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# **EcoVadis Network Impact Report**

Driving Positive Change Through  
Business Sustainability



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# Foreword

The year 2020 has placed sustainability higher on the agenda than ever before. The COVID-19 crisis has demonstrated the importance of building sustainable and resilient global supply chains, and many companies have placed sustainability at the heart of their “rebuilding” strategy. We believe that EcoVadis, through its network of over 75,000 companies, has a role to play in accelerating the shift to more sustainable business practices globally.

The business case for sustainability is becoming clearer by the day, but a question remains: How do we measure the positive impact created by corporate sustainability programs?

In this first EcoVadis Network Impact Report, we share a model that summarizes, in a simple way, how EcoVadis interacts with the different stakeholders of our network to achieve positive environmental and social impacts.

How to measure positive impact is a question that must be treated with due gravity. And we strived to ensure the impact

model we have developed to assess the achievements of the EcoVadis network is backed by a robust methodological framework. This paper details our progress on the parts of the impact model that we are able to measure today. Future editions will seek to measure and report on progress across the entire model.

We look forward to continuing this journey of impact measurement and will regularly communicate on how we measure the positive impacts achieved by the EcoVadis network.



**Pierre-Francois Thaler**  
Co-Founder  
& Co-CEO



**Frédéric Trinel**  
Co-Founder  
& Co-CEO



# Measuring the Positive Impact of the EcoVadis Network

Since day one, EcoVadis has envisioned a global marketplace where sustainability intelligence influences every business decision, helping improve economies, the planet we depend on and people's lives.

For the past 13 years, EcoVadis' mission has been to deliver sustainability intelligence to companies by providing reliable business sustainability ratings. While we have delivered over 120,000 ratings since 2007, it is clear to us that ratings are not ends in themselves, but rather are valuable tools to achieve meaningful impact.

In this first EcoVadis Network Impact Report, we share our model and strategy for creating tangible and positive impact on the planet and society.

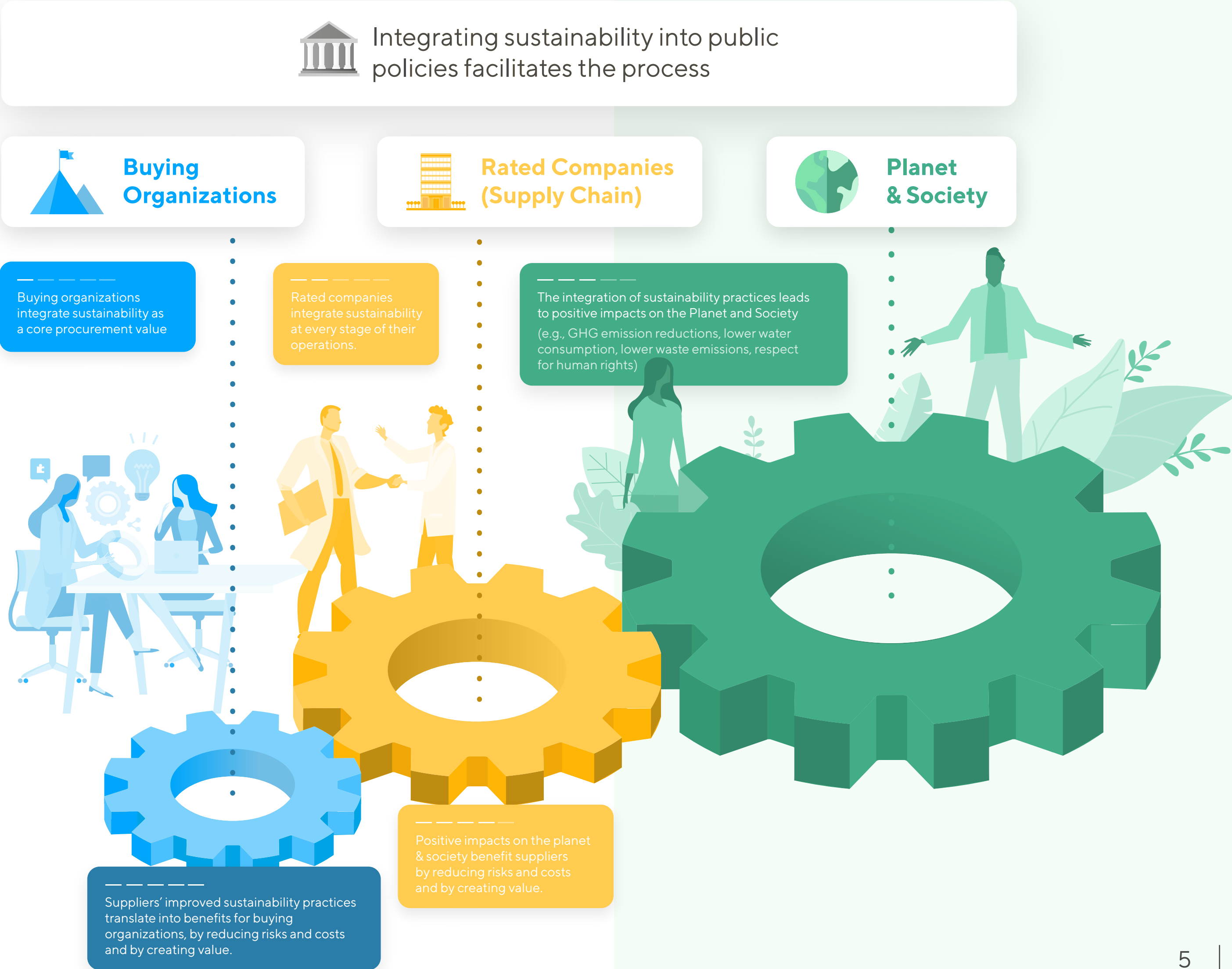
EcoVadis' model for impact is to provide ratings and intelligence to leverage commercial relationships to influence positive sustainable behaviors and actions, thereby creating and amplifying impact across global value chains.





