



# COMMUNICATION ON PROGRESS 2014/2015





## About EcoVadis

EcoVadis improves the environmental and social practices of companies by leveraging the influence of their global supply chains. Our firm operates the first collaborative network enabling companies to manage the sustainability performance of their suppliers, across 150 sectors and 110 countries. EcoVadis' reliable ratings and easy-to-use monitoring tools allow companies to manage risks and drive eco-innovations in their global supply chains.

EcoVadis has experienced strong growth across multiple industries, including the chemical, information and communications technology, rail and transportation, beauty, food and beverage, packaging, financial, and pharmaceutical sectors. Over the past year, companies in the United States and Europe, including Amcor, DuPont, Subway, Clarins, Eastman Chemical, PSA/Peugeot-Citroen, and Bombardier have turned to EcoVadis' supplier sustainability ratings service and scorecards to make more confident procurement decisions, reduce risk, and drive improvements in the CSR of their suppliers.

# Table of contents

1. **Message from the CEO**
2. **EcoVadis' Role in Sustainable Procurement**
3. **CSR Timeline 2014-2015**
4. **Labor Practices & Human Rights**
5. **Environment**
6. **Business Ethics**
7. **Community Involvement**
8. **Concluding Remarks**

## 1. Message from the CEO

Paris, February 20th 2014

Momentum is gaining in the sustainable procurement movement, with many successes being attributed to partnerships among an assortment of global stakeholders. One of the most critical and historic of these achievements in the past year was the agreement at the COP21 in Paris, of which we were a partner. Global supply chains make up around 86% of total carbon emissions, representing major improvement opportunities for businesses. Furthermore, there is growing pressure for companies to increase transparency throughout their value chain and adhere to increasingly demanding reporting standards. Faced with these challenges, we have seen successes resulting from partnerships and growing sector collaborations including [Together for Sustainability](#) and [Railsponsible](#).

Even as many businesses continue to seek opportunities to protect against risks in their supply chains, we were reminded in 2015 that environmental, social and ethics issues continue to pervade throughout global supply chains. For instance, several global food retail companies came under fire after it was revealed that the seafood they procured was potentially linked to human rights violations in Southeast Asia. In another example, working conditions and employee safety in factories in Fujian, Shandong and Tianjin, China, were heavily scrutinized and criticized after explosions killed dozens of workers.

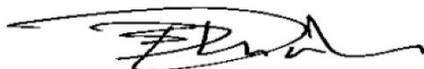
2015 was the hottest year on record, and extreme weather events have again contributed to billions of dollars' worth of damage worldwide. But 2015 will also be remembered as a defining year for global climate action, where the first universal climate agreement in history was signed by 195 countries. Even with this agreement in place, our collective future is far from secure from the worst effects of climate change, but it is this momentum that will push governments and create business opportunities around the world to meet these challenging emissions targets.

EcoVadis is pleased to announce that we have made considerable progress in 2015 in expanding our operations and continuing to leverage our expertise in finding solutions to the supply chain challenges facing our clients. More than 25 new global enterprise customers, including DuPont and Subway, joined the EcoVadis network in 2015 on its sustainable procurement platform, contributing to a two-year growth rate of 128 percent. Furthermore, we saw an 80% growth in the number of suppliers renewing their subscription to the EcoVadis network bringing overall participation to more than 25,000 suppliers.

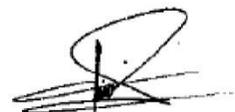
Looking forward to 2016 and beyond, we aim to make further tangible contributions to supply chain responsibility and to the Sustainable Development Goals.

EcoVadis has been a signatory to the [United Nations Global Compact](#) since 2008, and we are pleased to pledge our continued participation in UNGC and its ten principles.

Pierre-François THALER  
Co-President



Frederic TRINEL  
Co-President



## 2. EcoVadis' Role in Sustainable Procurement

Through its core operations, EcoVadis has a positive impact on sustainable procurement through its supplier assessments and ongoing advocacy efforts.

