

EcoVadis Sustainability Assessment Report

Company rated: SIKA AG (GROUP)

Overall score: 68 /100 June 2023

Sustainability performance: Advanced

Size: L Headquarters country: Switzerland Risk country operations: Yes Industry: Manufacture of other chemical products n.e.c.

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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 O Insufficient O Partial O Good Advanced O Outstanding Sustainability performance Average score **OVERALL SCORE** ENVIRONMENT LABOR & HUMAN ETHICS SUSTAINABLE RIGHTS PROCUREMENT 70 / 100 70 70 / 100 → 60 / 100 91st percentile

Overall score distribution

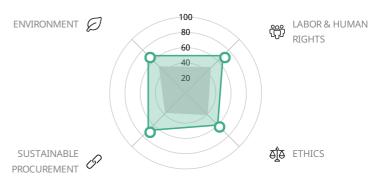


All companies rated by EcoVadis in this industry

SILVER 2023 CCOVOOIS Sustainability Rating

SIKA AG (GROUP) has been awarded a silver medal in recognition of sustainability achievement! To receive this medal, companies must have an overall score of 59-70.

Theme score comparison



OSIKA AG (GROUP) score OAll companies rated by EcoVadis in this industry

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. SIKA AG (GROUP) has a corrective action plan in place and is working on improving their sustainability management system.

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

2. ASSESSMENT BENEFITS

Understand :

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

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

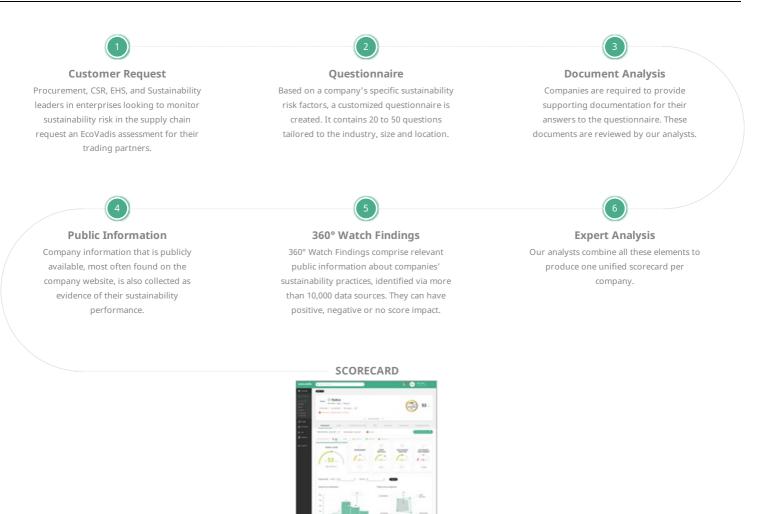
Identify industry trends. Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

Communicate :

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

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

3. ASSESSMENT PROCESS



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

3. ETHICS

Corruption Anticompetitive Practices Responsible Information Management





HUMAN RESOURCES Employee Health & Safety

2. LABOR & HUMAN RIGHTS

Working Conditions Social Dialogue Career Management & Training

HUMAN RIGHTS

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

4. SUSTAINABLE PROCUREMENT Supplier Environmental Practices Supplier Social Practices



B. Seven Management Indicators

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



Policies (weight: 25%)

1. Policies: Mission statements, policies, objectives, targets, governance

2. Endorsement: Endorsement of external sustainability initiatives

Actions (weight: 40%)

3. Measures: Measures and actions implemented (e.g. procedures, training, equipment)

- 4. Certifications: Certifications and labels (e.g. ISO 14001)
- 5. Coverage: Coverage of measures and actions

Results (weight: 35%)

- 6. Reporting: Reporting on Key Performance Indicators (KPIs)
- 7.360: Condemnations, Controversies, Awards

5. UNDERSTANDING A SCORECARD

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

A. Quantitative Information: Scores & Activated Criteria

Theme Scores:

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

Activated Criteria:

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

Non-activated

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

Medium

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



High 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

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.

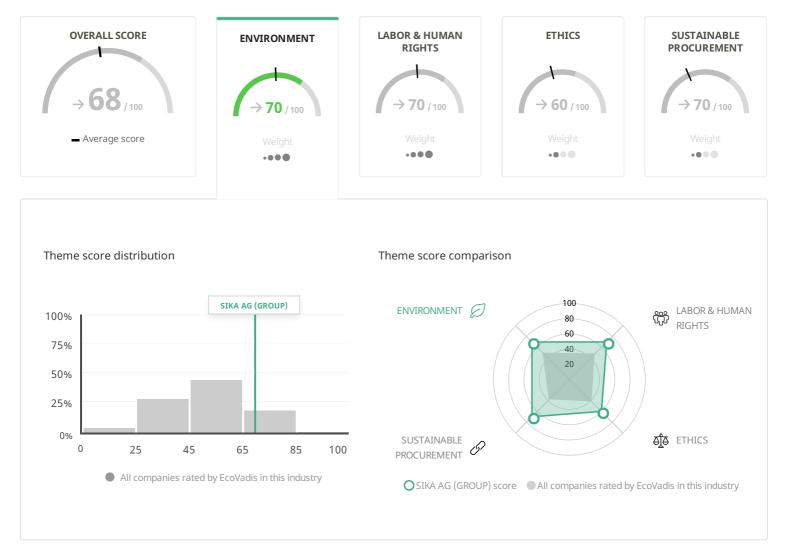
All improvement areas are automatically added to the company's Corrective Action Plan. They are pre-organized by priority. The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate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

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

6. ENVIRONMENT

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

Environment Score Breakdown



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.

Ø	Environment	Weight 🛛 🕢
Strength	15	
Policies Endorser	ment of the World Business Council for Sustainable Development (WBCSD)	
Environr	nental policy on air pollution	
Quantita	ative objectives set on materials, chemicals & waste	
Quantita	ative objectives set on water	
Quantita	ative objectives set on energy consumption & GHGs	
Environr	nental policy on customer health & safety	
Environr	nental policy on materials, chemicals & waste	
Environr	nental policy on water	
Environr	nental policy on energy consumption & GHGs	
C		

Comprehensive policy on a majority of environmental issues

Information

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

Guidance

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

Endorsement of the Responsible Care Global Charter

Information

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

Guidance

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

Endorsement of the United Nations Global Compact (UNGC)	
Information	Guidance
The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti- corruption. The company is a formal signatory of this initiative.	The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).
Actions Other actions to reduce energy consumption/GHG emissions	
Use of alternative, less hazardous substances in operations	
Use of recovered input materials	
Use of eco-friendly or bio-based input materials	
Reduction of hazardous substance generation or toxicity	
Environmental emergency measures in place	
Reduction of material consumption through process optimization	
Reduction of internal wastes through material reuse, recovery or repurpose	

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

Information

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

Guidance

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

Adoption of cooling systems with reduced or recycled water consumption

Wastewater quality assessment

On-site or off-site wastewater treatment facilities

Water-stress assessment or mapping performed to identify exposure to water-related risks

Water accounting or auditing performed

Fuel switch to achieve higher energy efficiency and/or lower carbon emission intensity

Training of employees on energy conservation/climate actions

Purchase and/or generation of renewable energy

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

Reduction of carbon emissions in transportation

Improvement of energy efficiency through technology or equipment upgrades

Provision of Safety Data Sheets (SDS)

Technologies or practices to recycle or reuse water

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

Registration of substances to the ECHA

Information

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

Guidance

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

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 ca 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.

