

SILVER | Top 15%

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Sustainability Rating

SEP 2024

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EcoVadis Sustainability Assessment Report

Company rated:
UKSEUNG CHEMICAL CO LTD (GROUP)

Overall score: 69 /100
September 2024

Sustainability performance: Advanced

Size: M
Headquarters country: South Korea
Risk country operations: NO
Industry: Manufacture of basic chemicals, fertilizers
and nitrogen compounds, plastics and synthetic
rubber in

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ABOUT SUSTAINABILITY

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

ABOUT THE ASSESSMENT

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

ABOUT ECOVADIS

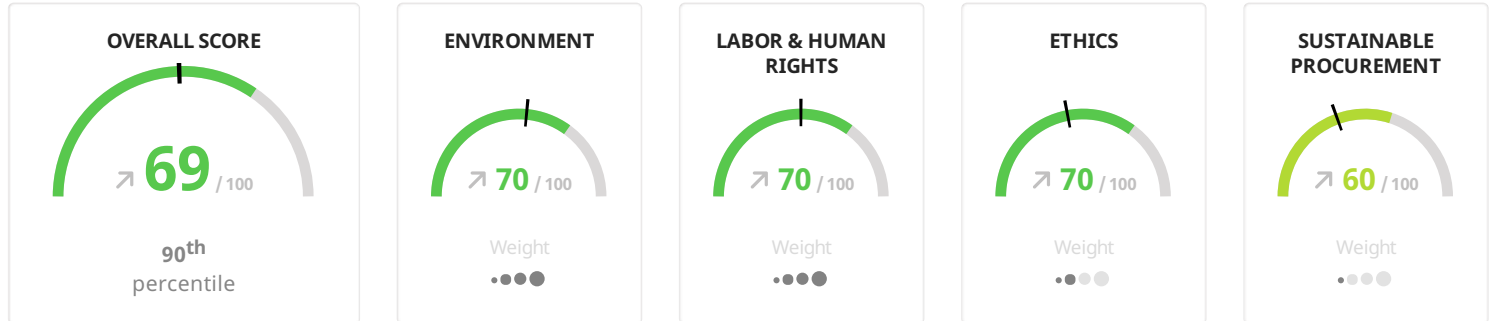
EcoVadis provides the leading solution for monitoring sustainability in global supply chains. Using innovative technology and sustainability expertise, we strive to engage companies and help them adopt sustainable practices.

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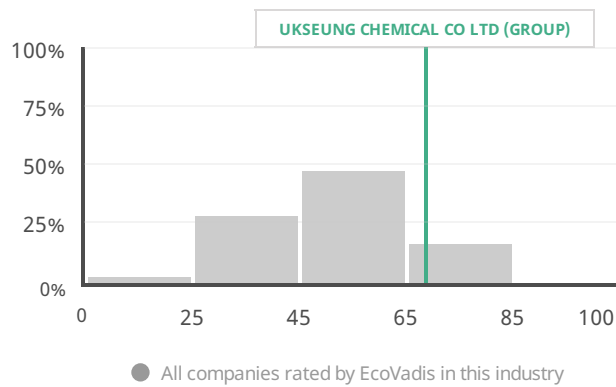
1. SUSTAINABILITY PERFORMANCE OVERVIEW

Score breakdown

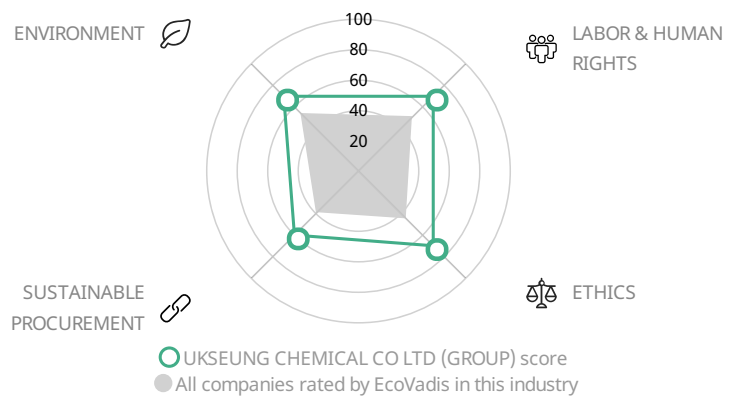
Sustainability performance ● Insufficient ● Partial ● Good ● Advanced ● Outstanding — Average score



Overall score distribution



Theme score comparison



UKSEUNG CHEMICAL CO LTD (GROUP) has received a Silver 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. UKSEUNG CHEMICAL CO LTD (GROUP) has a corrective action plan in place and is working on improving their sustainability management system.

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

2. ASSESSMENT BENEFITS

Understand :

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

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

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

Communicate :

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

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

3. ASSESSMENT PROCESS

1

Customer Request

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

2

Questionnaire

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

3

Document Analysis

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

4

Public Information

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

5

360° Watch Findings

360° Watch Findings comprise relevant public information about companies’ sustainability practices, identified via more than 10,000 data sources. They can have positive, negative or no score impact.

6

Expert Analysis

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

SCORECARD



4. ECOVADIS METHODOLOGY

A. Four Themes and 21 Criteria

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

21 sustainability criteria

1. ENVIRONMENT

OPERATIONS

- Energy consumption & GHGs
- Water
- Biodiversity
- Air Pollution
- Materials, Chemicals & Waste

PRODUCTS

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

2. LABOR & HUMAN RIGHTS

HUMAN RESOURCES

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

HUMAN RIGHTS

- Child Labor, Forced Labor & Human Trafficking
- Diversity, Equity & Inclusion
- External Stakeholders Human Rights

3. ETHICS

- Corruption
- Anticompetitive Practices
- Responsible Information Management

4. SUSTAINABLE PROCUREMENT

- Supplier Environmental Practices
- Supplier Social Practices



B. Seven Management Indicators

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



Policies (weight: 25%)

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

Actions (weight: 40%)

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

Results (weight: 35%)

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

5. UNDERSTANDING A SCORECARD

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

A. Quantitative Information: Scores & Activated Criteria

Theme Scores:

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

Activated Criteria:

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

Non-activated

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

Medium

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

High

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

! Risk countries only

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

C. The Scoring Scale

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

B. Qualitative Information: Strengths & Improvement Areas

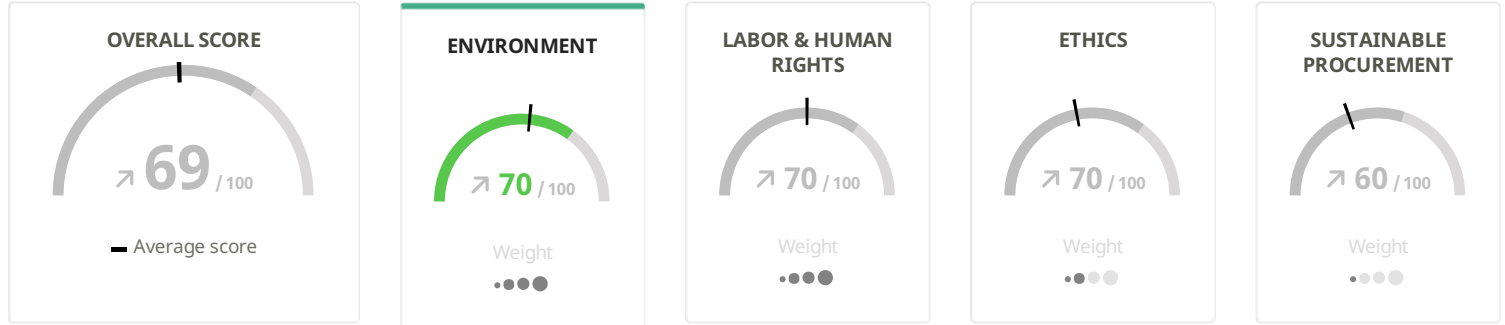
Qualitative information provides more details and insights into a company's score. For each theme, the company is assigned strengths (elements of their sustainability management system that are positive) and improvement areas (elements of their sustainability management system that need to be improved).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