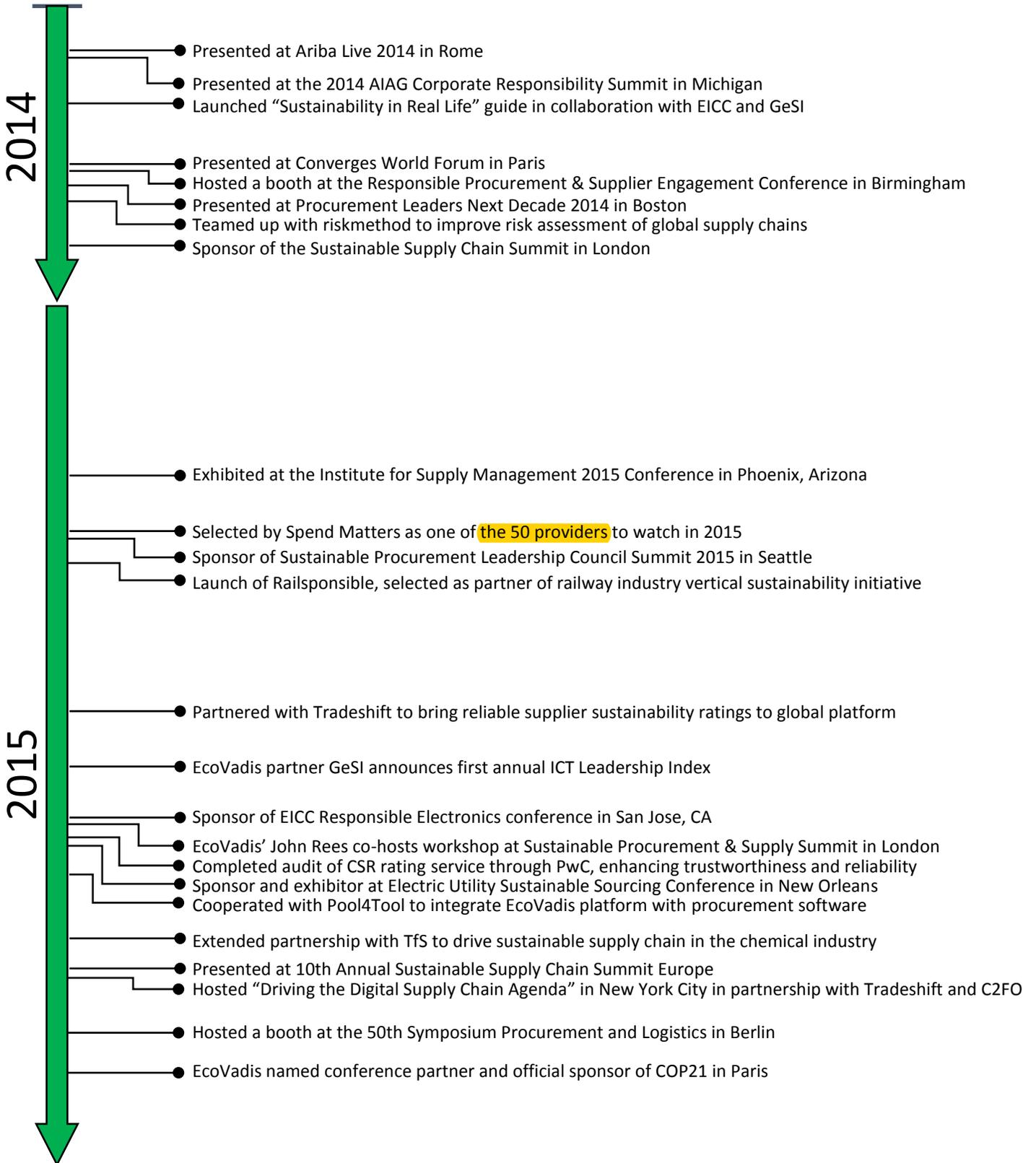
In 2015, the number of suppliers assessed via EcoVadis' CSR risk monitoring and management tool has continued to grow, increasing by 23% compared to 2014. This large increase was driven in part by the launch and continuation of EcoVadis-led industry initiatives, in particular through *Together for Sustainability* for the chemical industry, and *Railsponsible* for the railway sector. Additional procurement and sourcing partnerships with Tradeshift, Pool4Tool, and State-of-Flux have integrated EcoVadis' sustainability rating service into these platforms, expanding our impact across global supply chains.

On the supplier side, EcoVadis helps suppliers to identify improvement areas and devises corrective action plans monitored by a team of experts. This approach allows the assessed suppliers to follow a continuous improvement cycle through a two-way feedback and capacity building process. Driving improvements is one of our critical objectives. We measured that in 2015, 70% of suppliers were able to demonstrate improvement in sustainability practices in a least one of the four dimensions we assess. On the buyer side, we provide a sustainable decision-making tool that helps purchasing organizations better integrate CSR criteria into supplier selection, raise procurement teams' awareness on key sustainable development issues, and manage CSR risk. In 2015 we continued rolling out our buyer training programs worldwide and focused on user satisfaction, achieving a 98% customer satisfaction rate.