Formalized process in place to assess and document environmental risks

Information

The company provides evidence in supporting documentation regarding the presence of a formalized process in place to assess and document environmental risks.

Guidance

An environmental risk assessment is a formal process put in place to evaluate the probability and consequences of an environmental hazard occurring as well as setting up risk control measures to minimise and/or eliminate the latter. Risk management 'frameworks' have been developed in many organisations, to act as roadmaps for decision-makers. Such frameworks identify four main components of a risk assessment: (1) formulating the problem; (2) carrying out an assessment of the risk; (3) identifying and appraising the management options available; and (4) addressing the risk with the chosen strategy. Employers, managers and supervisors should all ensure that workplace practices reflect the risk management strategy. Supervisory checks and audits should be carried out to determine how well the aims set down are being achieved and corrective actions should be taken when required.

Implementation of a rainwater harvesting system

Measures to reduce energy consumption

Information

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

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

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

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)

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

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.

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.

41-60% of operational sites ISO 14001 certified

Information

The assessed company has several operational sites. 41-60% of operational facilities are ISO 14001 certified.

Guidance

Publicly available information or supporting documents only show a 41-60% coverage of operational facilities certified with ISO 14001. Companies that have more than one operational site, office or subsidiary must demonstrate that environmental certificates (like ISO 14001) are deployed across a majority of sites in order to guarantee an effective company-wide sustainability management system.

Company-specific research on potential health impacts of products/services

Information

The company has provided supporting documentation demonstrating that it carries out research on the health and safety impacts of their product and services on customers.

Guidance

It is important to carry out research on the health and safety impacts on customers of the product or services that a company offers. Measures implemented to protect the health and safety of customers have direct impacts on an organization's reputation, legal and financial risk due to recall, etc. The Global Reporting Initiative (GRI) has identified customer health and safety as a critical criteria 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 measure helps to identify the existence and scope of systematic efforts 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

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.

Measures to reuse or recycle waste

Information

The company has implemented specific measures to reuse or recycle the waste produced.

Guidance

Examples of measures might include collecting and re-using the waste on site, sorting and ensuring the waste is collected by a specialist waste company.

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 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.

Company awareness program for customers on health & safety issues associated with products/services

Information

The company has a specific awareness program for customers on health and safety issues related to products and services.

Guidance

Some examples of areas it could cover include training on protective measures to be taken by the customers, provision of information on product composition, etc. The training could cover international and industry standards, explaining how call back procedures can be used to report customer risks, and how to apply certain management systems such as the Hazard Analysis and Critical Control Points (HACCP).

Results

Reporting on total gross Scope 3 downstream GHG emissions

Reporting in accordance with SASB

Reporting on total weight of waste recovered

 Reporting on total amount of renewable energy consumed

 Reporting on total water consumption

 Reporting on total weight of non-hazardous waste

 Reporting on total weight of hazardous waste

 Reporting on total gross Scope 3 GHG emissions

 Materiality analysis in sustainability reporting

 External assurance of sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

Reporting on scope 2 GHG emissions

Information

The company reports on GHG emissions from the consumption of purchased electricity, heat or steam (not from its own facilities), according to the Greenhouse Gas Protocol (also called 'indirect emissions').

Guidance

Scope 2 emissions exlude GHG emissions from sources that are owned or controlled by the reporting entity (Scope 1 emissions), as well as other indirect emissions, such as GHGs in the supply chain referred to as 'Scope 3' (the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity etc.). The Greenhouse Gas Protocol (GHG Protocol) is an international accounting tool for greenhouse gas emissions. It is the result of a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol Corporate Standard provides standards and guidance to companies and other organizations preparing a GHG emissions inventory. It covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol including CO2, methane, nitrous oxide, HFCs, PFCs and sulphur hexafluoride (SF6).

Reporting on scope 1 GHG emissions

Information

The company reports on GHG emissions, which include emissions from facilities, plants, property or assets that are owned or controlled by the company, according to the Greenhouse Gas Protocol (also called 'direct emissions').

Guidance

Scope 1 emissions exlude indirect GHG emissions from consumption of purchased electricity, heat or steam (Scope 2 emissions) as well as other indirect emissions, such as GHGs in the supply chain (the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity etc.). The Greenhouse Gas Protocol (GHG Protocol) is an international accounting tool for greenhouse gas emissions. It is the result of a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol Corporate Standard provides standards and guidance to companies and other organizations preparing a GHG emissions inventory. It covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol including CO2, methane, nitrous oxide, HFCs, PFCs and sulphur hexafluoride (SF6).

Company reports to CDP

Information

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

Guidance

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

Reporting on total energy consumption

Information

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

Guidance

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

Comprehensive reporting on environmental issues

Information

There is evidence of reporting implemented regarding environmental issues within the company supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions. The reporting covers the main issues and is regularly updated.

Guidance

The reporting covers the entity under evaluation (e.g. KPIs might be aggregate at group level). KPIs may include: direct energy consumption by primary energy source, total direct greenhouse gas emissions, total volume of water recycled and reused (Source: Global Reporting Initiative). Additionally, KPIs are reported in a formal public document available to stakeholders, and are in compliance with the Global Reporting Initiative guidelines or other external sustainability reporting standards.

Improvement Areas

Results

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The 360° Watch has identified at least one significant controversy, fine or penalty regarding environmental issues in the last five years (see news with red downward arrow in the 360° Watch section).

Information

Major allegations, condemnations, fines or controversies have been reported in the last 5 years by stakeholder representatives (e.g. NGOs, trade unions, press, international organizations) directly exposing the company regarding its environmental practices.

Guidance

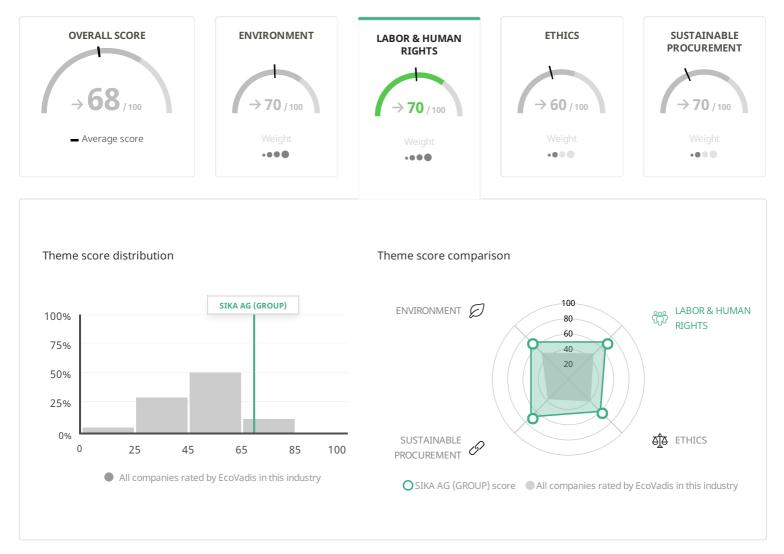
The EcoVadis "360° Watch" has searched over 800+ stakeholder sources (e.g. NGOs, trade unions, governments, press), looking for external views on the company's sustainability approach and impacts. A major allegation, condemnation, fine or controversy on environmental issues involving the company under evaluation has been reported in the last 5 years. There are no corrective actions a company can implement through our Corrective Action Plan on this particular Improvement Area. The best course of action is to aim at improving the sustainability management system of the company under evaluation, including the policies, actions and reporting, so as to minimize the risk that a similar incident happens in the future. The major allegation, condemnation, fine or controversy on environmental issues found in the 360 Watch will remain on the scorecard until the facts are considered expired (i.e. after a period of 5 years).