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

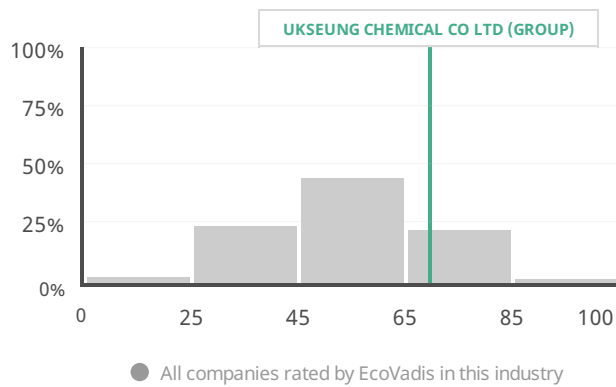
6. ENVIRONMENT

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

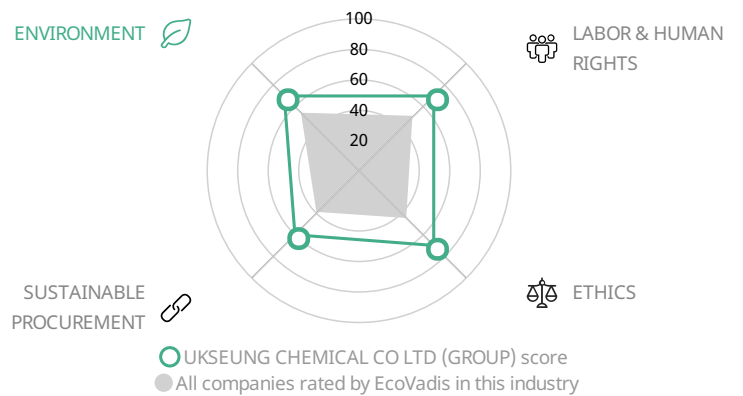
Environment Score Breakdown



Theme score distribution



Theme score comparison



Environment: Activated Criteria

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

Environment: Strengths & Improvement Areas

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

Strengths

Policies

Environmental policy on air pollution

Quantitative objectives set on energy consumption & GHGs

Environmental policy on customer health & safety

Environmental policy on product use

Environmental policy on materials, chemicals & waste

Environmental policy on water

Environmental policy on energy consumption & GHGs

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

Other actions to ensure safe management of hazardous substances

Information

The company must ensure safe management of handling, storage, transport and use of hazardous chemicals and substances, including efforts to prevent and respond to environmental emergencies that might occur during operations with hazardous substances.

Guidance

Examples of documents to attach: standard operating procedures, work instructions, Annual Report, CSR/Sustainability Report, etc.

Use of alternative, less hazardous substances in operations

Use of recovered input materials

Use of eco-friendly or bio-based input materials

Specialized treatment and safe disposal of hazardous substances

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

Leak Detection and Repair (LDAR) program in place to reduce fugitive emissions

Information

The company provided an evidence of Leak Detection and Repair (LDAR) program in place to reduce fugitive emissions

Guidance

Some examples of actions might include evidence of actions to ensure enclosure of emission sources and airtightness of equipment. A system in place to locate and repair leaking components, including valves, pumps, connectors, compressors, and agitators, in order to minimize fugitive emissions.

Regular noise measuring campaign (site boundary noise measurements undertaken)

Information

The company provided an evidence of regular noise measuring campaign

Guidance

Some examples of actions might include evidence of monitoring mechanisms to keep track of the status of noise emissions during operations.

Work processes or technologies implemented to mitigate emissions of VOC, SO2, NOx or heavy metals

Information

The company provided an evidence of work processes or technologies implemented to mitigate emissions of VOC, SO2, NOx or heavy metals

Guidance

Some examples of actions might include evidence of actions implemented to control air emission of VOCs, heavy metals, NOx, SOx in the environment, such as installation of scrubbers, adsorption systems, special seals/ covers, vapour recovery units, etc.

Control measures to prevent contamination of groundwater

Wastewater quality assessment

Training of employees on energy conservation/climate actions

Work processes or technologies implemented to mitigate noise

Information

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

Guidance

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

Provision of Safety Data Sheets (SDS)

Technologies or practices to recycle or reuse water

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.

Registration of substances to the ECHA

Information

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

Guidance

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

Formalized process in place to assess and document risks related to customer health and safety

Information

The company has provided supporting documentation demonstrating that it has implemented a process to assess and document risks related customer health and safety.

Guidance

Risk assessment is a formal process of evaluating and predicting the consequences (positive or negative) of a hazard and their likelihoods/probabilities. The risk assessment can also reveal if measures are needed to limit the potential customer health and safety consequences of implementing a particular process. If a threat to human health is identified through a risk assessment, risk management can be performed to consider the need to impose measures to control or manage the risk. The Global Reporting Initiative (GRI) has identified customer health and safety as a critical criterion for companies to report on, i.e. the percentage of significant product and service categories for which health and safety impacts are assessed for improvement. This criteria helps to identify the efforts made by the company to address health and safety across the life cycle of a product or service. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the OECD Guidelines for Multinational Enterprises.

Implementation of a rainwater harvesting system

Use of waste heat recovery system(s) or combined heat and power unit(s)

Information

The company has implemented a process to be able to use heat from production processes to produce energy.

Guidance

Cogeneration or combined heat and power (CHP) is a system that simultaneously generates at least two different forms of energy from a single fuel source. The electricity generator recovers and reuses its own waste heat from combustion of processed natural gas or petroleum gas, for example to generate steam that drives auxiliary turbines to produce additional power.

Periodical analysis on the volumes of major air pollutants or ambient air quality monitoring (testing levels of PM, NOx, SO2, VOC or heavy metals)

Information

The company provided an evidence of periodical analysis on the volumes of major air pollutants or ambient air quality monitoring (testing levels of PM, NOx, SO2, VOC or heavy metals)

Guidance

Some examples of actions might include evidence of monitoring mechanisms to keep track of levels of PM, NOx, SO2, VOC and heavy metals during operations.

Work processes or technologies implemented to mitigate odor

Information

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

Guidance

Some examples of actions might include evidence of actions implemented to reduce odor emissions to the surrounding environment such as isolated storage and ventilation techniques.

Training employees to safely handle and manage hazardous substances

Information

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

Guidance

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

Provision of safety data sheets (SDS) adapted for the REACH regulation

Information

The company issues safety data sheets which are compliant with the European REACH regulations.

Guidance

Those safety data sheets are forms which contain detailed data regarding the chemical and physical properties of a particular substance (or mixture). They include information on its hazards and instructions for handling, disposal and transport and also first-aid, fire fighting and exposure control measures.

Actions for labeling, storing, handling and transporting hazardous substances

Information

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

Guidance

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

Work processes or technologies implemented to mitigate emissions of dust and/or particulate matter

Information

The company has implemented specific measures to avoid emissions of dust or particles.

Guidance

Some examples of actions on this topic include (but are not limited to): emission control devices for drilling operations, covering stock piles of soil or sand with tarps to reduce fugitive dust emissions, training of employees on the proper handling of construction materials and dismantlement to reduce fugitive emissions.

Dedicated feedback channel on health & safety issues of products

Information

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

Guidance

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

Results

Total gross Scope 2 reporting value confirmed in supporting documentation

Information

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

Guidance

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

Total gross Scope 1 reporting value confirmed in supporting documentation

Information

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

Guidance

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

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

Information

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

Guidance

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

Reporting on total gross Scope 1 GHG emissions

Information

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

Guidance

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

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

Reporting on total weight of waste recovered

Reporting on total water consumption

Reporting on total weight of non-hazardous waste

Reporting on total weight of hazardous waste

Improvement Areas

Policies

Medium

Inconclusive documentation for policies on energy consumption & GHGs

Medium

Inconclusive documentation for policies on water

Medium

Inconclusive documentation for policies on materials, chemicals & waste

Medium

Inconclusive documentation for policies on product end-of-life

Medium

Inconclusive documentation for policies on customer health & safety

Low

No quantitative target on environmental issues

Information

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

Guidance

Quantitative objectives or targets on environmental issues are considered as fundamental elements of comprehensive policy mechanism. They provide a monitoring framework that helps establish whether policy objectives are being met, and highlight the progress towards set goals. Some examples of specific targets on this topic include quantitative objectives on energy consumption reduction, percentage targets to reduce waste, or targets for a number of products to be eco-labelled. As policy elements, targets can be expressed in absolute or relative terms and must have a valid future deadline (i.e. by 2020 we commit to reduce our energy consumption by 20% from 2015 levels).

