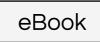


The Ultimate Guide to Your EcoVadis Assessment





nexioprojects.com



Content

1.	What is EcoVadis?	03
2.	The four key pillars of sustainability	04
3.	How to get certified?	05
	Step 1: Registration	
	Step 2: Questionnaire	
	Step 3: Expert Analysis	
	Step 4: Results	
	Step 5: Recognition	
4.	The EcoVadis methodology	10
	Policies	
	Endorsements	
	Measures	
	Certifications	
	Reporting	
	360 Watch	
5.	The EcoVadis scoring system	13
6.	Tips & best practices from our experts	14
7.	Frequently asked questions	16
8.	About Nexio Projects	20

Businesses (or 'buyers') can request their

invitation, after which they will receive

undergo the

sending

EcoVadis

an

them

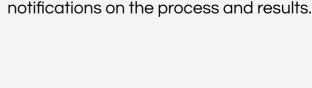


What is EcoVadis?

Founded in 2007, <u>EcoVadis</u> is today one of the world's most comprehensive sustainability rating tools, assessing private and public companies on social, ethical and environmental impacts. Over the last decade, it has built a network of more than 65,000 rated companies around the globe.

The EcoVadis assessment is a paid service to rate a organisation's material sustainability impact based on thorough documentation analysis (unlike many other ESG rating agencies that exist).

The assessment is available to all organisations and can be used as a tool to ensure transparency across the supply chain.



by

to



suppliers

assessment

The assessment is a tool to ensure transparency across the supply chain.



The four key pillars of sustainability

EcoVadis' methodology is built – and continuously updated – on international sustainability standards (UNGC, GRI, ISO, and more), which they have used to identify 21 indicators across four main pillars: Environment, Labour and Human Rights, Ethics and Sustainable Procurement. The themes and the related indicators are shown in the image below.

Figure 1. EcoVadis pillars of sustainability

	Operations	Procucts
	Energy consumption & GHGs	Product use
En increased	Water	Product end-of-life
Environment	Biodiversity	Customer health & safety
	Local & accidental pollution	Environmental services &
	Materials, chemicals, & waste	advocacy
	Human Resources	Human Diabta
	Human Resources	Human Rights
	Employee health & safety	Child labour, forced labour 8
Labour & Human	Working conditions	human trafficking
Rights	Social dialogue	Diversity, D discrimination & harassmemt
	Career management & training	External stakeholder human rights
	Corruption	
Ethics	Anticompetitive practices	
	Responsible information management	
Sustainable	Supplier environmental practices	
Procurement	Supplier social practices	



How to get certified?

The EcoVadis Certification process is a 5step journey that starts with registration and ends with recognition.

Figure 2. EcoVadis 5-step journey



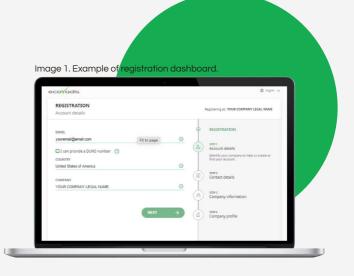
Step 1: Registration

The first step to receiving an EcoVadis certification is to register on the EcoVadis website.

You will be asked to create a profile, specify your business activity and update your contact information.

This information is then used by EcoVadis to build a customised questionnaire for your organisation based on your industry sector, the country of operations and the size.

If you were invited to undergo an EcoVadis assessment, you should follow the link in the email invitation. This will allow the requesting organistion to follow your progress and be notified when your results go live.





Step 2: Questionnaire

Once the registration is complete, you will receive an email with your username and the instructions and link to create your password to access the platform.

Upon entering the platform, you will land on the Dashboard page where you can check the progress you made, the latest news from EcoVadis, and where you can start completing the questionnaire. As mentioned before, the questionnaire is customised to your organisation, as shown by the example below.

You can now start filling in the questionnaire by answering the questions and uploading the required documents.