Medium	The 360° Watch has identified at least one significant adverse report regarding water management.
Medium	The 360° Watch has identified at least one significant adverse report regarding materials, chemicals and/or waste.
Medium	The 360° Watch has identified at least one significant adverse report regarding air pollution
Low	No information related to reporting on total weight of pollutants emitted to water
Low	No information related to whether any sites/operations care located in or near biodiversity-sensitive areas

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



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.

လိုက် Labor & Human Rights	Weight 🔹 💿 🌑
Strengths	
Policies	
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 traffickir	ng
Information	Guidance
The company has issued a formal policy that integrates commitments and/or operational objectives on child labor, forced labor & human trafficking.	The company has implemented a policy on the prevention of child labor, forced labor & human trafficking in its operations.There are at least qualitative objectives/commitments which specifies the efforts to be made by the company to eradicate the occurence of child labor, forced labor & human trafficking.
Labor & human rights policy on career management & training	
Labor & human rights policy on social dialogue	
Labor & human rights policy on working conditions	
Labor & human rights policy on employee health & safety	
Comprehensive policy on a majority of labor or human rights issues	
Information	Guidance
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.	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

Endorsement of the Responsible Care Global Charter

Information

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

formal review processes. Download the How-to Guide on this topic here (in English).

Guidance

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

Endorsement of the United Nations Global Compact (UNGC)

Information

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

Guidance

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

Actions

Monitoring of internal controls and effectiveness of actions taken to prevent child labor, forced labor and/or human trafficking

Other proactive actions to prevent child and/or forced labor

Other actions on employee health & safety

Information

The company addresses health and safety issues encountered by employees at work, for example physiological and psychological issues arising from, among others, dangerous equipment, work practices and hazardous substances.

Guidance

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

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

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

Information

The company has developed a mentoring or sponsorship program for women

Guidance

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

Affinity or other support groups for minorities/vulnerable groups

Information

The company has put in place support groups for employees who belong to minority or vulnerable groups.

Guidance

Companies should give special attention to those persons who belong to disadvantaged and marginalized groups in society. People from minority or vulnerable groups can be disabled people, refugees, ethnic minorities or indigenous people. To ensure non discriminatory treatment for these people the company should put in place support groups to put in place affinity groups to improve their acceptance at their workplace.

Actions to prevent discrimination in professional development and promotion processes

Information

The company has proactive actions in place to avoid discrimination in professional development and promotion processes

Guidance

To prevent discrimination in professional development and promotion processes a company must offer equal opportunities for promotion, transfer or other career development to all its employees. Career development opportunities should be clearly communicated to all employees. Training opportunities should be made available to all staff who are in need of improvement.

ISO 45001 certified

Information

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

Guidance

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

Collective agreement in place

Information

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

Guidance

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

Employee stock ownership plan (not restricted to executive level)

Information

The company has provided supporting documentation of a stock ownership plan available to employees (not just executives).

Guidance

An employee stock ownership plan or program provides the company's workforce with an ownership interest in the company. This employee stock ownership program must apply to employees other than executives and/or directors. Most employees should have access to the stock ownership plan (although some requirements may apply, e.g. regarding seniority, etc.).

Employee satisfaction survey

Information

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

Guidance

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

Bonus scheme related to company performance

Information

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

Guidance

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

Flexible organization of work (eg. remote work, flexi-time)

Information

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

Guidance

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

Health care coverage of employees in place

Awareness training on child labor, forced labor and human trafficking

Impact assessments identifying potential child labor, forced labor and/or human trafficking

Information

The company carries out human rights impact assessments to identify potential or actual impacts on child labor, forced labor and/or human trafficking on their business operations.

Guidance

The company has carried out human rights impact assessments which are carried out to identify, understand, assess and address the corporate impacts in the field of human rights. Such assessments enable companies to proactively shape a strategic approach to deal with child labor, forced labor and/or human trafficking based existing risks rather than reacting to external pressure or unexpected incidents.

Grievance mechanism on discrimination and/or harassment issues

Information

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

Guidance

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

Actions to promote wage equality in the workplace

Awareness training regarding diversity, discrimination, and/or harassment

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

Information

The company provides evidence in supporting documentation regarding the presence of a formalized process in place to assess and document employee health and safety risks.

Guidance

The process of evaluating risks arising from hazards on health & safety issues include considering the suitability of any existing processes adn controls and deciding whether or not the risks are acceptable. The four main components of a risk assessment are: (1) identifying the hazards; (2) carrying out an assessment of the risks associated with each hazard; (3) identifying and appraising the management options available; and (4) addressing the risks identified with the chosen strategy. Such an assessment is important as it safeguards the health & safety of employees through the identification of hazards, and the implementation of strategies to mitigate the hazards. Examples of actions that can be initiated as a result of a risk evaluation process are the implementation of regular trainings, and improved supervision and inspections on health & safety topics. Note that a risk assessment should be reviewed at regular intervals depending on the nature of the risks and upon the introduction of new risks or processes in the workplace.

Health and safety training for subcontractors working on premises

Information

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

Guidance

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

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

Information

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

Guidance

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

Internal audits on health & safety issues

Information

The company carries out internal audits on health & safety issues

Guidance

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

Provision of protective equipment to impacted employees

Information

The company provides personal protective equipment to all impacted employees

Guidance

Personal protective equipment, commonly referred to as "PPE", is equipment worn to minimize exposure to a variety of health and safety hazards. Examples of PPE include items such as gloves, foot and eye protection, protective hearing devices (earplugs, muffs) hard hats, respirators and full body suits. (Source: Occupational Safety and Health Administration (OSHA)) When engineering, work practice and administrative controls are not feasible or do not provide sufficient protection, employers must provide personal protective equipment (PPE) to their employees and ensure their systematic use. In general, employees should properly wear PPE, attend training sessions on PPE, care for, clean and maintain PPE, and inform a supervisor of the need to repair or replace PPE.

Employee health & safety risk assessment

Information

The company carries out employee health & safety detailed risk assessments

Guidance

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

Actions to prevent discrimination during recruitment phase

Information

The company has proactive measures in place to avoid discrimination during the recruitment phase

Guidance

Discrimination is defined as different treatment given to people in hiring, remuneration, training, promotion, and termination. Discrimination can be based on race, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age (source: ISO 26000). Some examples of measures to prevent discrimination during the recruitment phase are: to have a predefined procedure covering the selection process, to establish a pre-determined and non-discriminatory role profile for the open position based on skills competencies which the successful applicant must meet, and to encourage diversity amongst applicants.

Grievance mechanism on child labor, forced labor and/or human trafficking issues

Information

The company has established a grievance mechanism to report child labor, forced labor or human trafficking issues if identified in the company's operations.

