate incident response procedure capable of preventing further data loss, communicating with exposed stakeholders, and systems updates is necessary to meet legal requirements in key jurisdictions.

🔗 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

An important issue for manufacturing 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 extend into their supply chains, where many risks originate. More than three quarters of the greenhouse gas (GHG) emissions associated with many industry sectors come from their supply chains [28]. In this manufacturing category, many of the raw materials used require energy intensive and environmentally damaging extraction processes. 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. 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, manufacturers 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.

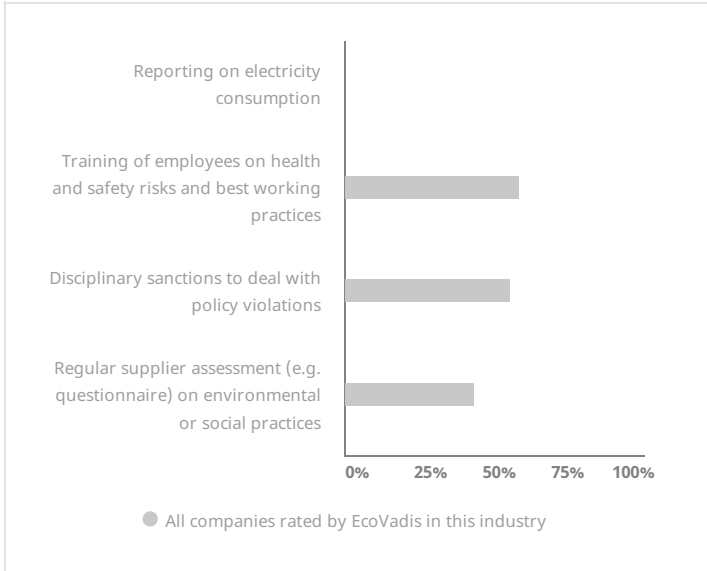**High** Supplier Social Practices

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.
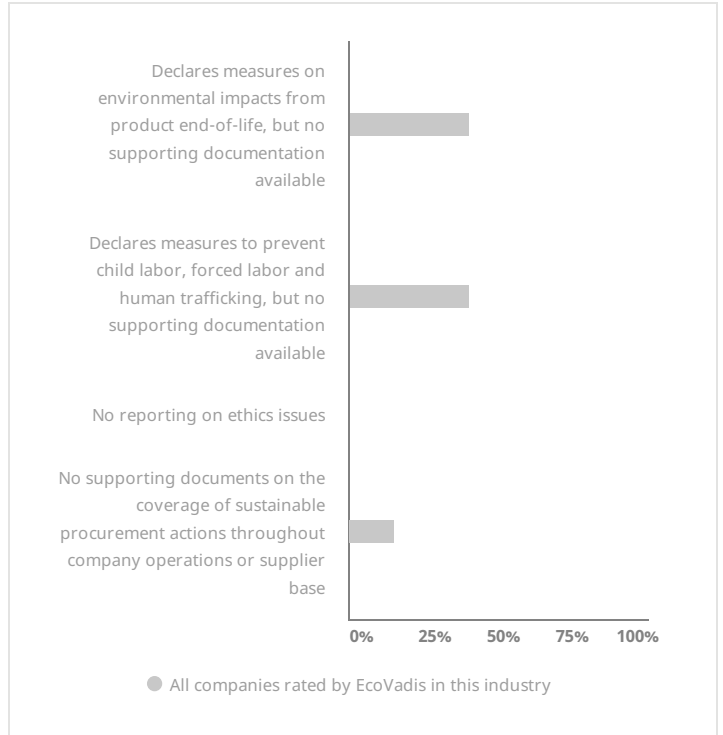
Industry issues