# The EcoVadis Network Impact Model

This model summarizes how EcoVadis supports the different stakeholders of its network to better integrate sustainability in all business decisions, which in return yields concrete benefits for stakeholders at every level of global supply chains. Commitments from buying organizations can result in significant positive outcomes at the end of the chain.





# Scaling the Impact of the EcoVadis Network

Increasing customer engagement on the EcoVadis platform is essential to scaling our network and accelerating action across the globe. Buying organizations can create positive impact with every unit of procurement spend they allocate to contracts with sustainable suppliers. This impact is multiplied when they join forces with industry peers to identify sustainability issues in the supply chain, helping it to improve.

Suppliers are also buyers, and by monitoring and improving the sustainability practices of their own suppliers, they further cascade responsible practices upstream in supply chains.

The numbers below illustrate the reach of the EcoVadis network. We continue to grow these numbers exponentially to scale our positive impact.



Buying Organizations of the EcoVadis Network at a Glance

Since EcoVadis' founding

23,000

buyers

from 450 large multinationals, spanning 30 countries and 41 industries, engaged on the EcoVadis platform

€2.5 (\$3) trillion

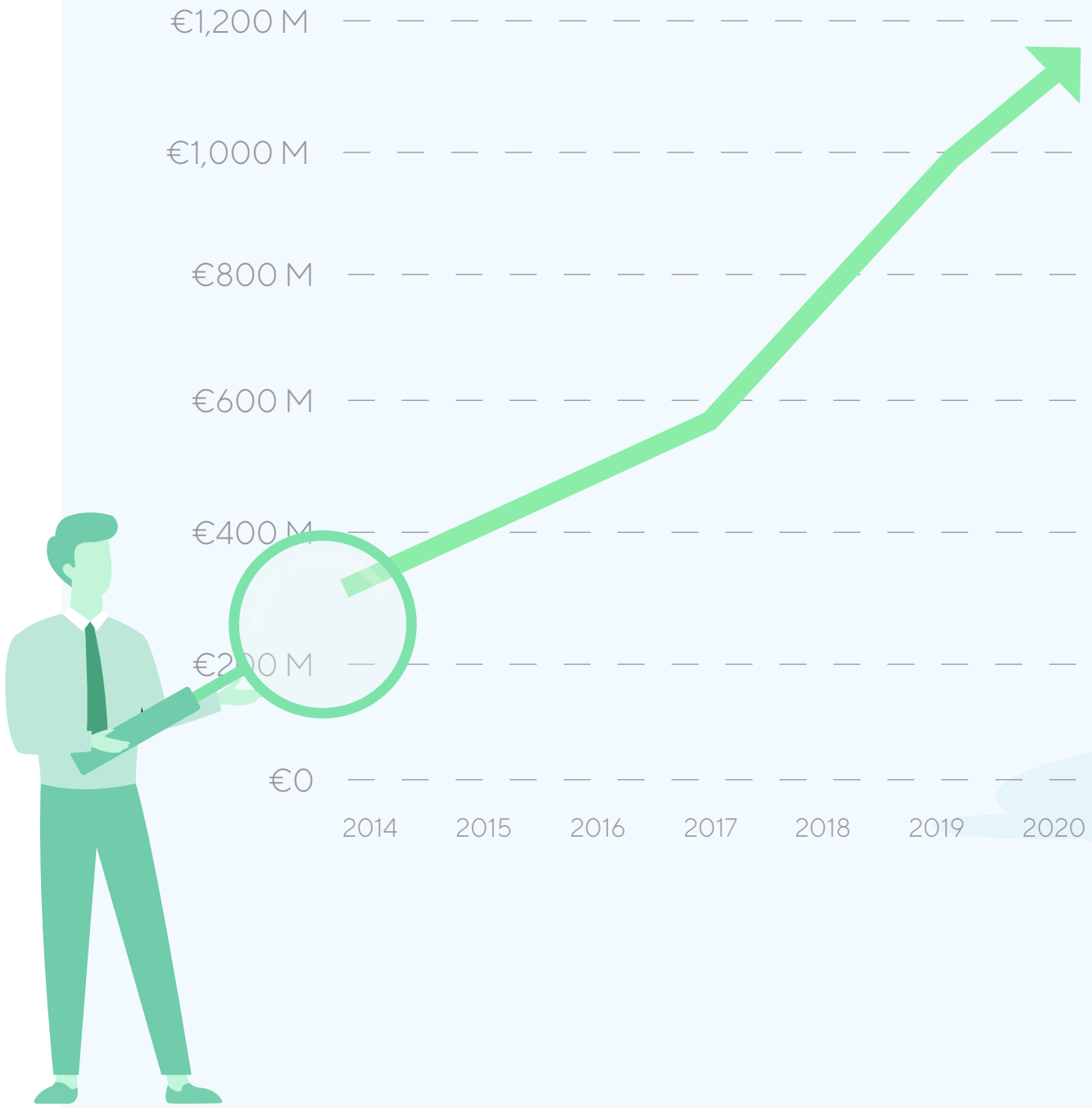
of global spend, of which €1.14 (\$1.4) trillion is screened by EcoVadis ratings<sup>1</sup>