Guidance

The company has established a reporting mechanism for different parties to report child labor, forced labor and/or human trafficking issues if found in the company's operations. The elements of the grievance mechanism includes firstly a communication channel communicated to all stakeholders about the presence of a grievance mechanism and the provision of support for those who may face particular barriers (ie. language, minority status). The second element is a non-retaliation policy to protect those who make use of the grievance mechanism and the third element is a confidentiality policy for those who make use of the grievance mechanism.

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

Information

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

Guidance

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

Active preventive measures for stress and noise

Information

The company has preventive measures in place against stress and noise

Guidance

The company has measures in place to monitor, prevent and report on noise level and to control the stress level of employees within the company premises. Noise-induced hearing loss is one of the most prominent and most recognised occupational diseases in the Member States of the European Union. Typical sectors for workers exposed to loud noises include construction, agriculture, forestry, manufacturing of metal and wood, mining and quarrying. The definition of stress used by Health and Safety Executive (HSE), namely "the adverse reaction people have to excessive pressures or other types of demand placed on them." Work-related stress can be caused by poor work design (for example, lack of control over work processes), poor management, unsatisfactory working conditions, and a lack of support from colleagues and supervisors. Some examples of measures to reduce stress include: provision of appropriate employee support services, conducting stress risk assessments, ensuring that employees are appropriately trained to fulfill their roles, monitoring working hours and overtime, ensuring that employees take their full holiday entitlement, and offering appropriate support to employees who are experiencing stress outside of work.

Regular employee health check-up

Information

The company provides general mandatory health check-up for employees

Guidance

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

Official measures to anticipate or reduce layoffs and associated negative impacts (e.g. financial compensation, outplacement service)

Information

The company implements official measures to anticipate or reduce layoffs and any eventual associated negative impacts from the layoff.

Guidance

For example, training or assistance can be provided to employees before laying them off to maintain and/or improve their skills and to maximize their prospects for reemployment. Companies can also provide workers with adequate notice in advance of a layoff, ensure that unemployment insurance benefits are widely available, and can provide a combination of guidance, technical assitance and support to ensure the exit process is smooth for all parties.

Official measures promoting career mobility

Information

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

Guidance

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

Provision of skills development training

Information

The company provides training to its employees to develop their skills

Guidance

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

Joint labor management health & safety committee in operation

Information

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

Guidance

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

Setting of individual career plan for all employees

Information

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

Guidance

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

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

Information

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

Guidance

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

Results

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

Reporting in accordance with SASB

Reporting on average training hours per employee

Materiality analysis in sustainability reporting

External assurance of sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

Comprehensive reporting on labor and human rights issues

Information

There is evidence of reporting implemented regarding labor practices & human rights issues within the company supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions. The reporting covers the main issues and is regularly updated.

Guidance

The reporting covers the entity under evaluation (e.g. KPIs might be aggregate at group level). KPIs may include (but are not limited to): accident frequency and severity rates, the percentage of employees covered by collective bargaining agreements, skills development trainings, and percentage of employees trained on discrimination issues. Additionally, KPIs are reported in a formal public document available to stakeholders, and are in compliance with the Global Reporting Initiative guidelines or other external sustainability reporting standards.

Reporting on accident severity rate

Information

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

Guidance

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

Reporting on accident frequency rate

Information

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

Guidance

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

Improvement Areas

Policies

Low

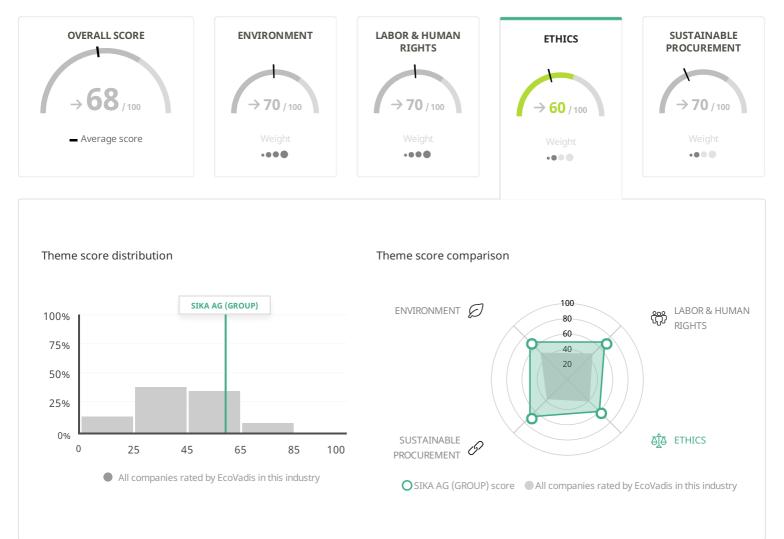
Inconclusive documentation for policies on health and safety for subcontractors working on the premises

Low	No quantitative target set on living wage	
Low	The scope of application of the living wage target is unclear	
Actions		
Low	Only 21-40% of operational facilities ISO 45001 certified	
Low	Declares measures on living wage, but no supporting document	ation available
Results		
Medium	The 360° Watch has identified at least one significant controvers and human rights issues in the last five years (see news with red section).	
	and human rights issues in the last five years (see news with red	
Information Major allegation the last 5 years international or	and human rights issues in the last five years (see news with red section). ns, condemnations, fines or controversies have been reported in by stakeholder representatives (e.g. NGOs, trade unions, press, ganizations) directly exposing the company regarding its labor	d downward arrow in the 360° Watch
Information Major allegation the last 5 years	and human rights issues in the last five years (see news with red section). ns, condemnations, fines or controversies have been reported in by stakeholder representatives (e.g. NGOs, trade unions, press, ganizations) directly exposing the company regarding its labor	downward arrow in the 360° Watch Guidance The EcoVadis "360° Watch" has searched over 800+ stakeholder sources (e.g. NGOs, trade unions, governments, press), looking for external views on the company's sustainability approach and impacts. A major allegation, condemnation, fine or controversy involving the company under evaluation or one of its subsidiaries has been reported in the last 5 years on labor practices & human rights.

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

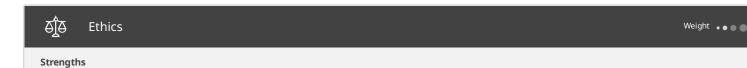


Ethics: Activated Criteria

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.



Policies

Policy on fraud

Policy on money laundering

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 ethcis policies, companies should establish procedures to administer investigations and sanction employees for eventual violations (i.e. disciplinary measures up to and including possible termination).

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).

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

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.

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.

Policy on anticompetitive practices

Information

There is a formal policy on anti-competitive practice issues (e.g. price fixing, bid rigging) in the supporting documentation provided by the company.

Guidance

Anti-competitive practices are activities that prevent or reduce competition in a market. They include but are not limited to: bid-rigging, price fixing, dumping, predatory pricing, coercive monopolies and limit pricing. A comprehensive policy on anti-competitive practices is formalized in a standalone document or is part of a Code of Ethics/Conduct and incorporates additional elements such as: scope of application, allocation of responsibilities, quantitative objectives, and regular review mechanisms.