Low

Inconclusive documentation for policies on air pollution

Low

No conclusive information on endorsement of external initiatives or principles on environmental issues

Actions

Medium

No information on ISO 14001/EMAS certification

Information

No company declaration and no evidence within the supporting documentation on ISO 14001 or EMAS certifications achieved for at least one of its operational sites.

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. The Eco-Management and Audit Scheme (EMAS) an EU voluntary instrument which acknowledges organizations that evaluate, report, and improve their environmental performance on a continuous basis. Organizations located outside the EU Community can also participate (EMAS Global). Some examples of evidence used to demonstrate the coverage of ISO 14001 or EMAS certifications include (but are not limited to): - Individual certificates for each certified site; - A certificate annex clearly stating each individual site covered by the certificate - A sample certificate for one site, along with formalized reporting in a third-party verified report (i.e. Sustainability Report, Annual Report), which includes the percentage of sites covered by the ISO 14001 or EMAS certification, etc.

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 No information on reporting on total energy consumption

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

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 No information on reporting on total amount of water recycled and reused

Information

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

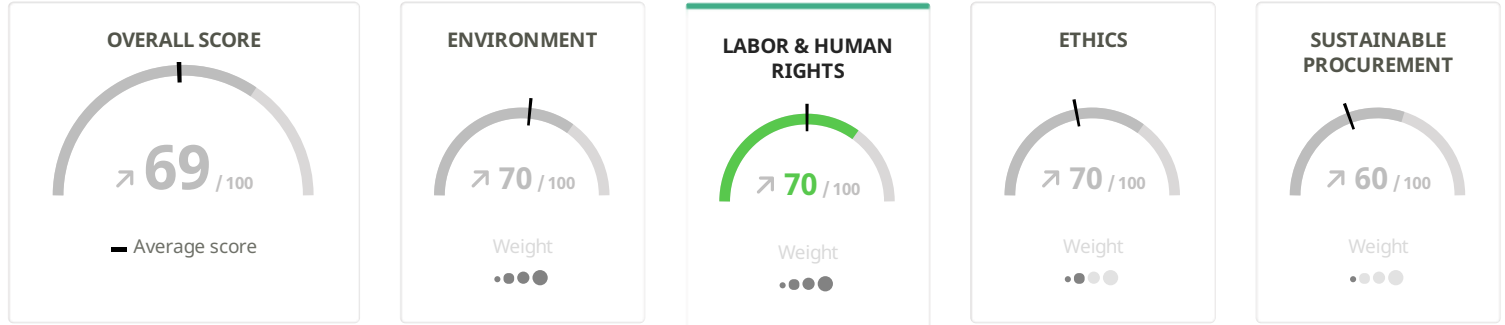
Guidance

There is no reporting documentation available about total amount of water recycled and reused. 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).

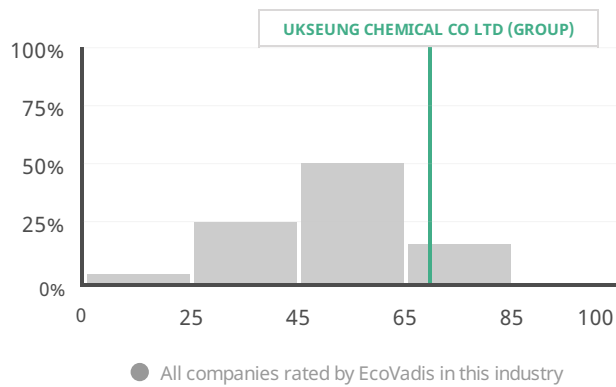
7. LABOR & HUMAN RIGHTS

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

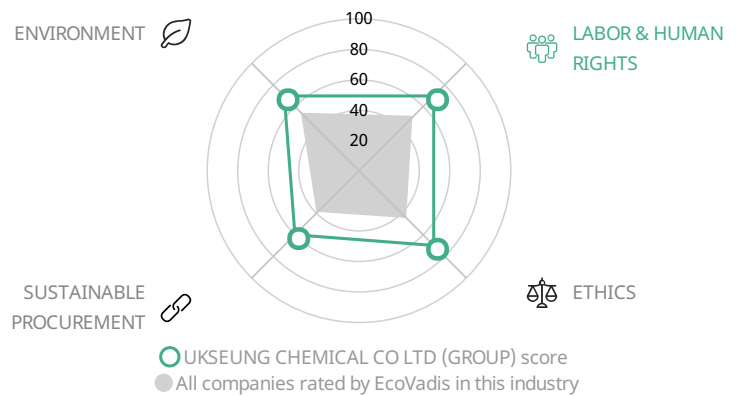
Labor & Human Rights Score Breakdown



Theme score distribution



Theme score comparison



Labor & Human Rights: Activated Criteria

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

Labor & Human Rights: Strengths & Improvement Areas

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



Strengths

Policies

Quantitative objectives set on working conditions

Quantitative objectives set on employee health & safety

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 occurrence of child labor, forced labor & human trafficking.

Labor & human rights policy on career management & training

Labor & human rights policy on employee health & safety

Comprehensive policy on a majority of labor or human rights issues

Information

The company has issued a formal comprehensive policy that integrates commitments, qualitative and quantitative objectives on labor or human rights issues in the company's operations.

Guidance

Policies are deemed exceptional when all labor/human rights 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

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.

Actions to address stress and psychological wellbeing in the workplace

Information

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

Guidance

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

Employee health and safety emergency action plan

Information

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

Guidance

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

Other actions on employee health & safety

Information

Actions other than those specified in the other options to ensure employee's health and safety at work.

Guidance

Actions other than those specified in the other options to ensure employees' health and safety at work for example addressing physiological and psychological issues arising from dangerous equipment, work practices and hazardous substances amongst others. Examples of documents to attach: standard operating procedures, work instructions, Annual Report, Sustainability Report, etc.

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

Actions to prevent workplace harassment

Information

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

Guidance

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

Compensation for extra or atypical working hours

Information

The company provides additional remuneration to compensate for overtime work.

Guidance

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

Collective bargaining agreement on working conditions

Information

There is a collective bargaining agreement between an employer, its employees, and in accordance with national regulations regarding working conditions. A collective bargaining agreement is an agreement in writing regarding working conditions and terms of employment concluded between an employer, on the one hand, and one or more representative workers' organizations, in accordance with national laws and regulations, on the other.

Guidance

There is a collective bargaining agreement between an employer, its employees, and in accordance with national regulations regarding discrimination and/or harassment. A collective bargaining agreement is an agreement in writing regarding working conditions and terms of employment concluded between an employer, on the one hand, and one or more representative workers' organizations, in accordance with national laws and regulations, on the other.

Awareness training regarding diversity, discrimination, and/or harassment

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

Information

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

Guidance

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

Regular assessment of individual performance

Information

The company demonstrates evidence of regular assessments of individual performance.

Guidance

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

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.

Preventive actions for repetitive strain injury (RSI)

Information

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

Guidance

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

Provision of skills development training

Information

The company provides training to its employees to develop their skills.

Guidance

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

Results

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

Information

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

Guidance

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

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

Reporting on number of average training hours per employee

Information

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

Guidance

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

Improvement Areas

Policies

Medium

Inconclusive documentation for policies on working conditions

Medium

Inconclusive documentation for policies on social dialogue

Low

Declares that no commitment or review has been conducted regarding payment of living wage

Information

The company has declared that they have no commitment or review regarding payment of living wage.

Guidance

There is no company declaration about a commitment or review being conducted about payment of living wage.

Low

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

Actions

Medium

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

Information

The company declares it has implemented actions on child and/or forced labor issues. However, no information was found on this topic in the supporting documentation.

Guidance

Some examples of actions on this topic include whistle-blowing procedures to report incidents of child and/or forced labor, company specific awareness & training programs, formal engagement or collaboration with global initiatives, NGOs or local trade unions to prevent child labor, etc.

Low

No information on ISO 45001 certification

Low

Further develop your grievance mechanism on discrimination and harassment issues

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

Information

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

Guidance

There is no reporting documentation available about number of days lost to work-related injuries, fatalities and ill health. 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.