7

industry-wide initiatives, which represent a total of 78 buying organizations, supported by EcoVadis

- Responsible Health Initiative
- Responsible Beauty Initiative
- AIM-Progress
- Joint Audit Cooperation
- Railsponsible
- ICT
- Together for Sustainability

Global Spend Covered by EcoVadis Ratings



<sup>1</sup> Estimation of global spend covered by EcoVadis ratings: EcoVadis enterprise customers cover on average 50% of their spend with EcoVadis ratings. The global spend covered by EcoVadis ratings was estimated by applying this 50% average to the spend of each EcoVadis enterprise customer, which we were able to estimate based on average spend statistics per industry.



Rated Companies of the EcoVadis Network at a Glance

Since its founding EcoVadis has rated **75,000** companies  
in **160** countries  
across **200** industries  
with an estimated **32,400,000**  
workers globally<sup>2</sup>

<sup>2</sup> Estimation of workers covered by EcoVadis ratings: The number of workers covered by EcoVadis ratings was estimated by assigning an average number of employees for each of the 75,000 companies rated by EcoVadis based on their size category:  
Large = 1,000 employees  
Medium = 500 employees  
Small = 60 employees  
Extra-small = 25 employees



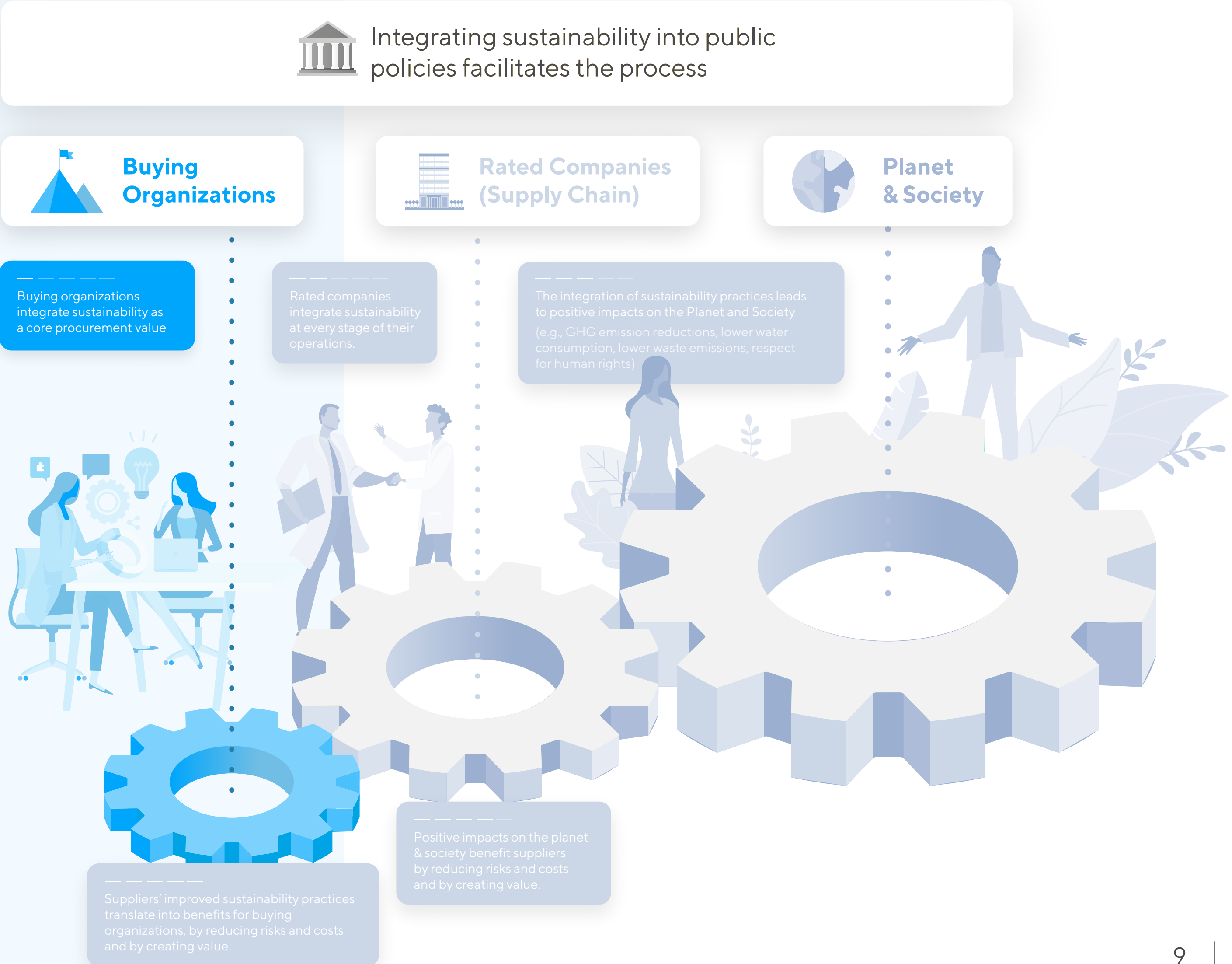


# Buying Organizations

Buying organizations are key change agents in the EcoVadis model and are responsible for driving positive impact. By embedding sustainability within their overall procurement strategy, these organizations signal to their partners up the supply chain that sustainability is a priority and a prerequisite for doing business.