Dedicated responsibility for ethics issues

Comprehensive policies on ethics issues

Information

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

Guidance

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

Endorsement of the United Nations Global Compact (UNGC)

Information

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

Guidance

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

Actions

Whistleblower procedure for stakeholders to report anti-competitive practices

Whistleblower procedure for stakeholders to report corruption and bribery

Information security due diligence program on third parties in place

Information

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

Guidance

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

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

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.

Audits of control procedures to prevent information security breaches

Information

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

Guidance

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

Awareness training to prevent information security breaches

Information

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

Guidance

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

Anti-competitive practices risk assessments performed

Information

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

Guidance

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

Corruption risk assessments performed

Information

The company carries out periodic corruption & bribery risk assessments.

Guidance

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

Measures to protect third party data from unauthorized access or disclosure

Information

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

Guidance

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

Audits of control procedures to prevent corruption

Information

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

Guidance

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

Awareness training performed to prevent corruption

Information

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

Guidance

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

Anti-corruption due diligence program on third parties in place

Information

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

Guidance

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

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

Information

The company has implemented a verification process for sensitive transactions.

Guidance

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

Audits of control procedures to prevent anticompetitive practices

Information

The company's fair competition practices policies and compliance mechanisms are regularly audited.

Guidance

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

Awareness training performed to prevent anticompetitive practices

Information

The company has implemented awareness or training programs for their employees on fair competition practices.

Guidance

Anti-competitive behavior occur when companies agree to prevent, restrict or distort their competition to the detriment of other suppliers and consumers. Anticompetitive practices include activities like price fixing, exclusionary exclusive dealing contracts, imposing minimum resale prices, etc. To promote fair competition, awareness or trainings on anti-competitive 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.

Results

Reporting in accordance with SASB

Materiality analysis in sustainability reporting

External assurance of sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

Comprehensive reporting on ethics issues

Improvement Areas

Actions



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

Information

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

Guidance

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

Results



The 360° Watch has identified at least one significant controversy, fine or penalty regarding ethics issues in the last ten years (see news with red downward arrow in the 360° Watch section).

Information

Major allegations, condemnations, fines or controversies have been reported in the last 10 years by stakeholder representatives (e.g. NGOs, trade unions, press, international organizations) directly exposing the company regarding its business ethics.

Guidance

The EcoVadis "360° Watch" has searched over 800+ stakeholder sources (e.g. NGOs, trade unions, governments, press), looking for external views on the company's sustainability approach and impacts. A major allegation, condemnation, fine or controversy on business ethics issues either involving the company under evaluation or one of its subsidiaries has been reported in the last 10 years.

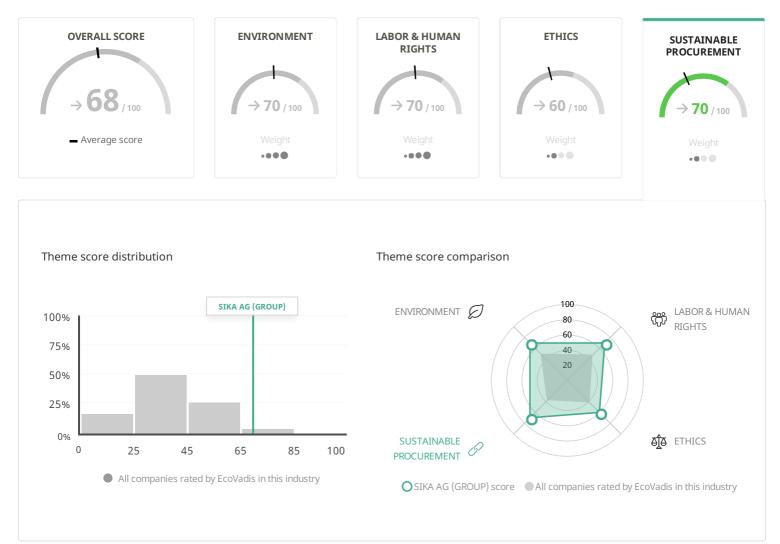


The 360° Watch has identified at least one significant adverse report regarding anti-competitive practices.

9. SUSTAINABLE PROCUREMENT

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

Sustainable Procurement Score Breakdown



Sustainable Procurement: Activated Criteria

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

Sustainable Procurement: Strengths & Improvement Areas

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

Sustainable Procurement

Strengths

0

Policies

Endorsement of the Together for Sustainability (TfS) initiative

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 issued a specific Supplier Code of Conduct which lists the minimum requirements on environmental, labor and business ethics issues to be followed by its suppliers or subcontractors.

Guidance

A supplier Code of Conduct aims to ensure that suppliers provide safe working conditions for their employees, respect fair business ethics practices to comply with rules and regulations and reduce environmental impacts caused by their operations, among other issues. Typically, suppliers are required to uphold the standards in a Code of Conduct in order to continue in a business relationship with their client (i.e. the company undergoing the EcoVadis evaluation).

Formal assessment of suppliers' progress with regards to REACH requirements

Information

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

Guidance

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

On-site audits of suppliers on environmental or social issues

Information

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

Guidance

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

Weight

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

Information

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

Guidance

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

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

Information

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

Guidance

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

Integration of social or environmental clauses into supplier contracts

Information

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

Guidance

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

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

Information

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

Guidance

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

Results

Reporting on total gross Scope 3 upstream GHG emissions

Reporting in accordance with SASB

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

Materiality analysis in sustainability reporting

External assurance of sustainability reporting

Company communicates progress towards the Sustainable Development Goals (SDGs)

Comprehensive reporting on sustainable procurement issues

Improvement Areas

Actions



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

Information

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

Guidance

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

10. 360° WATCH FINDINGS

2 Jul 2023 https://resource		1 Apr 2023 https://ww	w porthiorsov co	26 Jan 2023 https://w	www.ocha.gov/ordc/
	s.nse.gov		w.northjersey.co		
Impact on score		Impact on score		Impact on score	Severity Minor 🛑 🔵 🛑
Neutral →		Neutral →		Negative 뇌	Minor
Impacted themes	Í th	Impacted themes	෩	Impacted themes	Ŷ
SE Improvement Notice se imited	rved against Sika	Sika Corporation electric contained, Lyndhurst po		OSHA Penalty for Serio Violation	us H&S Standard
n July 2023, HSE issued an Im o Sika Limited's facility in Welv o ensure dangerous substanc xtremely flammable, highly fl ammable substances are suit educe the risk, so far as is rea racticable, of danger i.e. fire a	wyn due to failure es, including ammable and tably stored to isonably	A machine fire at Sika Chemical in Lyndhurst on Saturday morning was quickly contained, with no hazardous chemical release, injuries or structural damage, said assistant fire chief Paul Haggerty. The Bergen County hazmat team responded to the scene "as a precaution" and found no chemical release, Haggerty said.			
3 Jan 2023 http://www.dr	oits-salaries	1 Jan 2023 https://ega	pro.travail.gou	8 Dec 2022 https://w	ww.droits-salarie
Impact on score		Impact on score		Impact on score	
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Impacted themes	Ŷ	Impacted themes	Ĵ	Impacted themes	ŝ
Accords d'entreprise chez Sil Cet accord signé entre la direc RANCE et le syndicat CGT et C st le résultat de la négociation alendriers des négociations.	tion de SIKA CFDT le 2021-10-15	 L'index égalité professionnelle pour Sika Automotive France Sas et Sika France pour 2023 Sika Automotive France Sas et Sika France ont réçu un résultat de 75 et 76 sur 100 respectivement de l'index égalité professionnelle entre les femmes et les hommes pour 2023. 		Accords d'entreprise chez SIKA AUTOMOTIVE FRANCE SAS Les négociations entre la direction de SIKA AUTOMOTIVE FRANCE SAS et les instances représentatives du personnel ont abouti sur les accords et avenants suivants. Les résultats des négociations avec les partenaires sociaux chez SIKA AUTOMOTIVE FRANCE SAS précisent les droits, avantages et obligations de l'employeur et des salariés.	
Sep 2022 https://dailyvoi	ice.com/new	5 May 2022 https://ww	vw.moroccoworldne	5 Apr 2022 https://ge	nder-pay-gap.ser
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irefighters Douse Lyndhurs		Competition Council Im on Sika AG	poses \$1 Million Fine	2022/23 Gender pay ga Limited	p report for Sika
roke out on the second floor of corporation building on Polito oad from Medieval Times sho m. A faulty electrical compor equipment was the cause, auth njuries were reported.	of the Sika Avenue down the rtly before 2:30 nent on processing	Fez- Morocco's Competiti a fine of nearly MAD 11.7 the Swiss company Sika A violations. On December (started investigating Sika by the company without p	million (\$1 million) on G for antitrust 6, 2021, the council AG following a merger	In this organisation, won £1 that men earn when o pay. Their median hourly men's.	comparing median hourly