Additional 2015 milestones for EcoVadis include:

- Expansion of EcoVadis' internal team to 250 full time employees, a 118% increase from 2013
- A newly established office in Hong Kong at end of 2015/beginning of 2016, bringing our offices to a total of 5 locations globally
- 68 new customers joined the EcoVadis network to assess their suppliers
- 80% growth in the number of suppliers renewing their subscription to the EcoVadis network bringing overall participation to more than 25,000 suppliers
- Driving impact on supply chain CSR practices with 70% of suppliers improving their sustainability score with each assessment

### 3. EcoVadis CSR Timeline 2014-2015



## 4. Labor Practices & Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Policy

- EcoVadis has a formalized Human Resource Policy in place, beyond compliance with laws and regulations. The 5-page document, endorsed by the company Executive Management Team, reiterates a commitment to the 10 Global Compact Principles. It covers all employees of EcoVadis worldwide. It also includes consultants and interns. This policy sets out the EcoVadis vision and values on employee health and safety, working conditions, dialogue with staff, human resources, recruitment, career management & development, diversity, non-discrimination and bullying & harassment.
- The policy is revised annually by the EcoVadis CSR Project Team and subsequent versions will be approved by the Executive Management Team.
- In addition, a dedicated CSR manager is coordinating the company's efforts with the help of an employee representative.

### Action

- In 2015, EcoVadis asked its entire staff to respond to its annual satisfaction survey (covering issues such as remuneration, working conditions, and stress).
- At all EcoVadis offices, employees have the option to partake in additional supplement insurance plan subsidized by the company.
- Employees are entitled to an annual performance bonus and salary reviews are conducted every year in July and January.
- New hire introductory training is provided to all employees.
- In 2014 and 2015, we had visits from professional medical services to the Paris office for assessment and advice on workplace ergonomics, such a healthy habits and seating position.
- In 2015 our office in Paris moved to a new location, which now has drastically improved initiatives for health and safety. This includes ergonomic workstations, including for tables and chairs, laptop stands, wrist pads, as well as individual lockers, LED lights, UV filtering windows, air conditioning and heating system, and healthy breakfast, snacks and a fruit basket through "[Les Vergers de Gally](#)".
- In Paris we updated our Occupational Hazard identification document, and had evacuation training with the creation of our team's own evacuation team.
- French staff is covered by the Syntec Collective Agreement. None of the employees in our other

## EcoVadis UNGC Communication on Progress Report 2015

offices are covered by a collective agreement.

- EcoVadis continues to adhere to the [French Diversity Charter](#), an external endorsement to condemn anti-discrimination and to act in favor of diversity supported by more than 3500 companies in France.



- In January 2015, ten employees in Mauritius followed an 18-hour first aid training session.
- In February 2015, free eye tests were conducted for employees in Mauritius, as well as one-to-one advice sessions and a group awareness talk on eye care/preventative measures for those working on computers.
- In August 2015, a “Health Day” was organized for Mauritius employees, which consisted of blood donations, free diabetes and blood pressure measurements, and an awareness session for employees on “Staying healthy through healthy lifestyle”.
- An Employee Handbook covers work behavior (including discrimination and harassment), health and safety. Disciplinary procedures are available. It also provides transparent information on working hours and work from home, bonuses, pension and medical.
- The Human Resources Department is responsible for the confidentiality and security of records placed in the employee personnel file.

### Results

Our fifth annual employee satisfaction survey took place in early 2015, with an 81.6% participation rate (83% participation in 2014).

The survey provided positive feedback for some initiatives we have taken in the past year:

- Employees continue to be “fully committed” to their work at EcoVadis (86% in 2015 vs. 87% in 2014)
- Employees continue to report getting along with colleagues (84% in 2015 vs. 88% in 2014)
- Large increases in satisfaction in Flexible Schedule (+11.9%), Ergonomic Workstations (+11.3%)

And some improvement areas, which we will continue to focus on in the following years:

- Workload is perceived as not reasonable for some employees (31% in 2015 vs 27% in 2014)
- Stress was mentioned as too high for more employees (24% in 2015 vs. 13% in 2014)
- Direct compensation highlighted as an area of improvement (45% in 2015 vs. 44% in 2014)
- External trainings were offered to 177 employees in 2015 (71% of employees) – 42 employees in Paris (1,211 hours), 11 employees in New York (48 hours), and 124 employees (2,342 hours).
- No health and safety workplace incidents were reported in 2015.
- Male/female ratio: there are 54% women employees in total, an increase from 45% in 2014.
- There are currently 32 nationalities represented among the EcoVadis global team.