To prevent supply disruptions and potentially costly litigation, manufacturing companies in this sector should work to embed their human rights, human capital management, and business ethics commitments throughout their supply chain operations in order to address operational impacts on stakeholders. Supply Chain risk management efforts should focus on fundamental human rights for internal and external stakeholders, working conditions and fair business practices. A great majority of ITUC's respondents believe that workers' rights throughout the value chain are not respected, a figure that reflects a significant level of risk for buyers if large scale worker strikes prevent operations [12]. Legislation has now been introduced or enacted in a handful of countries, requiring companies to report on conflict mineral sourcing and due diligence measures to prevent human rights abuses from persisting in their supply chains. Corruption increases procurement costs by an estimated 25%, making the prevention of supply chain corruption and bribery a strategic must [29]. Under the FCPA and UK Bribery Act companies are exposed to additional financial and criminal penalties for supplier bribery accusations, a fact that is reinforced by 90% of FCPA financial and criminal settlements involved third parties [30]. Managing intellectual property in business relationships is vital to any company's business sustainability. In accordance with the UN Guiding Principles on Business and Human Rights, social impact assessments used to assess impacts across a company's operations should include those of supply chain operations. Companies should develop and implement due diligence procedures, to include supply chain mapping, risk assessments and follow up supplier engagements, including training and on-site audits. Companies should also establish contract provisions detailing supplier expectations regarding human rights protections and, when possible, integrate whistle-blowing procedures on the suppliers' behalf. To minimize liability for supplier corruption, companies should implement a risk-based due diligence procedure to identify suppliers at greatest risk of being accused of such transactions.

Key industry Strengths

Reporting on electricity consumption

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

Disciplinary sanctions to deal with policy violations

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

0% 25% 50% 75% 100%

● All companies rated by EcoVadis in this industry

Key industry Improvement Areas

Declares measures on environmental impacts from product end-of-life, but no supporting documentation available

Declares measures to prevent child labor, forced labor and human trafficking, but no supporting documentation available

No reporting on ethics issues

No supporting documents on the coverage of sustainable procurement actions throughout company operations or supplier base

0% 25% 50% 75% 100%

● All companies rated by EcoVadis in this industry

Sustainability KPIs Overview

KPI	All companies rated by EcoVadis in this industry
Active whistleblowing procedure in place	27%
Audit or assessment of suppliers on CSR issues	33%
Carbon disclosure project (CDP) respondent	10%
Global Compact Signatory	12%
ISO 14001 certified (at least one operational site)	34%
OHSAS 18001/ISO 45001 certification or equivalent (at least one operational site)	21%
Policy on sustainable procurement issues	30%
Reporting on energy consumption or GHGs	40%
Reporting on health & safety indicators	28%

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Main Regulations and Initiatives

EU Directive 2006/42/CE on machinery

http://ec.europa.eu/enterprise/mechan_equipment/machinery/revdir.htm

Regulatory

Revised Machinery Directive 2006/42/EC (includes improvements on safety of the current Machinery Directive 98/37/EC). Deadline for national law transposition: 29th June 2008.

Environment

EU Directive on Noise Pollution

http://europa.eu/scadplus/leg/en/s15003.htm

Regulatory

On top of the corrective measures applicable to some sources of noise, in 2002 the European Union adopted a Directive setting out a Community approach to the management and evaluation of ambient noise in order to protect public health.

Environment

ILO convention 174 and recommendation 181" Prevention of Major Industrial Accidents"

http://www.ilo.org/ilolex/cgi-lex/convde.pl?C174

Regulatory

International instruments on the prevention of industrial accidents

Labor & Human Rights

US National Emission Standards for Hazardous Air Pollutants for Iron and Steel Foundries

http://www.epa.gov/EPA-AIR/2005/May/Day-20/a9591.htm

Regulatory

In 2004, the EPA issued national emission standards to control hazardous air pollutants emitted from iron and steel foundries. This action amends the work practice requirements for materials certification and scrap selection/inspection programs.

Environment

Universal Declaration of Human Rights

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

Regulatory

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

Labor & Human Rights

EU directive EuP (Energy using Products)

http://ec.europa.eu/enterprise/eco_design/index_en.htm

Regulatory

The directive 2005/32/EC became law in the European Union on August 2005. The EuP Directive focus on the design phase to improve energy efficiency of energy using products.

Environment

EU directive WEEE (waste electrical and electronic equipment)

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

Regulatory

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

Environment

Standard SA8000 (Social Accountability)

http://www.sa-intl.org/index.cfm?fuseaction=Page.viewPage&pageId=617&parentID=476

The SA8000 standard is a global social accountability standard for decent working conditions, developed and overseen by Social Accountability International (SAI). It is an auditable certification standard based on international workplace norms of International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child.

Labor & Human Rights

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

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**

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**

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**

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