While sustainable procurement is gaining significance in the business environment, it is still a relatively new topic. Effective change management practices are needed to mainstream sustainable procurement. This takes time, as organizational change happens one person at a time.

Partnering with our customers to drive change, we work closely with buying organizations to integrate sustainability as a core procurement value, alongside the traditional procurement values of cost, quality and delivery time.





EcoVadis, in partnership with buying or procurement organizations, facilitates the setup and continued maturation of sustainable procurement programs through the following activities:

## Establishing a sustainable procurement vision, strategy and goals

We support our customers in developing an overall quantifiable sustainable procurement program that helps them reach their overarching sustainability goals.

## Determining governance and resources

We work with our customers to recommend a governance structure for their sustainable procurement initiative, thereby assuring that the program can effectively impact business decisions.

## Developing policies, procedures and processes

We review procurement business practices to help our customers integrate sustainability in their procurement policies, processes and systems, including:

- How sustainability is factored into RFP management and business awarding;
- **35% of buying organizations** have integrated the EcoVadis Score into their RFP campaigns in 2019 and 2020;
- **Over 6,000** suppliers assessed as part of an RFP campaign in 2019 and 2020;
- How sustainability is integrated into supplier relationship management.

## Capacity building and continuous improvement

With over a decade of best practice expertise, we assist our customers in the adoption of their sustainable procurement initiatives while helping them to communicate on their expectations and progress.

- Supplier training: In 2019 alone, we provided sustainability training to **over 2,800 suppliers**.
- Buyer training: Since 2007, we have trained **10,200 buyers globally** on the importance of sustainability issues in the supply chain and sustainable procurement practices, with additional webinars on relevant topics.
- Connecting sustainable procurement professionals to share best practices: **530 professionals** attended our annual Sustain conference in 2019, and online communities are available for mutual interest groups.

## Reporting

We help buying organizations strengthen their internal and external reporting.