## 5. Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Policy

EcoVadis has an environmental policy, which is endorsed by the EcoVadis management team. All employees are responsible for its implementation and for taking reasonable care of the environment. It contains commitments on issues such as reduction of office energy use and environmental impacts from transportation, usage of chemicals (eco-friendlier cleaning agents), water consumption, recycling and promotion of sustainable consumption. The policy is reviewed as necessary, at regular intervals, not exceeding one year.

In addition, a dedicated CSR manager is coordinating the company's efforts.

### Actions

- We purchased carbon credits from Climatecare (a member of ICROA) to offset our 2014/2015 emissions and thus became carbon neutral again.



- In April 2015, our Paris office moved to a new location which uses [Enercoop](#), providing energy from 100% renewable energy sources.



- In 2015, we implemented a waste recycling partnership at our Paris office with the organization [Les Joyeux Recycleurs](#), which allows all employees to recycle office waste. The partnership includes an online reporting system.



- Most of our client trainings were conducted via video conferencing to reduce business travel.

- In 2015, we implemented a waste sorting and collection process at our Mauritius office, focusing on PET bottles and used batteries and cell phones. The office also launched a one week campaign with “Je recycle les mobiles et les piles” with Mauritius Telecom, to collect used batteries and cell phones from home for recycling.

### Results

- We provided environmental training for 100% of employees as part of our induction training.

- Electricity consumed was: 18,748 kWh at our Paris office in 2014, and 35,320 kWh in 2015. However, since April 2015 we have switched to a 100% renewable energy supplier. We also consumed 83,128 kWh of electricity at our Mauritius location in 2014 and 115,192 kWh in 2015. Our office in

## EcoVadis UNGC Communication on Progress Report 2015

New York is in a shared space, but we were able to estimate our electricity consumption for 2015 to be 18,279 kWh<sup>1</sup>, with a back-calculation estimate of 2014 consumption to be 8,932 kWh. Total electricity use was 116,199 kWh in 2014 and 150,174 kWh in 2015. Our Tunisia office is not yet included in the current data.

- Waste emissions: In Paris our partnership “Les Joyeux Recycleurs” provides us with an online reporting system of recycling waste, such as paper, cans, bottles, and cartons (in kilograms). In Mauritius, waste emissions are measured in general mixed waste. And we are unable to estimate waste emissions in the New York office due to the office being in a shared space.
- Paper consumption was: an average of 963 grams of paper per employee in 2014, and 858 grams of paper per employee in 2015<sup>2</sup>. Our Tunisia office is not yet included in current data.
- Kilometers traveled by air (all staff): we estimate 620,505 km were traveled by air in 2014 and 796,233 km in 2015, a steady increase over the past few years (382,525 km in 2012 and 447,838 km in 2013). This equates to a 28% increase from 2013 to 2014 and a 28% increase from 2014 to 2015 that correlates with the continued internationalization of our business.
- Our carbon footprint was 90.6 tons of CO<sub>2</sub> for 2014, and 113.9 tons of CO<sub>2</sub> for 2015, also a steady increase over the previous year (84.19 tons of CO<sub>2</sub> in 2013). Our carbon footprint increased by 7.1% from 2013 to 2014 and 25.7% from 2014 to 2015. These impacts come mainly from flights.

### Supply Chain Results:

- 100% of our coffee purchases in Paris, Mauritius and New York had organic, Fair Trade, or Kenya Bureau of Standards (KEBS) ecolabels. 100% of our tea purchases in Paris had ecolabels, while 42% of our sourced tea in New York had an ecolabel.
- 100% of our cleaning products in Paris and Mauritius have ecolabels or are cruelty-free and plant-based.
- 100% of our printing paper purchases were eco-friendly/carbon-footprint reduced/from recycled origin in our Paris, Mauritius, and New York offices.

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<sup>1</sup> Estimation is based on a study by the Sustainable Engineering Lab (formerly Modi Research Group) that models estimated energy use for buildings in New York City. <http://sel-columbia.github.io/>

<sup>2</sup> 2014 estimations based on 200 employees, without measurements from New York as the office was very small. 2015 estimations based on 250 employees, including measurements from New York. Based on assumption that one sheet of paper = 4.5 grams.