approval of the council.

1 Jan 2022 | https://som.yale.edu/story...

Over 1,000 Companies Have Curtailed

Operations in Russia—But Some Remain

they are voluntarily curtailing operations in

Russia to some degree beyond the bare

minimum legally required by international sanctions — but some companies have continued

to operate in Russia undeterred. Sika has

significantly scale back business in Russia;

stopped production and investments. It has

Over 1,000 companies have publicly announced

Impact on score

Impacted themes

Neutral \rightarrow



US EPA Final Order with Penalty against Sika Corp

In February 2022, Sika Corp was fined a \$1,000 penalty for other violations of the Clean Water Act.

Jan 2022 https://chemscore.chemsec	
Impact on score Neutral →	
Impacted themes	Ø

2022 ChemScore Report

ChemScore looks at the 54 biggest chemical companies in the world, based on revenue, and ranks their performance in four different categories: the toxicity of their product portfolio, research and development of non-toxic chemicals, management and transparency, and the number and scope of controversies and scandals that the company has been involved in. SIKA was on the list of ChemScore report with a grade C-.

22 Nov 2021 | https://www.theobserver.co...

Impact on score

Neutral ightarrow

Impacted themes

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Small fire breaks out at Lyndhurst chemical company's building

No injuries were reported in a small fire at the Sika Chemical Corp.'s offices in Lyndhurst this afternoon, Det. Lt. Vincent Auteri told The Observer. A small fire broke out when a contractor's welding caused a building to catch fire near 201 Polito Ave. 29 Oct 2021 | http://www.larep.fr/malesh...

Impact on score

Neutral \rightarrow

Impacted themes

Une grève "express" à l'usine Parexlanko de Malesherbes

Les salariés de la partie production et logistique du site malesherbois de l'entreprise Parexlanko avaient cessé le travail jeudi après-midi. Ils ont repris ce vendredi matin. Pascal Malafosse, directeur général de Sika France (groupe auquel appartient Parex France), était ce vendredi dès 8 heures à Malesherbes pour échanger avec les salariés. Il y est resté deux heures. Une hausse des salaires de 3,1% a été proposée ainsi qu'une prime de 1.000 euros. "Il a eu un discours fondateur, nous a expliqué les choses et nous a écouté aussi", souligne le délégué syndical de FO. Le choix a donc été fait de stopper la grève. "Et nos heures de grève seront payées." 25 Oct 2021 | http://www.verdict.co.uk/s...

Impact on score

received a Grade [C].

Neutral \rightarrow

Impacted themes

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Sika Develops Concrete Admixture to Reduce Carbon Footprint

Swiss chemical company Sika in cooperation with the Swiss Federal Institute of Technology Lausanne has developed concrete admixtures leveraging the Limestone Calcined Clay Cement (LC3) technology that lowers CO2 emissions. The technology aims to facilitate the production of performant and sustainable cement with less clinker.

5	Sep 2021	http://roofing-daily-news	

Impact on score

Neutral \rightarrow

Impacted themes

Sika Launches Total Green Roofing Package — Living Architecture Monitor

The market-leading roof manufacturer Sika has brought a complete green roof package onto the market, which supplies both the highperformance roof sealing system and the green roof system, supported by its proven technical and application support. Since sustainable development is a focus of construction and is supported by the government and local authorities, the benefits of a Sika Green Roof cannot be overestimated. Several studies have shown that green roof systems can improve air quality, reduce the urban heat island effect, preserve or even increase biodiversity, improve the thermal performance of a building and manage rainwater year-round - especially important in areas with flooding or where sustainable drainage systems (SuDS) are a design consideration.

5 Apr 2021	https://gender-pay-gap.ser	

Impact on score Neutral →

Impacted themes

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2021/22 Gender pay gap report for Sika Limited

In this organisation, women earn 78p for every £1 that men earn when comparing median hourly pay. Their median hourly pay is 21.8% lower than men's. When comparing mean (average) hourly pay, women's mean hourly pay is 20% lower than men's.

2 Apr 2021 http://www.constructioncay	
Impact on score Neutral →	
Impacted themes	Ð

Sika : une nouvelle gamme de mortiers de réparation à impact environnemental réduit

Sika lance une nouvelle gamme de mortiers (de réparation, scellement calage et ragréage) « développement durable » composée de 5 nouvelles solutions proposant des performances accrues et des bénéfices environnementaux.

2 Mar 2021 | http://www.bdcmagazine.com...

Impact on score

Neutral \rightarrow

Impacted themes

Sika a mis au point un nouveau processus de recyclage du béton

Le processus permet notamment de séparer et réemployer les composants du béton usé, et de recycler les agrégats, indique la multinationale zougoise. Le chimiste de la construction Sika assure mardi avoir mis au point un nouveau processus de recyclage du béton, piégeant quelque 60 kilos de Co2 par tonne de matériel déchets de démolition concassés. Le processus permet notamment de séparer et réemployer les composants du béton usé, et de recycler les agrégats, indique la multinationale zougoise dans un communiqué. 4 Dec 2020 | http://www.radiohamburg.de...