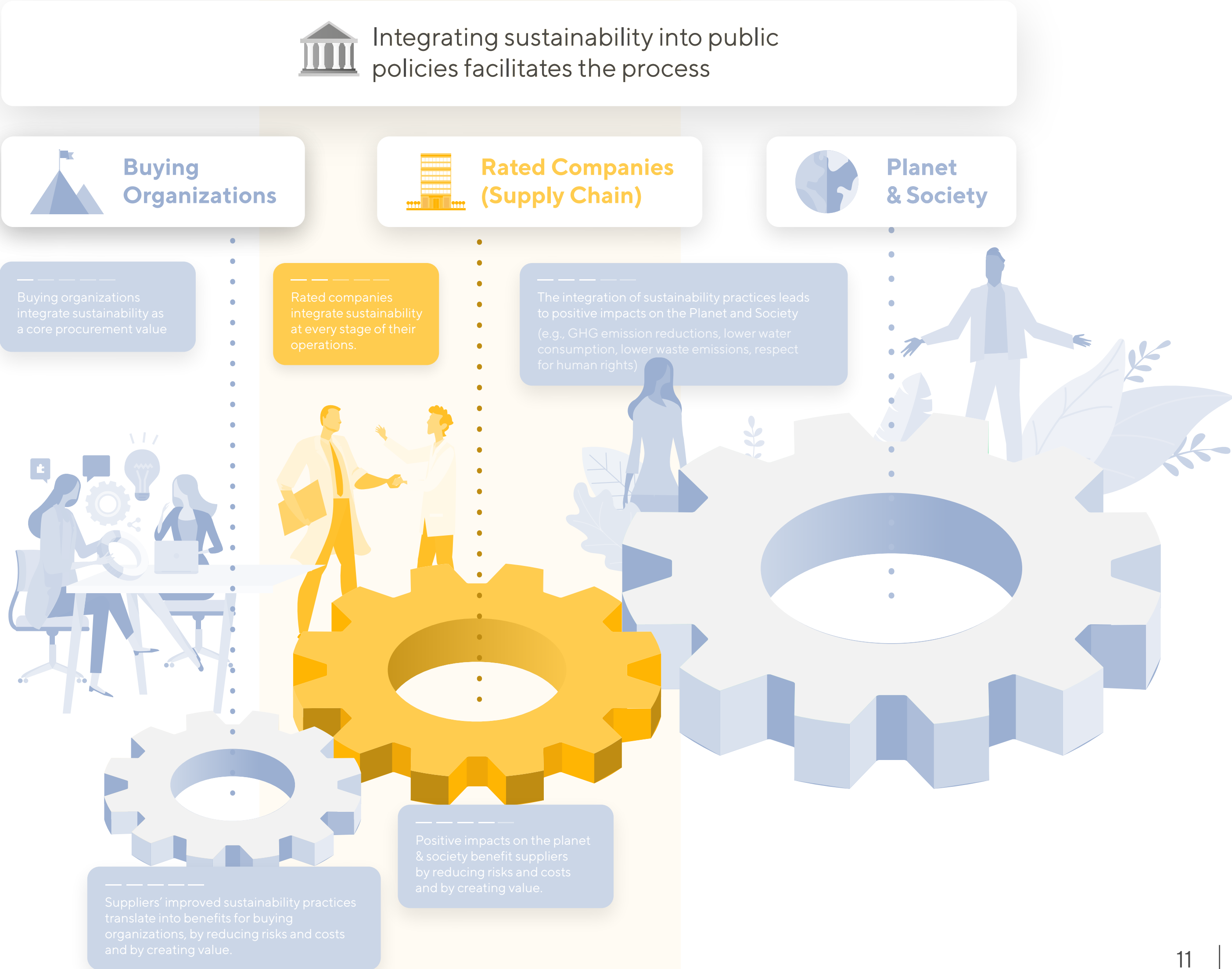


# Rated Companies

Buying organizations cannot achieve this lofty vision alone – their trading partners must also be aligned. Suppliers, or rated companies, play a critical role as change agents in the EcoVadis network.

By adopting more sustainable practices at every stage of their operations, supply partners impact their own business network, including up and down their supply chain.

EcoVadis ratings support rated companies by enabling them to benchmark their practices against best practices and highlight areas of improvement to increase their positive impact. We translate this analysis into an overall EcoVadis Score, which companies use to benchmark and compare their maturity against their peers.

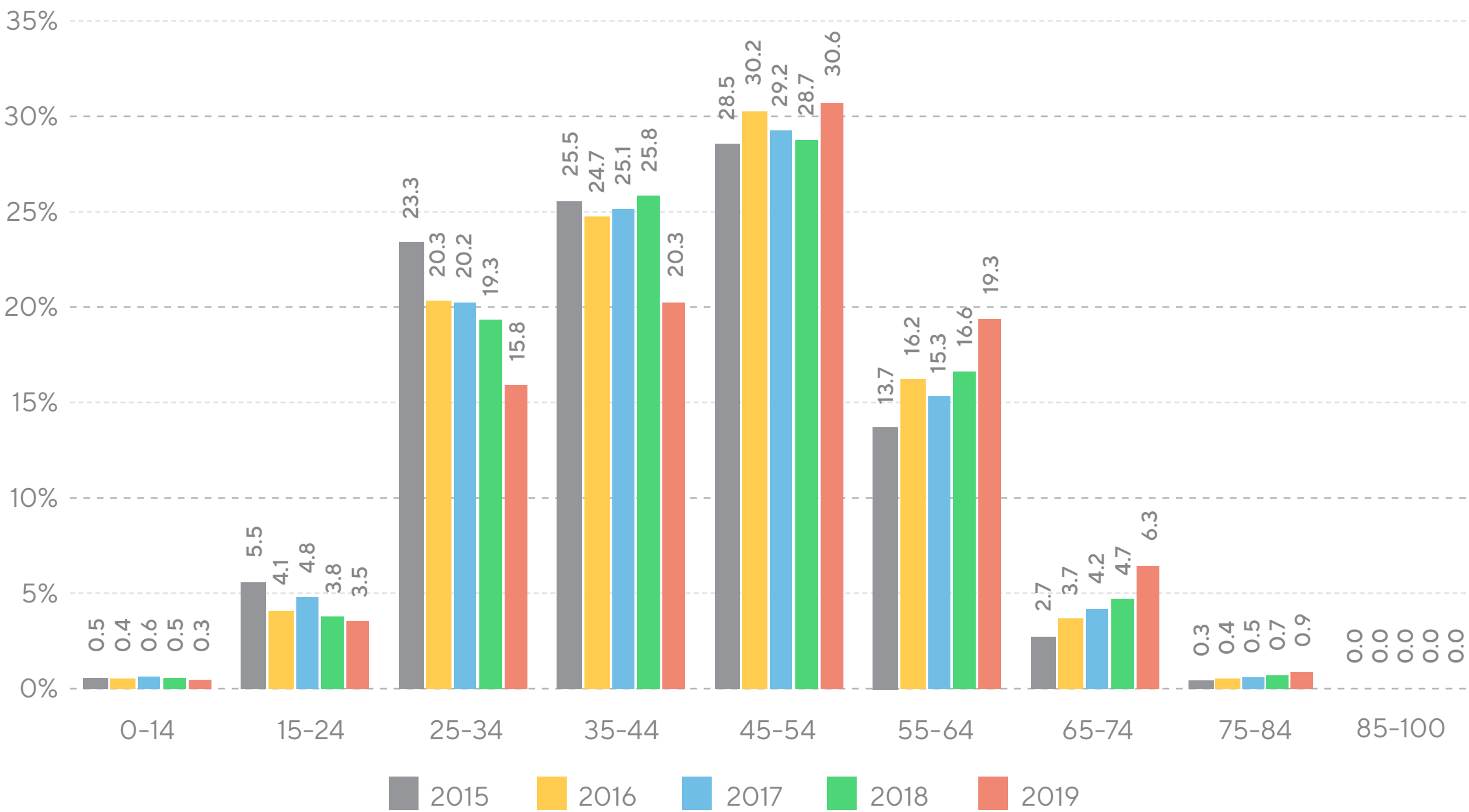




🏠 / Rated Companies

Overall, EcoVadis scores of rated companies have improved over the years, showing that the overall maturity of companies on sustainability issues is increasing.

Sustainability Performance Ranges and Benchmarks



\* All company sizes, unweighted data.