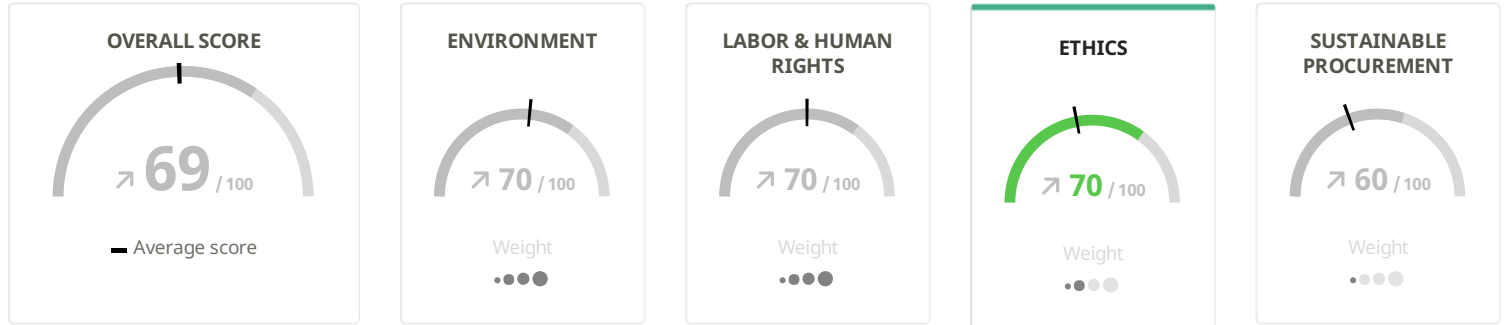
Guidance

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.

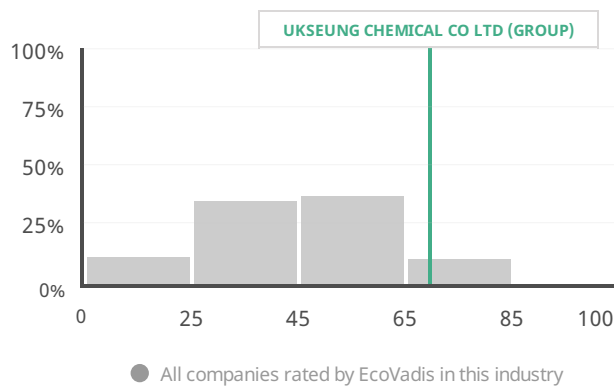
8. ETHICS

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

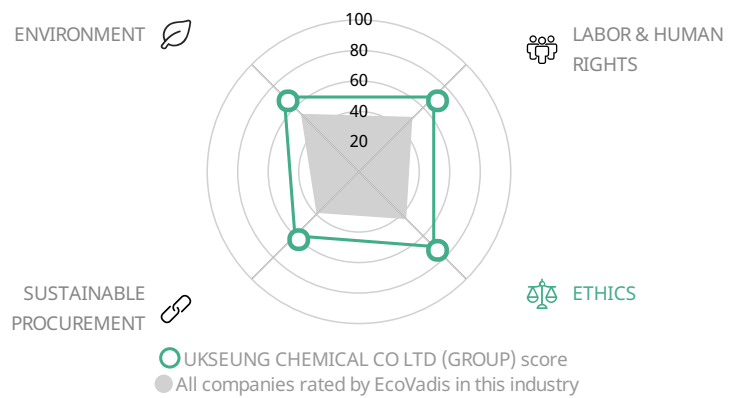
Ethics Score Breakdown



Theme score distribution



Theme score comparison



Ethics: Activated Criteria

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

Ethics: Strengths & Improvement Areas

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

Strengths

Policies

Standard policy on a majority of ethics issues

Policy on fraud

Policy on conflict of interest

Disciplinary sanctions to deal with policy violations

Information

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

Guidance

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

Employee signature acknowledgement of ethics policies

Information

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

Guidance

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

Policy on information security

Information

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

Guidance

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

Quantitative objectives set on some relevant issues

Information

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

Guidance

Quantitative objectives or targets on fair business practices 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 the percentages of employees to receive training on anti-corruption practices or anti-competitive practices. As policy elements, targets can be expressed in absolute or relative terms and must have a valid future deadline.

Policies on corruption

Information

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

Guidance

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

Dedicated responsibility for ethics issues

Actions

Implementation of a records retention schedule

Information security risk assessments performed

Information

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

Guidance

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

Awareness training to prevent information security breaches

Information

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

Guidance

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

Measures to protect third party data from unauthorized access or disclosure

Information

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

Guidance

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

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

Information

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

Guidance

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

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

Standard reporting on ethics issues

Information

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

Guidance

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

Improvement Areas

Policies

Medium

Inconclusive documentation for policies on information security

Information

The company has either no supporting documentation on commitments on the information security issues that are relevant for a company in this sector, or has provided supporting evidence that was not approved due to quality/acceptance requirements. e.g. company name, recent date (8 years).

Guidance

It is imperative for companies who manage sensitive information to set commitments on the protection and responsible management of third-party data. The security of third party data encompasses the protection of customer personal identification information (PII) and the protection of third party intellectual property rights. A standard policy on information security is formalized as qualitative objectives/commitments in a formal policy document, and includes organizational elements (e.g. review process, dedicated responsibilities, scope of application).

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.

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 on audits of control procedures to prevent corruption

Information

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

Guidance

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

Low

No conclusive documentation regarding an anti-corruption due diligence program on third parties

Information

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

Guidance

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

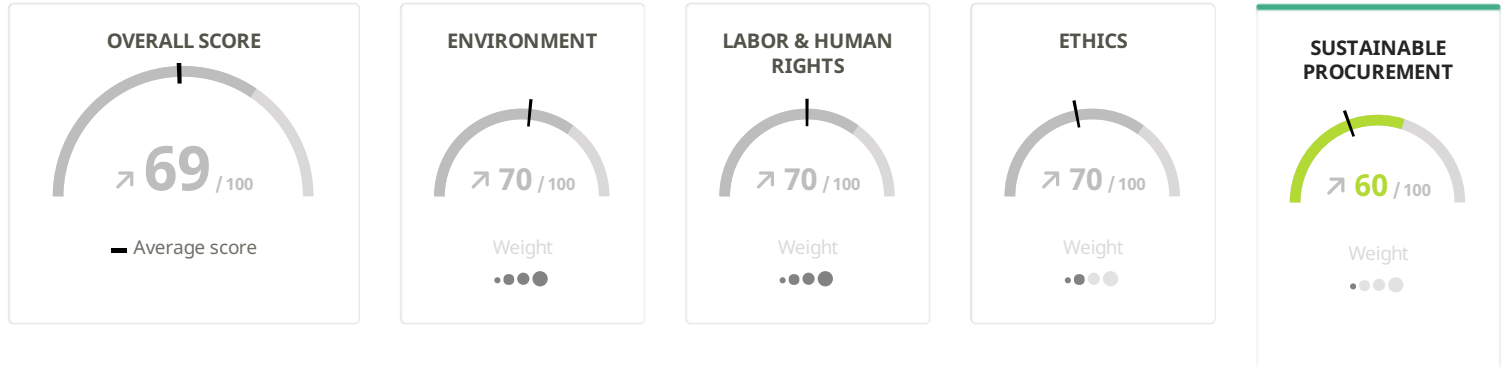
Low

No conclusive documentation on measures regarding an effective whistleblower procedure to report corruption and bribery

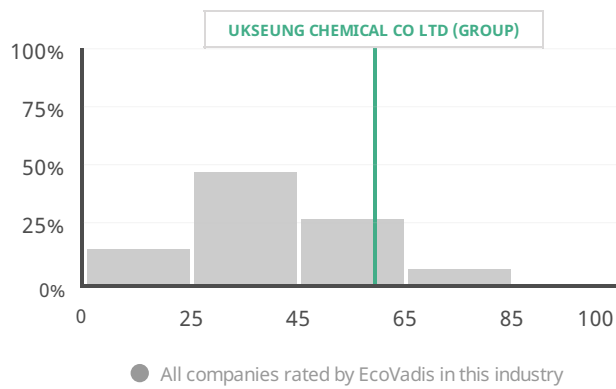
9. SUSTAINABLE PROCUREMENT

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

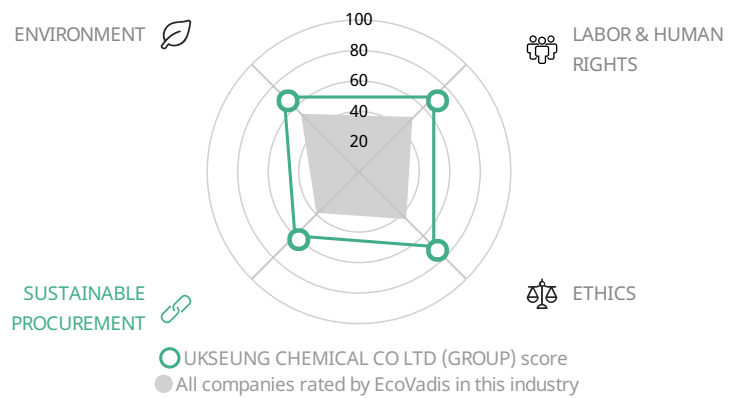
Sustainable Procurement Score Breakdown



Theme score distribution



Theme score comparison



Sustainable Procurement: Activated Criteria

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

Sustainable Procurement: Strengths & Improvement Areas

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



Strengths

Policies

Comprehensive sustainable procurement policies on both social and environmental factors

Information

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

Guidance

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

Actions

Supplier sustainability code of conduct in place

Information

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

Guidance

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

Results

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

Improvement Areas

Actions

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

Information

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

Guidance

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

Medium

No formal assessment of suppliers' progress with regards to REACH requirements

Information

The company has not performed an assessment of its supply chain with respect to the requirements defined by the REACH Regulation.