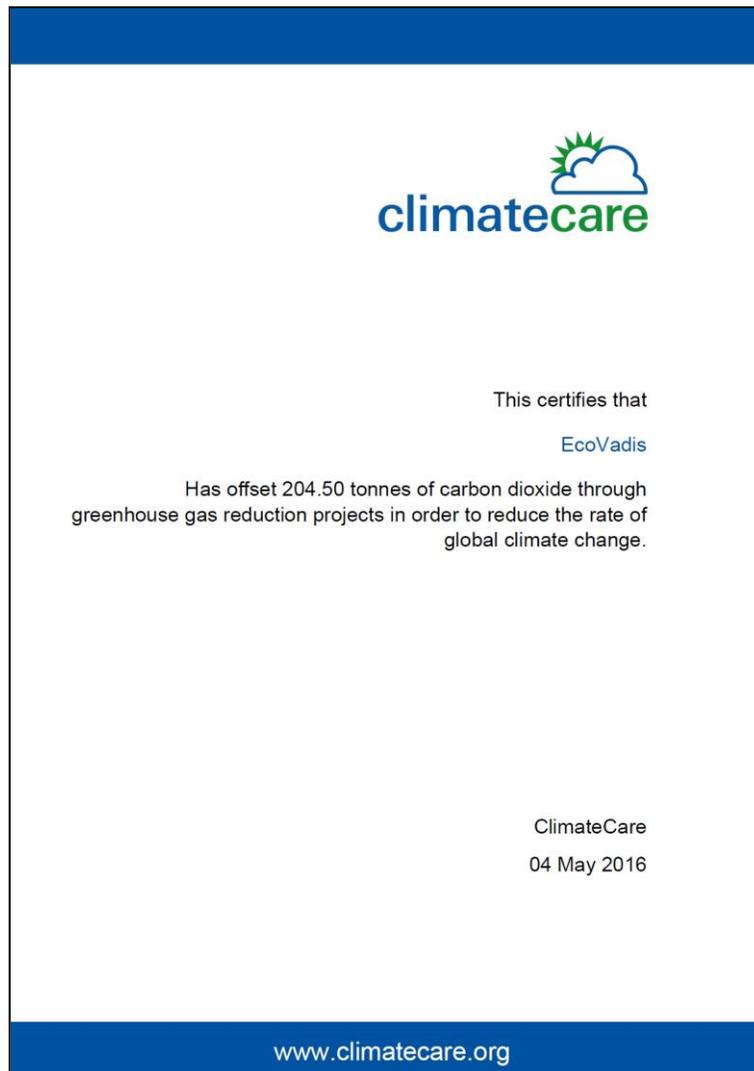
## EcoVadis UNGC Communication on Progress Report 2015

### EcoVadis carbon offset project

As part of EcoVadis' ongoing dedication to environmental responsibility, we have once again partnered with the organization [ClimateCare](#) to offset the carbon emissions associated with our global operations for 2014 and 2015.

Through this partnership, emissions will be offset with projects including the multiple award-winning Carbon for Water Project, which delivers safe water to more than 4.5 million people in Kenya, generating significant carbon reductions, while dramatically enhancing the health and economic circumstances of local communities. Other projects include the provision of clean cookstoves in Ghana, which significantly improve health while cutting emissions and reducing deforestation.

EcoVadis compensated 90.6 tons of CO2 emissions for the year 2014 and 113.9 tons of CO2 emissions for the year 2015, which amounts to 204.5 tons of CO2 emissions for the two years.



## 6. Business Ethics

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

### Policy

- The EcoVadis Code of Ethics is a 6-page document endorsed by the company Management Team. It states an ongoing commitment to respect the 10 Global Compact Principles and applies to all EcoVadis employees. The code addresses issues particularly relevant to our core business activities, such as illegal payments and bribery, gifts and entertainment, fair competition, conflict of interest, protection of confidential information and respect of intellectual property rights. A detailed section on conflict of interest also provides concrete details on the EcoVadis team member roles.
- An Ethics Officer can be reached anonymously or by email and is appointed by the EcoVadis Advisory Board.