Using the areas for improvement highlighted on EcoVadis Scorecards, companies typically improve their rating between their first and last assessment. On average, companies rated between 2015 and 2019 improved their score by 1.8 points between their first and last rating.

Rated companies can improve their EcoVadis score from one rating to the next by implementing additional sustainability best practices. We have highlighted a few of them below.

Since 2016<sup>3</sup>

# Environment



368

companies have started producing renewable energy (e.g. solar or wind energy) for their own use.



835

companies have started sourcing energy from renewable energy sources (e.g. solar or wind energy) as part of their energy mix.



957

companies have implemented energy management training programs for their employees.



1,591

companies have started providing environmental protection training to their employees (covering topics like water, biodiversity, etc.).



246

companies have implemented programs to reuse or recycle materials.

<sup>3</sup> Analysis of best practices: We looked at all companies assessed at least twice by EcoVadis between 2016–2019 (sample of 18,473 companies) to monitor the adoption of a set of specific best practices. We highlighted companies that had not implemented these best practices at the time of their first assessment, but went on to implement them before their next EcoVadis assessment.



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🏠 / Rated Companies

## Social



1,967

companies have implemented health and safety training programs for their employees.



1,578

companies have started providing personal protective equipment to their employees.



806

companies have provided childcare services (including, for example, allowances or on-site childcare facilities).



544

companies have implemented wage equality programs (including, for example, wage gap audits).



1,543

have implemented diversity training for their employees.

However, companies still need to accelerate their adoption of sustainability best practices to address our times' pressing environmental and social challenges. EcoVadis Ratings continue to provide companies with a detailed roadmap to increase their positive impact on the planet and society.



# Case Studies: A Deep Dive Into How Rated Companies Use EcoVadis Scorecards to Improve





# LPR's Transportation Solutions Deliver Sustainable Results: A Case Study

LPR is a European pallet pooling company specialized in manufacturing and retail chains in the consumer goods sector. Together with Euro Pool System (EPS), it forms the Euro Pool Group, Europe's leading logistics provider for returnable and reusable standard packaging. LPR operates in multiple European countries, including France, Spain, Portugal, Italy, Germany, the Nordics, the Netherlands, Poland, Ireland and the U.K.

**€385 (\$461) million**  
turnover (EPS)

**€236 (\$282) million**  
turnover (LPR)

**95 million**  
pallet movements (LPR)

**1.16 billion**  
tray movements in retail (EPS)

**29**  
operational countries

**189**  
service centers





OBJECTIVES, DRIVERS AND CHALLENGES

How It All Began: From Quality to Sustainability

Driven by customer expectations and the need to ensure the quality of the materials in the supply chain, LPR started working on its first sustainability strategy in 2012 and defined it further in 2016.

APPROACH

A Guided Path to Reducing Environmental Footprint

The first step was to obtain an endorsement (The Chain of Custody Certification) from the Programme for the Endorsement of Forest Certification, an international non-profit, non-governmental organization promoting sustainable forest management. Two years later, LPR went through its first EcoVadis sustainability assessment. In 2020, LPR was among the top 1% of companies rated by EcoVadis to go beyond the 75-point threshold and attain a Platinum rating.

“

It is our responsibility as employees to preserve that reputation through our integrity, our honesty and respect for others, alongside leading in service, safety, sustainability and environmental issues.”

Xavier Goube,  
Managing Director, LPR



EcoVadis Scorecard Improvement Areas Over the Years (Selected Areas)

A quick look at EcoVadis Scorecards issued following each sustainability assessment provides a good overview of how LPR’s approach to sustainability has developed over the years. Below are selected areas of improvement or highlights.

- 2019
  - Quantitative objectives set on some relevant issues (i.e. energy consumption and GHGs, environmental services and advocacy).
  - Monitoring of direct and indirect CO<sub>2</sub> emissions.
  - Transport offering includes carbon compensation or CO<sub>2</sub> emissions measurement.
  - Official program for offsetting CO<sub>2</sub> emissions.
  - Measures implemented to recycle toners and ink cartridges.
- 2016
  - Offering includes eco-design services.
  - Implemented a sustainability strategy.
  - Reporting on GHG emissions. Participation in the CDP.
- 2013
  - Implemented measures to reduce energy consumption.
  - Began reporting on electricity consumption.
  - Produced a carbon footprint study.
- 2012
  - No information on measures regarding local and accidental pollution (e.g. noise, dust, spills).
  - No monitoring of electricity consumption.
  - Basic reporting on environmental issues, focused on GHG emissions.

“I’d say that when we started working with EcoVadis in 2012 was also when we started to give a more precise and richer meaning to the concept of CSR.”

Gael Gonzalez,  
Quality and CSR Manager, LPR



RESULTS

**Toward Long-Term Minimal Environmental Footprint: Improving Energy Efficiency and Reducing Carbon Emissions**

**Greener Logistics**

- ✔ Identifying opportunities for truck pooling and cutting down on empty journeys.
- ✔ Identifying alternatives to diesel, e.g. biogas trucks.
- ✔ CoolRail, the first refrigerated train connection for fresh produce between Rotterdam and Valencia, launched in May 2019, enabling a 70-90% reduction in CO<sub>2</sub> emissions.

**Green Energy Contracts**

- ✔ Green energy contracts in Southern Europe in 2018 with an aim to cover 75% of depots in 2020.