For support, you can contact the EcoVadis Help Center at support.ecovadis.com

Figure 3. Tailored questionnaires

	Environment (30%)	Labour & Human Rights (40%)	Ethics (10%)	Sustainable Procurement (20%)
	Energy consumption & GHGs	Employee health & safety	Corruption	Supplier environmental practices
Freight transport	Local & accidental pollution	Working conditions		Supplier social practices
by road	Materials, chemicals, & waste	Social dialogue		
		Career management & training		
		Diversity, discrimination & harassement		
	Environment (12.5%)	Labour & Human Rights (50%)	Ethics (25%)	Sustainable Procurement (12.5%)
	Energy consumption & GHGs	Employee health & safety	Corruption	Supplier environmental practices
Consulting	Materials, chemicals, & waste	Working conditions	Anticompetitive practices	Supplier social practices
services	Environmental services & advocacy	Social dialogue	Responsible information management	
		Career management & training		
		Diversity, discrimination & harassement		

Step 3: Expert analysis

Once you have completed and submitted your questionnaire, appointed EcoVadis experts will analyse your answers and the documents uploaded to check whether your answers are supported by the right documents and respect EcoVadis criteria. The process itself takes approximately 6 to 8 weeks.





Step 4: Results

Once your answers have been analysed and results are published, you will be notified via email. Your answer will be distilled into a Scorecard, as shown in the example below.

In the Scorecard, you will find:

- 1. Your overall score with the average industry score (black marker);
- 2. The scores across the four sustainability themes and average industry score per theme;
- 3. Each pillar's weight (from 1 to 4).

In addition to your main scorecard, you will also be able to access detailed scorecards per sustainability pillar, as shown in the figure below. In this section, you will find what EcoVadis considers to be your company strengths, meaning everything your company has in place which helps it implement its sustainability strategy (e.g. good environmental policies, recruitment process clearly communicated to candidates). Remember that strengths should never be overlooked as what is a strength today might become an improvement area tomorrow.

Image 2.	EcoVadis	scorecard -	sample.



In other words, EcoVadis focuses on continuous improvement, meaning there is no sustainability 'end state'.

In the detailed scorecard, you will find the specific improvement identified by EcoVadis analysis, as shown in the example below.

Improvement areas can be categorised according to three levels:

- 1. Low importance (Green);
- 2. Medium importance (Orange);
- 3. High importance (Red).

Sustainal	ole Procurement ①	Weight •••• •
Strengths (4)	Improvement Areas (3) 360° Watch Findings (0)	SI
Policies		
Priority	Improvement Areas	
Medium	No supporting documentation or only basic sustainable procurement policy on social issues ①	
Actions		
Priority	Improvement Areas	
Medium	Declares on-site audit of suppliers on environmental or social issues, but no supporting documer available	itation
Tow	Declares having a supplier CSR code of conduct, but no supporting documentation available	ve action in progress





Carbon Scorecard

As of 2021, EcoVadis systematically asks questions about the state of your climate strategy by requiring in-depth information regarding:

- Commitment
- Actions

08

• Reporting

This will lead to a separate scorecard providing a specific ranking to your organisation's Carbon Management Level. The results are ranged from Insufficient to Leader.

The scorecard will be divided into strengths and improvement areas, in the same way as the sustainability scorecard.

Beginning 2022, the results are still not impacting your overall EcoVadis score. However, considering the increasing focus and pressure on private sector carbon reduction plans, this might not be the case for very long.

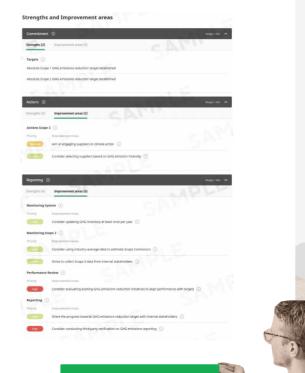


What can you do to improve your carbon scorecard?