### Action

- The EcoVadis Code of Ethics v2 was implemented in January 2015. A complete review and revamp of the previous Code was conducted to ensure policies and measures were adjusted according to the growth and expansion of our company. We have also implemented a 2 year review and amendment cycle, so the following version is planned to be released in 2017.
- Along with the Code of Ethics v2, our new EthicsVadis program was rolled out, with training (and refresher every 12 months), employee signature acknowledgement linked directly to the new Code, and a new ethics engagement game launching in March 2016.
- During each individual bi-annual performance assessment meeting, the letter of the code is reminded to each employee and a discussion on business ethics follows. “Integrity & Respect” remains a formal criterion included as an objective in employee performance appraisals.
- As part of our EcoVadis University project, we have created and published 8 internal e-learning modules related to Business Ethics issues accessible to all employees through an online platform. One of this module is 3-hour long and is directly related to Corruption and Bribery issues.

### Results

- As of the end of 2015, 100% of EcoVadis employees have signed our Code of Ethics acknowledgment form.
- 93% of employees attended a training session for Code of Ethics, while the remaining 19 employees will take part in a make-up training session in March 2016.
- Number of Ethics reports through whistle blowing procedure: 4 reports and 5 e-mails received asking for advice, for a total of 9 employee uses of the whistleblowing procedure in 2015.
- All reporting incidents were investigated in accordance with the whistleblowing procedure and resolved. None were found to be in violation of our Code of Ethics.

## 7. Community involvement

EcoVadis aims to make a positive, solid impact in the community where it operates, with a focus on sustainability in line with the company's overall CSR strategy.

### Paris



In July 2014, a team from our Paris office took part in [Pandathlon](#), hosted by WWF, to raise money and climb Mont Blanc in the name of environmental protection of threatened spaces in France.

In May 2015, our team in Paris ran for charity, completing 100.41 km in total with EcoVadis matching with a donation of 1€ per km.



### New York

In February 2015, some members of our New York team volunteered with local organization [City Harvest](#) to pack food to help fight hunger in New York City.



**PARTNERSHIPS FOR PARKS**  
2015 VOLUNTEER REPORT | ECOVADIS

EcoVadis employees joined together in October of 2015 to improve Commodore Barry Park in Brooklyn.

20 VOLUNTEERS	60 HOURS total volunteer time	10 BAGS of debris collected	1,296 SQ. FT. of mulch spread	200 PLANTS planted
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In October 2015, our team in New York joined forces with [Partnership for Parks](#) to work on a horticultural project at Commodore Barry Park in Brooklyn, to help remove debris and weeds, spread mulch, and plant plants.

## Mauritius

In 2015, our team in Mauritius decided to embark on a long-term partnership with [Children Foundation](#), a not-for-profit organization with the prime mission of providing value-based education to children with special needs. These children, aged between 6 to 20 years, experience various disabilities, such as mental retardation, behavioural disturbance, learning disabilities, and mild handicaps. At the Children Foundation, the children are taught and guided by qualified staff, and along with help from companies like EcoVadis, are able to provide environmental education to the children as well. Throughout 2015, EcoVadis Mauritius took part in various volunteer events to help support the efforts of Children Foundation and to help make a better world for the children and society.



In April 2015, our team worked on a kitchen garden project at the Children Foundation. Our team donated and helped plant tomatoes, eggplants, cabbages, thyme, coriander, and other vegetables, and some medicinal plants like citronelle. The garden was finally launched on June 5<sup>th</sup>, 2015.

In May 2015, our team donated 2 PC's to the Children Foundation to promote and encourage the children's learning and development in the field of IT.



In June 2015, in occurrence with World Environmental Day, our team visited the Children Foundation and performed a skit about the importance of taking care of a garden. The main character of the sketch was EcoMan, an environmentally conscious superhero

In November 2015, in celebration of Christmas, our team visited Children Foundation again with donations of a Christmas tree and decorations. The event included visits by Santa Claus and EcoGirl who distributed presents and re-usable water bottles to the children.



## 8. Concluding Remarks

EcoVadis disseminates the 10 Principles of the U.N. Global Compact Principles in its external sphere of influence through its core business activities. Again, in 2014 and 2015, EcoVadis has strived to respond to the key material CSR issues of concern, while maintaining its pace of growth internationally. However, some of our previous CSR objectives have not yet been attained. New difficulties in the rolling out of our CSR policies and actions across all of our operations have emerged and much progress remains to be done. We hope this Communication on Progress will remain a basis for internal dialogue and provide transparent information to our external stakeholders on our progress. Your feedback on the report is important for us and can be sent to [jsim@ecovadis.com](mailto:jsim@ecovadis.com).