**Reforestation**

- ✔ Partnership with Plantons pour l'Avenir (Let's Plant for the Future) since 2016.
- ✔ 140,000 trees planted, equivalent to 5% of pallet footprint being compensated in 2019 and 2020.

“ Ever since we started, our understanding of sustainability has been continuously growing. While developing our approach by creating new initiatives, we have also created greater awareness among our company employees and have gained more resources – and partners like EcoVadis. I'd say, we're now more proactive and forward-looking.”

Gael Gonzalez,  
Quality and CSR Manager, LPR



# The Tessy Plastics Sustainability Transformation Story: A Case Study

Tessy Plastics is a global contract manufacturer founded in 1973. The company specializes in custom injection molding and automated assembly solutions for medical, pharmaceutical and diagnostics, and consumer industries. Headquartered in Skaneateles, N.Y., Tessy has facilities in Central New York, Pennsylvania and China.

**€317 (\$380) million**  
revenue

**1,400**  
employees

**158,000 m<sup>2</sup> (1.7 million ft<sup>2</sup>)**  
manufacturing space





OBJECTIVES, DRIVERS AND CHALLENGES

**How It All Began: From a Poor Rating to a Sustainability Transformation**

In 2010, Johnson & Johnson, one of Tessy Plastics’ primary customers, requested more visibility into the company’s risk management system in efforts to contribute to its risk mitigation initiatives. The company performed significantly below the industry target, but was motivated to improve. Within five years, they went through a complete sustainability transformation.

APPROACH

**A Guided Path to Reducing Environmental Footprint**

Tessy Plastics has described the initial poor rating as “a gift from Johnson & Johnson and EcoVadis” with insights and tools to help turn around the company’s performance. Three actions provided the foundation for its eventual success:

- The CDP and EcoVadis results were taken seriously;
- Tessy Plastics set measurable and publicly declared targets;
- A meaningful Corrective Action Plan was launched along with collaborative performance tools within the EcoVadis platform.

“

This wasn’t an easy journey, but it was so worth it.”

Cindy Bush,  
Former Director of EHS, Tessy Plastics  
Current Lead Consultant, Tessy Plastics – Sr. Vice President  
Manufacturing Risk Specialist, OneGroup



EcoVadis Scorecard Improvement Areas Over the Years (Selected Areas)

The EcoVadis Scorecards that have been issued to Tessy Plastics provide a good example of how the company’s development and approach to sustainability has improved over the years. Tessy Plastics improved and attained the following goals:

2019	<ul style="list-style-type: none"><li>• Reporting on total water consumption.</li><li>• Reporting on the total weight of non-hazardous waste.</li></ul>	<ul style="list-style-type: none"><li>• Reporting on total gross Scope 1 and 2 GHG emissions.</li><li>• Reporting on total energy consumption.</li></ul>	<ul style="list-style-type: none"><li>• Sustainability risk analysis.</li></ul>
2018	<ul style="list-style-type: none"><li>• Comprehensive policy on a majority of environmental challenges.</li></ul>	<ul style="list-style-type: none"><li>• Provision of incentives for management on climate change challenges.</li></ul>	<ul style="list-style-type: none"><li>• Comprehensive reporting on sustainable procurement challenges.</li></ul>
2015	<ul style="list-style-type: none"><li>• Quantitative objectives set on relevant issues (energy consumption, GHG emissions and waste).</li></ul>	<ul style="list-style-type: none"><li>• Eco-design measures to reduce product weight.</li><li>• Monitoring of emissions to air.</li></ul>	<ul style="list-style-type: none"><li>• Monitoring of noise level.</li><li>• Publication of conflict minerals-related reporting.</li><li>• 81-100% of suppliers for which conflict minerals information is available.</li></ul>
2013	<ul style="list-style-type: none"><li>• ISO14001 certified</li></ul>	<ul style="list-style-type: none"><li>• .Company reports to CDP (at the group level).</li></ul>	<ul style="list-style-type: none"><li>• Infrastructure implemented to enable water recycling.</li></ul>
2012	<ul style="list-style-type: none"><li>• No sustainable procurement policies on social factors.</li><li>• Basic environmental policy</li></ul>	<ul style="list-style-type: none"><li>• .No certification of environmental management system (ISO14001 or EMAS).</li><li>• No information on measures regarding environmental impacts from product end-of-life.</li></ul>	<ul style="list-style-type: none"><li>• Declares measures on local and accidental pollution (e.g. noise, dust, spills), but no supporting documentation available</li><li>• .Basic reporting on environmental challenges.</li></ul>

Tessy Plastics is ranked in the top 20% of companies assessed by EcoVadis and has received a Silver rating.



## RESULTS

### Tremendous Growth and Minimized Societal and Environmental Footprint

Tessy Plastics' sustainability transformation turned the company from Johnson & Johnson's lowest-performing supplier into a leading plastic parts manufacturer. Tessy improved in terms of revenue, diversity, sustainability and EHS strategy. In addition, it drives impact across a wide range of sustainability areas:

- ✔ In 2019, 24% of Tessy Plastics' total electricity came from Wind RECs and Hydro Power Purchase Agreement — that's 17,654 MWh.
- ✔ In the same year, 2,289.88 tons (2,077.34 metric tons) of waste was diverted to recycling facilities. That's 89.2% of the company's total output.
- ✔ In terms of carbon emissions, Tessy is assessed by CDP along with over 4,000 companies worldwide. In 2019, it was among the top 3% of organizations and the only plastics company recognized as a Supplier Engagement Leader.
- ✔ Tessy Plastics is 100% conflict mineral-free.
- ✔ Committed to providing water security, Tessy Plastics uses a closed-loop water recycling system for manufacturing and uses lower levels of ammonia-N in sanitary septic with the use of its Bioclere Wastewater Treatment System.