Guidance

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

Medium

No conclusive documentation on sustainability risk analysis (i.e. prior to supplier assessments or audits)

Information

The company lacks evidence of formalized documents that demonstrate execution of a sustainability risk analysis prior to supplier assessments or audits.

Guidance

There is no conclusive evidence of a process to identify which suppliers, products or purchasing categories expose the company to sustainability risks. This risk analysis should demonstrate evidence of consideration whether further action should be taken on a particular supplier, product or purchasing category in case their sustainability practices are not up to the required standards.

Medium

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

Information

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

Guidance

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

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.

Results**High**

Insufficient reporting on sustainable procurement issues

10. 360° WATCH FINDINGS

<p>1 Aug 2024 https://www.newsbook.com/...</p> <p>Impact on Score Neutral → valid from 1 Aug 2024 to 1 Sep 2029</p> <p>Impacted themes </p> <p>Busan Hoedong-dong Wooksung Chemical Fire. Response Level 1 issued [KR]</p> <p>A fire broke out at a chemical plant in Busan. At around 6:40 am on the 1st, a fire broke out at Wooksung Chemical in Hoedong-dong, Geumjeong-gu, Busan. Geumjeong-gu sent a disaster text message to residents nearby, saying that a lot of smoke was being produced and asking them to pay special attention to safety. They also added that if it comes into contact with skin, they should wash it with water and that there are no designated evacuation areas.</p>	<p>11 Jan 2024 https://www.discoverynews....</p> <p>Impact on Score Neutral → valid from 1 Jan 2024 to 1 Feb 2029</p> <p>Impacted themes </p> <p>'Maximum' level of hazardous substances around Wooksung Chemical Co., Ltd. in Geumsa Industrial Complex, Busan [KR]</p> <p>As a result of Busan Metropolitan City measuring the air pollution status of six industrial complexes in the city throughout 2023, various pollutants were measured in each industrial complex. As a result of measuring the area around Parkland, Yuseon Precision, Dongil Construction, Wooksung Chemical, and Alcos C in the first and second half of the year, formaldehyde soared to a whopping 261.10ppb around the Wooksung Chemical factory in the first half of the year, which is more than six times the average of 42.45ppb in the Geumsa Industrial Complex in 2022. The area around Wook Sung Chemical had higher hexane levels than other areas, and in particular, chloroform + methylen chloride + 1.1.2.2 - tetrachloroethane showed a high concentration level of 19.23 ppb.</p>	<p>26 Jun 2023 https://www.sobangnews.kr/...</p> <p>Impact on Score Neutral → valid from 1 Jun 2023 to 1 Jul 2028</p> <p>Impacted themes </p> <p>Geumjeong Fire Station Conducts Joint Firefighting Training at 'Wookseong Chemical Plant [KR]</p> <p>Busan Geumjeong Fire Department announced on the 21st that it conducted a joint public-private fire drill in preparation for a fire at the Wooksung Chemical plant located in Geumjeong-gu, Busan, one of the key management targets with a high fire risk. After completing the training, the members discussed the training results, identified areas of weakness in each area, and shared opinions on areas for improvement and ways to improve. The Geumjeong Fire Department Chief said, "In the event of a disaster, the initial response of the person concerned (the first discoverer) is of the utmost importance," and added, "We will continue to conduct systematic training in preparation for actual situations and do our best to prevent casualties."</p>
<p>29 Aug 2024 </p> <p>Impact on Score Neutral → valid from 29 Oct 2024 to 29 Aug 2029</p> <p>No records found for this company on Compliance Database</p> <p> Environment  Labor & Human Rights  Ethics  Sustainable Procurement</p>		

360° Watch Findings comprise relevant public information about companies' sustainability practices that have been identified via more than 10,000 data sources (including NGOs, press and trade unions). 360° Watch Findings are incorporated into the EcoVadis assessment and can have positive, negative or no score impact.





EcoVadis is connected to the following international sources:

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

11. SPECIFIC COMMENTS

Additional comments from our analysts pertaining to the assessment.

Specific comments

-  No records found in third party risk and compliance database.
-  Since the last assessment, the overall score has increased thanks to the implementation of additional policies.
-  Since the last assessment, the overall score has increased thanks to the implementation of additional measures.
-  Although the company has formalized policies regarding sustainable procurement issues, there is a lack of information on associated 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
High	Water
Non-activated	Biodiversity
Medium	Air Pollution
High	Materials, Chemicals & Waste
Medium	Product Use
Medium	Product End-of-Life
High	Customer Health & Safety
Non-activated	Environmental Services & Advocacy

Labor & Human Rights

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

Ethics

Medium	Corruption
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Non-activated

Anticompetitive Practices

Medium

Responsible Information Management

Sustainable Procurement



High

Supplier Environmental Practices

Medium

Supplier Social Practices

KEY SUSTAINABILITY ISSUES

Find qualitative explanations of the key sustainability issues and risk associated with Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in



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

In the United States, the chemical industry accounts for 6 percent of the country's total energy usage (1). As key ingredients of the chemical industry tend to be derivatives of hydrocarbons (oil and natural gas), the potential for large quantities of greenhouse gas (GHG) emissions is high. GHG emissions are elevated in the industry due to the use of fossil fuels, flue gas release, and gas flaring practices (2,3). Energy use in the industry is also high, because of the high fossil fuel input requirements to power production - a consequence of the large amounts of energy required in chemical processing (2,3). In the area of fertilizer production, the manufacturing process of ammonia accounts for 87% of the total energy consumption of the industry (3). The production of steam is an important practice in the chemical industry and roughly 52% of energy use is devoted to this purpose; in fact, steam production accounts for 10% of the total industrial manufacturing energy consumed annually in the United States (4). There are many ways to increase energy efficiency the sector. An effective starting point is to monitor energy usage, by energy type, and to calculate GHG emissions on an ongoing basis. This enables targets to be set and guides subsequent action. Actual measures can include moving towards an advanced control and optimization (closed loop production) process, reducing gas flaring, and installing more efficient equipment and technology when possible (2). Finally, companies in this sector should consider publicly reporting their energy use and greenhouse gas emission KPIs. This level of transparency in regards to environment data is becoming the norm across manufacturing industries. Annual reporting builds trust with stakeholders and gives the company a sense of accomplishment and direction on climate change and energy efficiency.

High

Water

Definition

Water consumption during operations. Pollutants rejected into water.

Industry issues

The amount of water used in the production of chemicals varies greatly across the industry, depending on the products being manufactured. Overall it is a very water intensive sector. The most common use for water throughout the industry is for the cooling of substances following chemical reactions (4). In the United States, the chemical industry that requires the largest amount of water is the production of industrial organic compounds - requiring 4,150 Mgal/day. Plastics and synthetics manufacturing requires roughly 1,170 Mgal/day (4,5). The processing of raw materials for chemical manufacturing can also lead to emissions of hazardous chemicals into wastewater. Liquid effluents resulting from cleaning, cooling, or other activities can have serious consequences for the surrounding water system and lead to negative repercussions for the responsible company. To reduce water consumption, innovative water purification technologies can be implemented to facilitate reuse, or to ensure the cleanliness of wastewater emissions. Specific technologies include ion exchange technologies, reverse osmosis and nano-filtration technologies, and separation membranes - which are cross-linked polymer networks that are capable of selecting salt ions, organics or other contaminants to be rejected (6). On-site wastewater treatment plants are an advanced and very effective way to ensure complete control over emissions and enable the recycling of water.