Similar to the EcoVadis scorecard that you are used to, the platform provides strengths and improvement areas on each of the score pillars. For Commitments, organisations are rated on the strength of their targets. Sumitting a Science-Based Target, for example, could impact the score in this area.

Under Actions, organisations are rated on their activities related to reducing emissions.

Finally, Reporting assesses organisations on the completeness and relevance of the data that is reported. Some things to consider are having an updated inventory and reporting on scope 1, 2 and 3 emissions.



Learn more



Step 5: Recognition

Once you receive your score, you might also receive your EcoVadis medal. No medals are assigned for overall scores below 47 or if there is a theme score that is lower than 20. A company can receive a bronze medal (50>), silver medal (59>), gold medal (70>), or platinum medal (78>).

The medal reports the year in which the assessment was completed and can be used on your company's website and in communications. In addition, you will be able to share the results on the EcoVadis website with other companies in your supply chain network. EcoVadis' sustainability scorecard is valid for 12 months after publication. Once the 12 months have passed you will still be able to access your scorecard but will no longer be able to share the results publicly. You can find more information on your scorecard validity in your EcoVadis platform, next to the publication date.





The EcoVadis methodology

EcoVadis analyses an orgnaisation's environmental or sustainability management system according to three aspects: policies in place, actions taken, and results. Let's delve into each of these scoring categories.

Figure 4. The EcoVadis methodology



Policies

Policies make up 20% of the overall score. As such, it is an important focus area when evaluating your environmental management system. Policies are crucial because they carry your mission, outline your value statements and guide your organisation towards implementing them.

To determine the score, the EcoVadis assessment looks at:

- Whether the policy in place covers relevant ("activated") criteria depending on company size and industry;
- The presence of qualitative objectives;

- The presence of sustainability reporting tools to monitor the objectives and track progress (governance);
- The presence of a review mechanism in order to keep the policy up to date;
- The scope of application: whether the policy covers all employees and all sites.



Endorsement

EcoVadis also looks at the external endorsements (5% of overall score) that the assessed organisation supports, in order to evaluate commitment and proactivity towards socio-environmental initiatives and industry-specific ambitions. Examples of such endorsements are commitments to the UN Sustainable Development Goals, the UN Global Compact, and CDP.

Measures

EcoVadis evaluates the actions taken to support objectives set in each of the four pillars (environment, labour, business sustainable ethics, procurement). Measures account for 26% of the overall score and as such, represent the most important category that EcoVadis evaluates. In other words, it forms the backbone of environmental vour management system.

To determine the score, the EcoVadis assessment looks at:

- Relevance: whether the measures taken cover relevant ("activated") criteria depending on company size and industry;
- Applicability: if the documentation attached properly answers the question asked;
- Validity: if the proof is valid enough (i.e., up to date, clear that the documentation belongs to the company);
- Coverage: (how many sites or entities does your measure cover).
- The organisation's "measures" score is heavily influenced by the coverage factor.

Certifications

To state the obvious: certifications provide external validation and quality assurance of an organisation's management system, products, or services. Showcasing external certifications will have a positive impact on the score as it represents 14% of the overall score. Examples of ESG certifications include ISO standards, SMETA audits, or SA8000.

To determine the score, the EcoVadis assessment looks at:

- Legitimacy (certificate issued by independent and accredited thirdparty organisation);
- Validity (the certificate is up to date);
- Inclusion of CSR issues;
- Coverage (how many sites does your measure cover). The score is heavily influenced by the coverage factor.

Reporting

Proper reporting demonstrates that an organisation has set, measured, and monitored relevant key performance indicators (KPIs). It shows that actions, as formulated in the policies, are oriented towards improvement. Sustainable reporting constitutes 14% of the total points allocated in the EcoVadis score.