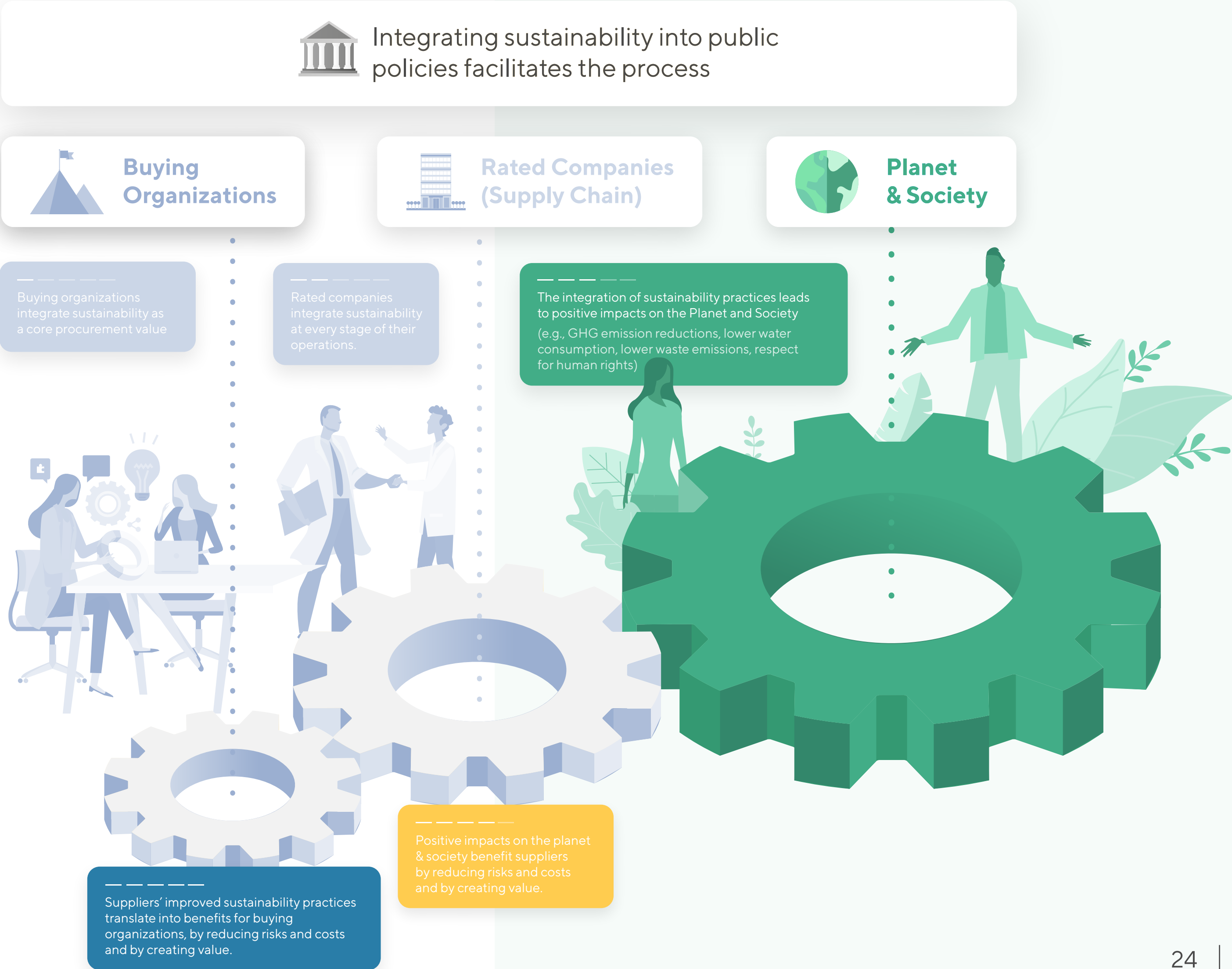




# Next Steps of the EcoVadis Impact Measurement Journey

The next steps are to determine the quantifiable impact these supplier best practices have had on their supply chain, and what positive returns, in terms of risk and cost reduction and value creation, these impacts have yielded for both suppliers and buying organizations.

EcoVadis will continue to communicate on its strategy to create impact and quantified outcomes in future versions of this report.





## About EcoVadis

EcoVadis is the world's most trusted provider of business sustainability ratings, intelligence and collaborative performance improvement tools for global supply chains. Backed by a powerful technology platform and a global team of domain experts, EcoVadis' easy-to-use and actionable sustainability scorecards provide detailed insight into environmental, social and ethical risks across 200 purchasing categories and 160 countries. Industry leaders such as Johnson & Johnson, Verizon, L'Oréal, Subway, Nestlé, Salesforce, Michelin and BASF are among the more than 75,000 businesses on the EcoVadis network, all working with a single methodology to evaluate, collaborate and improve sustainability performance in order to protect their brands, foster transparency and innovation, and accelerate growth. Learn more on [ecovadis.com](https://ecovadis.com), [Twitter](#) or [LinkedIn](#).

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