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

In the United States, the production of industrial chemicals emits 517 kg of suspended particulates (TP) per US\$ 1 million of production output and 369 kg of toxic chemicals are released to the air per US\$ 1 million of production output (6). The release of odors during the production of chemical compounds is also a critical issue for the industry. Inorganic compounds like ammonia, for example, emit offensive fumes to the local environment, causing annoyance and even health problems in surrounding communities (8). Noise creation also requires attention, particularly during processes like the granulation, blending, and bagging of fertilizer (10). In addition to the more common emissions mentioned above, the chemical industry must also deal with the risk of serious incidents of accidental pollution to air, water, or land (5). The danger of minor to severe spills, like the Seveso, Italy chemical accident in 1976 that gave rise to the European Seveso Directive regarding safe storage of chemicals and improved safety management, is an ever present threat in the industry (7). The threat of spills is heightened during the transportation of chemicals and raw material inputs. Innovative equipment can be used to reduce the emission of particulate matter. Scrubber technologies are constantly improving and can be utilized to reduce the amount of total suspended particulates, as well as odors, released. Assessments can be undertaken to ensure that the surrounding areas are not exposed to unacceptable levels of noise. Corrective actions, like equipment muffling technology, should be implemented if the noise is found to be too great. To deal with the risk of accidental spills and pollution, companies should draw up detailed emergency plans and train employees on the procedures.

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

Sulfur and Nitrogen Oxides, Volatile Organic Compounds (VOCs), Carbon Monoxide, and other harmful compounds are frequently emitted into the air during chemical production (5,11). This is largely due to the use and combustion of hydrocarbons in the industry, but also results from various other chemical reactions. The emission VOCs and other compounds can be reduced and controlled with scrubbers and other flue gas technologies. While this equipment can be expensive, keeping up to date with the latest emissions reducing technology has numerous benefits for companies operating in this space. Waste is another significant issue in the chemical industry due to the use of material inputs that often result in hazardous byproducts during the manufacturing processes. Manufacturing waste is often produced in the form of filtration sludges, effluent treatment sludges, spent acids and process residues (11). Chlorinated wastes (e.g. PVC) are of particular concern as they can lead to the generation of a highly toxic, bioaccumulative compound known as Dioxin. These types of wastes can be incinerated at very high temperatures to reduce the chance of Dioxin generation (12). Dioxins are known to provoke the onset of various types of cancer as well as reproductive and developmental problems, all of which can have an affect on both human and environmental health (12). Many byproducts of chemical manufacturing can be very harmful to people and the environment if they are not properly disposed of. Proper waste management procedures should be put in place according to best practices. Third parties can be contracted to dispose with particularly difficult or hazardous wastes. When it comes to the handling of hazardous waste, the chemical manufacturing industry needs to be particularly prepared. Both the material inputs and the chemicals produced are frequently hazardous. Strict procedures need to be implemented to ensure proper handling, storing, and labeling of dangerous materials. For example, the United Nations' Globally Harmonized System of Classification and Labelling of Chemicals (GHS) (aligned with OSHA) can be used to ensure that the hazardous properties of chemicals are clear (13). To ensure that their environmental management systems are strong and incorporate best practices, chemical manufacturers can align their environmental management systems with Responsible Care. Organizations can endorse the Responsible Care charter to declare their commitment to sustainability. They can also become certified against the Responsible Care Management System (RCMS) to verified their approach.

Medium

Product Use

Definition

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

Medium

Product End-of-Life

Definition

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

High

Customer Health & Safety

Definition

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

Industry issues

Customer health and safety is an issue of central importance in the chemicals industry due to the often hazardous nature of the products produced. Many products are immediately dangerous to customers. The World Health Organization (WHO) estimates that unintentional poisonings cause around 193,000 deaths per year globally (14). Others chemicals, or products containing certain chemicals, are more subtly harmful over time. The WHO also estimated that in 2012, 1.3 million lives and 43 million disability-adjusted life-years were lost due to exposures to selected chemicals (14). Even when the health impacts are seemingly minute, they can be serious if exposure is prolonged. For example, certain plastics exhibit a phenomenon known as outgassing, where they release hazardous volatile organic compounds over a period of years, negatively affecting air quality and the health of people exposed (15). There are a number of actions that companies can take to substantially mitigate the risks to customer health and safety. Conducting research on the potential health impacts of products is a necessary starting point. Once hazards are identified, actions need to be implemented in response. For example, phasing out particularly harmful ingredients with less dangerous substitutes. Beyond this, the provision of information to customers is key in the abatement of risk. Providing access to an online database of Material Safety Data Sheets (MSDS) is a thorough and efficient way to ensure that customers know the hazards and how to handle the chemicals or products safely.



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

There are a wide range of occupational safety hazards in the chemical sector—notably biological impacts caused by toxic chemicals and physical injuries occurring during the production process. Health and safety incidents, most notably chemical explosions, have been heavily publicized around the world due to the number of injuries that occur when systems failures occur. Impacts to individual employees—notably noise and vibration exposures caused by heavy production equipment—are also common in any manufacturing setting. The potential severity of chemical production failures have a high potential of also injuring citizens in surrounding communities, as has been the case in some of the largest disasters—including the explosion that occurred in Tianjin China in 2015 that killed at least 173 people. Chemical manufacturers, just as companies in any sector, have an obligation to protect their workers from occupational impacts. Companies that fail to do so expose their business operations to lawsuits from injured employees, and reduced productivity resulting from lost-time injuries. A robust and effective occupational health and safety management system is necessary to prevent exposure to toxic chemicals and to prevent physical injuries in the production of chemicals. Companies must perform occupational health and safety risk assessments that include not only production process impacts, but also toxic chemical exposures as well. Biological impact monitoring of employees should be periodically administered as well as employee training programs designed not only around safe machine use, but also around identifying biological impacts (16). Chemical manufacturers, as with all manufacturing companies, establish internal controls to prevent substance abuse in order to minimize human error. Lastly, an effective emergency response procedure that includes emergency eye wash/showers, fire suppression equipment should be accessible to all plant employees. Companies should refer to OHSAS health and safety guidelines (17) to better understand general occupational health and safety systems management and Responsible Care’s occupational management resources.

Medium

Working Conditions

Definition

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

Industry issues

Human capital investment is increasingly important for companies seeking to develop a sustainable workforce while reducing hiring costs associated with high employee turnover. Employees should be adequately compensated through wages and other social benefits that reflect regional variations in living costs and state provided social protections. According to the 2017 International Trade Union Confederation Global Poll, nearly half of global respondents claim that their household incomes fail to accommodate cost of living (18). 84% of respondents believe that national minimum wages are insufficient to enable workers to lead a decent life (18). In the absence of public provision of social protections, including healthcare, family vacation and rest periods, workers are likely to change employers in order to obtain livable wages and adequate social protections. Companies that voluntarily develop human capital management systems position themselves to attract and retain the best talent, while preventing operational disruptions caused by worker strikes. In determining adequate wages companies operating in less developed countries where minimum wage laws are deemed inadequate, companies should default to wage standards established by ILO conventions. In addition to benchmarking with international standards, companies should also engage their workers through labor unions or employee representatives to determine workers' needs. In countries where unions and worker appointed representatives are illegal, it is key to leverage employee satisfaction surveys and other forms of worker voice tools to determine worker needs. When operating in countries where state provided social protections are minimal or absent, companies should provide employees with employer paid healthcare benefits and retirement pensions.