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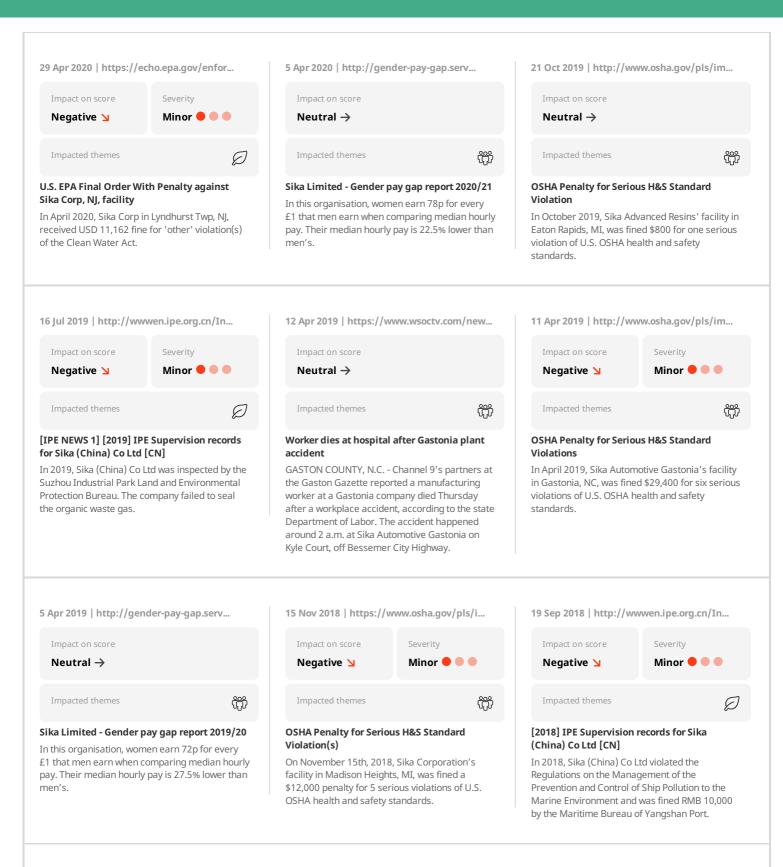
Major fire at auto supplier Sika [DE]

A fire broke out on Friday in a company owned by the auto supplier Sika near Hamburg's Eidelstedt S-Bahn station. There is a lot of smoke, said a fire department spokesman. 13 Nov 2020 | http://www.osha.gov/pls/im...



OSHA Penalty for Serious H&S Standard Violations

In November 2020, Sika Automotive Gastonia Inc.'s facility in Gastonia, NC was fined a \$7,000 penalty for one serious violation of the US OSHA Health and Safety Standards.



19 May 2023 |

Impact on score

Neutral \rightarrow

No records found for this company on Compliance Database

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

EcoVadis is connected to the following international sources:

- Sustainability networks and initiatives (e.g. AccountAbility, Business for Social Responsability, CSR Europe)

- Trade unions and employers' organizations

- International organization (e.g. United Nations, European Court of Human Rights, Global Compact, International Labor Organization, World Bank)

- NGOs (e.g. China Labor Watch, Greenpeace, WWF, Movimento Difesa del Cittadino)

- Research institutes and specialized press (e.g. CSR Asia, Blacksmith Institute, Corpwatch)

11. SPECIFIC COMMENTS

Additional comments from our analysts pertaining to the assessment.

Specific comments

> No records found in third party risk and compliance database.

The company demonstrates an advanced management system on sustainable procurement.

 \blacksquare The company demonstrates an advanced management system on labor & human rights issues.

The company demonstrates an advanced management system on environmental issues.

12. CONTACT US

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

APPENDIX:

INDUSTRY RISK PROFILE

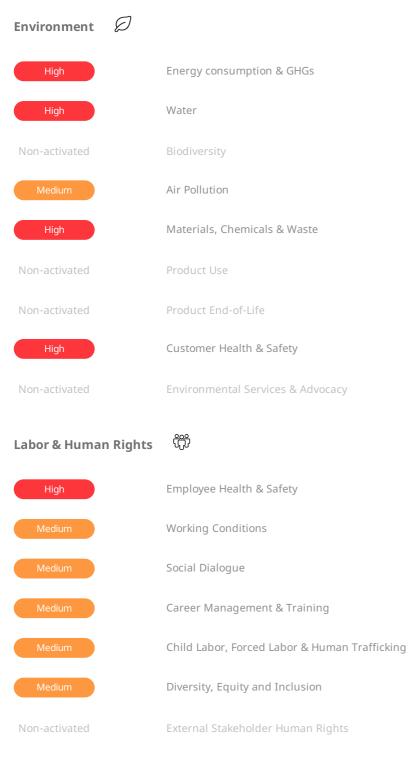
Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

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.





Medium

Corruption



Anticompetitive Practices

0



Sustainable Procurement



Supplier Environmental Practices

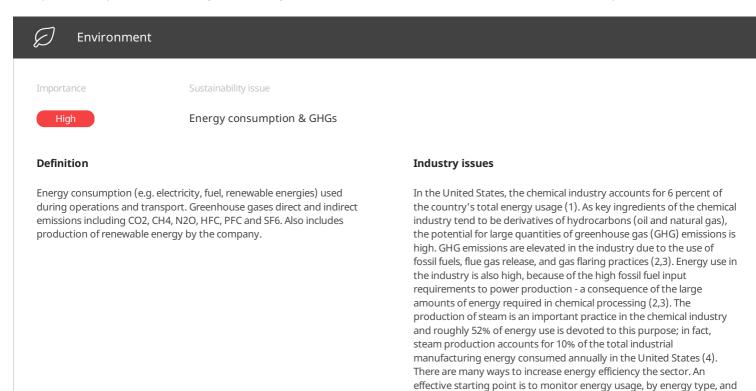
Supplier Social Practices

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.

KEY SUSTAINABILITY ISSUES

Find qualitative explanations of the key sustainability issues and risk associated with Manufacture of other chemical products n.e.c.



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Water

Definition

Water consumption during operations. Pollutants rejected into 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

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 nanofiltration 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. On-site treatment plants can help reduce water consumption and mitigate the release of pollutants into the water system. Onsite treatment plants typically consist of sedimentation or coagulation processes, followed by biological treatments to further treat the water, including carbon absorption, ion exchange, or reverse osmosis. The resulting treated wastewater can then be recycled for reuse as landscaping or wash water.

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.



Materials, Chemicals & Waste

Definition

Consumption of all types of raw materials and chemicals. Nonhazardous 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). This is just one example; 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). Companies operating in or importing chemicals into the European Union need to be particularly aware of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation. REACH requires chemicals to be registered with the European Chemicals Agency in line with specific requirements. To ensure that their environmental management systems are strong and incorporate best practices, manufacturers in this sector 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.



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). PVC is a well-known compound that can exhibit this characteristic (15). Companies manufacturing chemicals should seek to be aware of and mitigate all levels and types of risk to customers. 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.

<u>ເ</u>ດີ 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 system 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 eyewash/showers, fire suppression equipment should be accessible to all plant employees. Companies should refer to OSHA health and safety guidelines to better understand general occupational health and safety systems management and Responsible Care's occupational management resources (17).



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 (18). The provision of fair pay and working hours, retirement pensions and healthcare are issues which workers cite as insufficient, and which lead to employment insecurity. The International Trade Union Confederation's 2017 Global Poll indicates that wages have failed to increase at a rate consistent with global cost of living inflation, a conclusion supported by 84% of respondents that believe national minimum wages are insufficient, and 45% believe that the social protections, including pensions, healthcare and family leave are inadequate (19). These numbers highlight the opportunities for companies operating in countries where wage increases can improve quality of life. As indicated by the above figures, it is in the manufacturing sector's interest to invest in their human capital by providing adequate wages, social benefits and fair work hours to employees. Companies operating in less developed countries where minimum wage laws are deemed inadequate, including in China where 76% of ITUC respondents believe the national minimum wage is inadequate, companies should default to wage standards established by the ILO. Measures such as shift allowance, personal & medical insurance can be implemented to improve employees' work/life balance and reducing the impact the work has on employees' life outside of work.