Medium

Social Dialogue

Definition

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

Industry issues

Social dialogue, as defined by the International Labour Organization, includes all types of negotiation, consultation or exchange of information between, or among, government representatives, employers and workers (19). Companies that promote social dialogue through unions and other forms of worker-selected representatives are in a better position to obtain better visibility of potential health and safety issues and worker grievances around wages, working conditions, career development. A vast majority of the International Trade Union Confederation’s 2017 respondents disapprove of their working conditions, including wages, benefits and job security. As a result of the concerns by global workers, 91% of respondents are in support of laws that give workers the right to collective bargaining, while 85% want the right to unionize (18). When worker issues are not identified and remedied, companies and their supply chain partners risk business interruptions caused by worker strikes. While there is no “one size fits all” model of social dialogue that can be readily exported from one country to another due to cultural and political factors, adapting social dialogue to the national situation is key to ensuring local ownership of the worker engagement process. When companies engage in worker dialogue, they are in a better position to manage talent retention issues that potentially hinder long-term business sustainability. Given the importance of social dialogue in helping establish policies and procedures that promote both employer and employee interests, companies should work to promote collective bargaining, regardless of national laws that prohibit such activity. Collaboration with work councils, labor unions or worker representatives can be leveraged to address working conditions, remuneration, skills development and occupational health and safety needs. In countries where union membership is not permitted, or are insignificant due to low member rates, companies should establish alternative modes of social dialogue that promote worker interests.

Medium

Career Management & Training

Definition

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

Industry issues

Occupational skills development programs benefits both companies and employees; therefore, career management efforts should be focused around robust training programs. In terms of risk management, companies benefit from a skilled workforce because it enables them to compete in the 21st century market. There is an urgent need for training in the skills required across a broad range of jobs so that both companies and employees can continue in an economy that is expect business and labor to compete in the "greening economy" that requires highly technical skills. Companies that rely on higher-skilled manufacturing positions, including the chemical manufacturing sector will likely continue to experience skills-gaps necessary to fill these positions. According the HBR, the United States labor market is experiencing labor market gaps in the skills necessary to fill higher-skilled manufacturing positions-which chemical manufacturers depend heavily on (20) . In the absence of key governmental reforms, corporate internal occupational skills development programs will be vital to develop this segment of the labor market. The absence of occupational skills development programs also exposes companies to higher employee turnover rates. Workers know that they will need to compete for these skills intensive positions, making occupational training programs a high priority to reduce the costs associated with higher turnover. 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

Modern slavery—characterized by low wages, wage theft, violent and coercive working conditions, debt bondage, identification documentation retention, forced trafficking and exposure to unsafe working conditions is a global phenomenon. An estimated 40 million people worldwide are the victims of some form of forced labor—16 million in the private sector alone (21). The latest global estimates indicate that 160 million children were in child labor globally at the beginning of 2020, accounting for almost 1 in 10 of all children worldwide. 79 million children, nearly half of all those in child labor, were in hazardous work that directly endangers their health, safety and moral development (22). Human Rights Watch documented that several children reported immediate sickness after handling or working in close contact with chemical agents which can lead to long-term and chronic health effects (23). Examples of process chemicals include cleaning agents, solvents, lubricants, refrigerants, hydraulic fluids, pesticides, adhesives, inks and coatings. In some countries globally, including Argentina, Bangladesh, China, and others, manufacturing of basic chemical products such as soap or detergent is considered a disallowed job for child laborers as it endangers their health and poses long term risks due to harmful exposures to chemicals. The sector's now increasing new production lines result in more workers being hired and hence increasing forced labor, with adults reporting excessive working hours and deceitful recruitment promises. The reasons for labor exploitation include companies seeking cheap labor—often through the hiring of indigenous groups, children and migrant workers to perform hazardous work, and the dependency on temporary labor—often filled through labor agents that engage in practices that facilitate debt bondage. The manufacturing sector as a whole has significant exposure to slavery risks because of its dependency on migrant and other vulnerable labor groups to fill cheap, low-skilled positions. Combined with the construction sector, the manufacturing sector has an estimated 18% of the global migrant class (24). Documented reports of migrant workers subjected to recruitment fees and passport confiscation have been abundant around the world. In accordance with the Guiding Principles on Business and Human Rights, manufacturers must respect human rights throughout their operational scope. Companies should develop policies, due diligence procedures and remedy human rights violations. In accordance with the Dhaka Principles, companies should prohibit recruitment fees or deposits from workers and should allow workers to move or relocate freely. Companies must implement effective slavery and child labor awareness training, perform impact assessments and monitoring procedures such as site audits. Given the inherent exposure to hazardous chemicals, it is important that manufacturers adhere to ILO child labor conventions for working in hazardous job functions. Employers should provide transparent contracts to all workers regardless of their status, should not require employees to pay recruitment fees or withhold employee documentation during any duration of the labor contract. When cases of forced or child labor are discovered, it is important for companies to provide remedy to victims, e.g., housing, psychological support and educational opportunities for child workers.

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

Developing a diverse workforce is not only a socially responsible business practice, it is also good for business. Diverse workforces unlock business innovation and drives market growth due to the knowledge that workers from different gender, sexual orientation, race and ethnicity bring to their functions. More diverse companies are better able to win top talent and improve customer orientation, employee satisfaction, and decision making, each of which lead to increasing financial returns. A 2015 report by McKinsey found that companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians, and companies in the top quartile for gender diversity are 15 percent more likely to have financial returns above their respective national industry medians. In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8 percent (25). Many of the world's biggest and most successful companies have advanced diversity strategies that include 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 (26). Given the higher returns associated with diverse workforce, it is important that companies take steps to promote diversity in their operations. Companies must first create an environment that is welcoming of workers from all social backgrounds. Anti-discrimination and harassment policies should be framed to protect workers from all social backgrounds including, but not limited to, gender, race, ethnicity and national identity and increasingly important-sexual identity. While most countries have laws that prohibit discrimination, differences exist in the scope of groups protected and the level of enforcement—making it a strategic challenge for companies that operate in less progressive countries. When developing policies for operations in such locations, it is key for companies to be as inclusive as possible and to keep the business benefits in mind. In order to reinforce policies, diversity training should be provided to all employees, and anti-discrimination training should be required of all management levels—particularly human resources—with decision making authority. Human resources personnel should perform frequent internal salary audits to determine where wage gaps exist between different social groups within the organization. Additional pro-diversity measures that reinforce non-discriminatory efforts include employee cultural and gender associations that enable social groups to share experiences related to professional integration and networking. Lastly, an effective whistle-blowing procedure should be available to all employees to report concerns related to, or violations of, established anti-discrimination policy.



Ethics

Importance

Sustainability issue

Medium

Corruption

Definition

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

Industry issues

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

Medium

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 (28). 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 (29). 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

A high proportion of the materials used in the chemical industry have a very heavy environmental footprint. Many of the material inputs are derived from petroleum extraction; one of the most environmentally intrusive activities of any industry. The extraction of petroleum and other key chemical industry inputs require large amounts of energy and water, release considerable air, water, and waste emissions, and can be responsible for damage to the local environment. Materials such as potassium from potash, limestone, sulfur, molybdenum oxide, copper and ferrous sulfate are all derived from mining activities, an industry that is frequently linked to a number of negative environmental effects. Chemical manufacturers should be aware of these environmental threats in their supply chains when they purchase raw materials and commodities. While mining and other extraction activities are often inextricably linked to some degree of environmental damage, there are vast ranges of activities that determine the level of damage. It is important that suppliers of raw materials are in line with the requirements laid out by the REACH regulation and other similar chemicals laws. Engaging with suppliers to promote best practices can have a large impact on the results. An effective first step is to create a supplier code of conduct that lays out the company's expectations for suppliers' environmental behavior. This can be strengthened with supplier assessments and audits, as well as capacity building and the sharing of best practices.

Medium

Supplier Social Practices

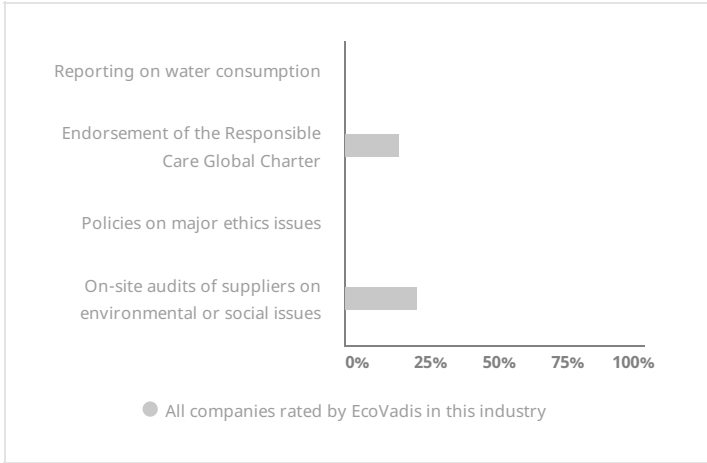
Definition

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

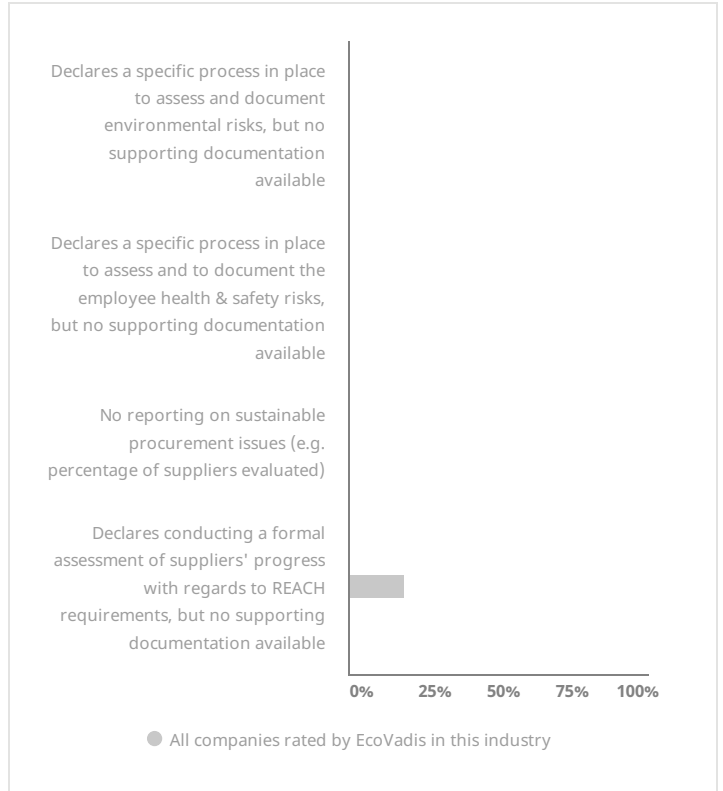
Industry issues

To prevent supply disruptions and potentially costly litigation, companies should work to embed their human rights and business ethics commitments throughout their supply chain operations in order to address operational impacts on stakeholders. Companies have an obligation to respect human rights of both internal and external stakeholder groups, and the public seems increasingly engaged holding companies accountable. Due to the dependency on global supply chains, manufacturers are exposed to compliance risks as the FCPA and UK Bribery Act hold companies liable to financial and criminal penalties for supplier bribery accusations, evidenced by the fact that 90 percent of FCPA financial and criminal settlements involved third parties (27). In accordance with the UN Guiding Principles on Business and Human Rights, human rights impact assessments 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. 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. Training in anti-corruption management systems, is a must in order to establish an ethical culture internally as well as throughout their supply chains. Lastly companies should, when necessary, establish grievance procedures in the absence of a supplier procedure.

Key industry Strengths



Key industry Improvement Areas



Sustainability KPIs Overview

KPI	All companies rated by EcoVadis in this industry
Audit or assessment of suppliers on CSR issues	34%
Carbon disclosure project (CDP) respondent	10%
Global Compact Signatory	12%
Grievance mechanism or whistleblowing procedure in place	29%
ISO 14001 certified (at least one operational site)	34%
ISO 45001 certification or equivalent (at least one operational site)	22%
Policy on sustainable procurement issues	34%
Reporting on energy consumption & GHGs	44%
Reporting on health & safety indicators	31%

Main Regulations and Initiatives

CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora)

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

CITES is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

 Environment

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

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

 Regulatory

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

 Environment

HPV (High Production Volume)

<http://www.icca-at-dubai.org/index.php?section=2&pageId=43>

In the ICCA HPV Program, co-producers of chemicals work together to share health, environmental and safety data, assess chemicals, and engage in a "peer review" of their assessments with government experts of OECD member countries and NGOs.

 Environment

Responsible Care®

<http://www.icca-chem.org/en/Home/Responsible-care/>

Responsible Care® is the chemical industry's global voluntary initiative under which companies, through their national associations, work together to continuously improve their health, safety and environmental performance, and to communicate with stakeholders about their products and processes.

 Environment

EU Directive RoHS II (Restriction of Hazardous Substances)

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

 Regulatory

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

 Environment

Convention on biological diversity

<http://www.cbd.int/>

 Regulatory

The convention on biological diversity is an international treaty to sustain the high diversity of life on earth

 Environment

GPS (Global Product Strategy)

<http://www.icca-at-dubai.org/index.php?section=2&pageId=42>

ICCA has developed a Global Product Strategy to improve product stewardship within the chemical industry and with customers throughout the product chain.

 Environment

LRI (Long-range Research Initiative)

<http://www.icca-at-dubai.org/index.php?section=2&pageId=44>

The Long-range Research Initiative (LRI) has become one of the industry's key signature initiatives, a long-term, voluntary research investment to improve the scientific basis for understanding the impacts of chemicals on public health and the environment.

 Environment

SusChem (European Technology Platform for Sustainable Chemistry)

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

SusChem brings together a wide spectrum of organizations and individuals looking to boost sustainable chemistry, industrial biotechnology and chemical engineering research, development and innovation in Europe.

 Environment

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

http://ec.europa.eu/enterprise/sectors/chemicals/reach/index_en.htm

 Regulatory

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

 Environment

EU Directive 2004/42/CE

http://ec.europa.eu/environment/air/pollutants/stationary/paints/paints_legis.htm

 Regulatory

DIRECTIVE 2004/42/CE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 21 April 2004 on the limitation of emissions of volatile organic compounds due to the use of organic solvents in certain paints and varnishes and vehicle refinishing products and amending Directive 1999/13/EC

 Environment

Chemical Accidents (Seveso II) - Legislation

<http://ec.europa.eu/environment/seveso/>

 Regulatory

The aim of the Seveso II Directive is two-fold. Firstly, the directive aims at the prevention of major-accident hazards involving dangerous substances. Secondly, as accidents do continue to occur, the directive aims at the limitation of the consequences of such accidents not only for man (safety and health aspects) but also for the environment

 Environment

Good Laboratory Practice (GLP)

<http://www.oecd.org/env/ehs/testing/oecdseriesonprinciplesofgoodlaboratorypracticeglpandcompliancemonitoring.htm>

The primary objective of the OECD Principles of Good Laboratory Practice (GLP) is to ensure the generation of high quality and reliable test data related to the safety of industrial chemical substances and preparations in the framework of harmonising testing procedures for the Mutual Acceptance of Data (MAD). GLP is a quality system concerned with the organisational process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, archived and reported.

 Environment

SQAS (Safety & Quality Assessment System)

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

SQAS (Safety & Quality Assessment System) is a system to evaluate the quality, safety, security and environmental performance of Logistics Service Providers and Chemical Distributors. An SQAS assessment does not lead to a certificate but offers a detailed factual report which each chemical company needs to evaluate according to its own requirements.

 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

CCAI (Chemical Coaters Association International)

<http://www.ccaiweb.com/>

The Chemical Coaters Association International is a technical and professional organization that provides information and training on surface coating technologies.

 Environment

Globally Harmonized System (GHS)

http://www.unece.org/trans/danger/publi/ghs/ghs_welcome_e.html

The GHS is a system created by the UN for standardizing and harmonizing the classification and labelling of chemicals. It is a logical and comprehensive approach to: Defining health, physical and environmental hazards of chemicals; Creating classification processes that use available data on chemicals for comparison with the defined hazard criteria; and Communicating hazard information, as well as protective measures, on labels and Safety Data Sheets (SDS).

 Environment

Toxic Substances Control Act (TSCA)

<http://www.epa.gov/agriculture/lasca.html>

 Regulatory

The Toxic Substances Control Act (TSCA) of 1976 provides Environmental Protection Agency (USA) with authority to require reporting, record-keeping and testing requirements, and restrictions relating to chemical substances and/or mixtures. Certain substances are generally excluded from TSCA, including, among others, food, drugs, cosmetics and pesticides.

 Environment

Standard ISO 14000 (International Standard Organisation)

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

The ISO 14000 family addresses various aspects of environmental management


 Environment

International Labor Organization's Fundamental Conventions

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

 Regulatory

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

 Labor & Human Rights

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)

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

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

 **All themes**

Carbon disclosure project

<https://www.cdp.net>

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

 **Environment**

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