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. 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 and career development. A vast majority of ITUC respondents disapprove of their working conditions, including wages, benefits and job security - a figure that provides tremendous risks for companies that neglect worker engagement (20). 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 operational location. Collaboration with work councils, labor unions or worker representatives can be leveraged to address working conditions, remuneration, skills development and occupational health and safety needs. In countries where union membership is not permitted, or are insignificant due to low member rates, companies should establish alternative modes of social dialogue that promote worker interests.

Medium

Career Management & Training

Definition

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

Industry issues

In addition to fair pay, social benefits, and safe and stimulating working conditions, manufacturers should include occupational skills development in their human capital management strategies. Occupational skills development, through formal training, developmental assignments, and feedback, provides mutual benefits for employees and employers. Manufacturers will benefit from a higher skilled workforce capable of meeting market demands, and workers will develop skills necessary for promotions and/or future employment opportunities in the sector. Workers are increasingly demanding occupational skills development in order to stay up-to-date on technological developments, ultimately ensuring they remain competitive on the job market. The reciprocal benefits ultimately reduce employee turnover costs, evidenced by one Harvard Business Review article (21) that finds that thriving workers are 32% more committed to their organization and 46% more satisfied with their jobs. To take advantage of the benefits provided by a skilled workforce, manufacturers should develop and implement occupational training and development programs. Ongoing employee evaluations accompanied by continuous feedback should be deployed to identify skills that enable employees to be placed in positions that allow for promotions. Lastly, manufacturers should ensure that, when necessary, workers performing redundant tasks are helped to access other responsibilities through training. Occupational skills development programs can benefit companies across all functional areas and should therefore be embedded throughout all operations.

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 (22). 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 (23). 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 (24). 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 (25). 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 remedy the issues through engagement with NGOs to provide remedy to victims, e.g., housing, psychological support and educational opportunities for child workers.

Medium

Diversity, 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% more likely to have financial returns above their respective national industry medians, and companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians. In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10% increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8% (26). Many of the world's biggest and most successful companies have advanced diversity strategies that include respect of LGBT. Nearly 90% of Fortune 500 companies prohibit discrimination based on sexual orientation and gender identity and almost 60% of them extend benefits to the same-sex partners of their employees (27). 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.

චූ්ට් Ethics

Importance

Sustainability issue



Corruption

Definition

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

Madium

Anticompetitive Practices

Definition

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

Industry issues

Corruption distorts fair markets and, if not managed effectively exposes companies to financial losses from both the act itself and the increased cost of business caused by rampant industry-wide corruption. 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 stateowned 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.

Industry issues

Anti-competitive behaviors, including monopolies, price-fixing and bidrigging--each of which prevent small and medium-sized companies from competing while denying vulnerable populations access to medicine. The pharmaceutical industry is particularly vulnerable to anticompetitive patent practices and price-fixing. Cartels are receiving greater attention from US and EU regulators, and in the US, the Justice Department has increased prosecutions significantly in the last several years, exposing companies to greater risks when appropriate measures are not implemented internally to prevent such practices. Large pharma companies should implement mitigation strategies to prevent employees and business partners from engaging in pricefixing schemes. Training of employees in the market impacts caused by such behaviors can serve as an effective tool because of the job insecurity that the loss of business creates when sector actors engage in such practices. Employees should be trained in how to avoid such situations, particularly those operating in activities requiring effective judgement. Through training, audits and whistleblower procedures, companies can greatly reduce risk exposures to internal anticompetitive practices.



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. Thirdparty 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's 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 iurisdictions.

Sustainable Procurement

Importance

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Sustainability issue



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 which may lead to long-term partnerships with suppliers to address major environmental concerns along the value chain.

Medium

Supplier Social Practices

Definition

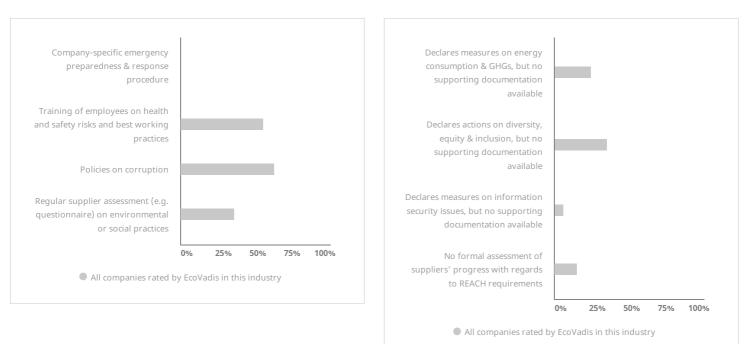
Deals with labor practices and human rights issues within the supply chain i.e. labor practices and human rights issues generated from the suppliers and subcontractors own operations or products.

Industry issues

To prevent supply disruptions and potentially costly litigation, companies should work to embed their social practices- and human rights 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 in holding companies accountable. 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. 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
Active whistleblowing procedure in place	29%
Audit or assessment of suppliers on CSR issues	33%
Carbon disclosure project (CDP) respondent	8%
Global Compact Signatory	12%
ISO 14001 certified (at least one operational site)	32%
OHSAS 18001/ISO 45001 certification or equivalent (at least one operational	l site) 20%
Policy on sustainable procurement issues	20%
Reporting on energy consumption or GHGs	33%
Reporting on health & safety indicators	24%

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.



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

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

A Regulatory

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

D Environment

HPV (High Production Volume)

http://www.icca-at-dubai.org/index.php?section=2&pageId=49

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.responsiblecare.org/page.asp?p=6341&l=6

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.

D Environment

The Cartagena Protocol on Biosafety

http://www.cbd.int/biosafety/background.shtml

Aregulatory

The Protocol on Biosafety is an international treaty governing the movements of living modified organisms (LMOs) resulting from modern biotechnology from one country to another.

😥 Environment

Convention on biological diversity

http://www.cbd.int/

A Regulatory

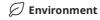
The convention on biological diversity is an international treaty to sustain the righ diversity of life on earth

D Environment

GPS (Global Product Strategy)

http://www.icca-at-dubai.org/index.php?section=2&pageId=48

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



LRI (Long-range Research Initiative)

http://www.icca-at-dubai.org/index.php?section=2&pageId=50

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.

D 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.

D 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

Universal Declaration of Human Rights

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

A Regulatory

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

ෆීාී 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.

ញ៉ី Labor & Human Rights

United Nations Convention against Corruption (UNCAC)

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

A 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.

a 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.

戸 ត d li 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.

💭 📅 ණ් 🔗 All themes

International Labor Organization's Fundamental Conventions

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

A Regulatory

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

📅 Labor & Human Rights

Foreign Corrupt Practices Act of 1977

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

Regulatory

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

a Ethics

United Nations Global Compact (10 principles)

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

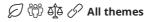
The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of ten principles in the areas of human rights, labour standards, the environment, and anti-corruption:



Standard Global Reporting Initiative's (GRI)

http://www.globalreporting.org/Home

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



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.



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