To determine the score, the EcoVadis assessment looks at:

- Relevance: whether the KPIs in place cover relevant ("activated") criteria depending on size and industry;
- Transparency: whether the KPIs are publicly available to stakeholders;



360° Watch

EcoVadis uses an artificial intelligence algorithm which searches for positive and negative news related to an organisation's sustainability activities in the public domain. The 360 Watch accounts for 20% of the total points allocated.

a

To determine the score, the EcoVadis assessment scrapes:

- Official statements or publications of administrative government bodies;
- The content of court rulings or legal settlements;
- Factual statements by the press or organisations, which are recognised as working by scientific standards and financially neutral to the content of said statements, e.g. independent NGOs.

According to the EcoVadis methodology, the 360° score is set at 75 points by default and may be scored up or down based on the following principles:

- Timing of facts of the case;
- Nature of case: positive or negative;
- Severity of cases with negative impact: severity may be due to a variety of factors such as repeated occurrence, percentage of workforce involved, amount of financial sanction, etc.



The EcoVadis scoring system

Policies

When analysing the quality of policies, EcoVadis scores as follows:

A TRACE	12-			
0	25	50	75	100
No evidence	Basic	Standard	Comprehensive	Exceptional

Measures

The methodology scores measures as follows:

A STREET	12-			
0	25	50	75	100
Nothing tangible	Basic	Standard	Comprehensive	Exceptional

Reporting

Sustainability reporting scores as follows:

and the second	de la companya de la	1		and the second s
0	25	50	75	100
No evidence	Basic	Standard	Comprehensive	Exceptional

360° Watch

The organis will be scored as follows:





Tips & Best Practices from Our Experts

Assigning Responsibilities

Assign a project manager

Assigning a responsible person that oversees the project will greatly help the organisation. This person should be responsible for gathering all documentation from all pillars, keeping a document database, as well as filling-in the survey online. Throughout the years, having an ambassador for opening the new questionnaire and taking care of platform-specific matters (e.g., opening the questionnaire, making sure the deadline is met, sharing EcoVadis results with commercial partners) will be valuable to centralise the information.

Assign a specific contact person per pillar.

These individuals are most knowledgeable on the pillar-specific internal operations and should closely work with the project manager to provide information and documentation. Here is a list of commonly responsible roles to involve in the EcoVadis process, per pillar:

- Environment: EHS Manager, Quality Manager, Sustainability Manager.
- Labour & Human Rights: HR Manager, EHS Manager, Sustainability Manager.
- Business Ethics: Finance Manager, IT Manager, Compliance manager
- Sustainable Procurement: Procurement Manager, Account/Product Manager Sustainability Manager.

Making Sure Your Documentation is Accepted

Your EcoVadis assessments predominantly relies on the documentation submitted on the platform. This is why making sure that documentation is taken into account by EcoVadis is essential. Here are a couple of mistakes to avoid when it comes to the type, age, and format of ***



documentation:



Obsolete Information.

Make sure your documents are up to date. EcoVadis will generally reject documents older than 8 years. When it comes to KPIs and audit reports, the validity period is as early as 2 years.

Unauthentic documentation.

EcoVadis needs to understand that the documentation provided belongs to the organisation being assessed. This is why we highly recommend always having a company name or logo on the documentation presented. Similarly, documents from external parties will be rejected, unless this specific document makes reference to your organisation. For the same reason, pictures will be rejected.



Frequently Asked Questions

- 1. What is the price range?
- 2. Is it possible to get a reassessment?
- 3. Why get certified through EcoVadis?
- 4. Does EcoVadis offer support?
- 5. Should we respond on a group or subsidiary level?
- 6. How should I prepare my team for the EcoVadis assessment?
- 7. Do we need to take the assessment every year?
- 8. How long does it take to complete the process?
- 9. Can I ask my suppliers to complete the EcoVadis Assessment?
- 10. Is the EcoVadis assessment available in multiple languages?



What is the price range?

Organisations subscribe to an annual fee that covers the EcoVadis assessment, access to the EcoVadis platform, access to beneficial EcoVadis resources, and the ability to share performance with customers. Find more details about pricing according to size in this support article.

Is it possible to get a reassessment?

Since the EcoVadis assessment is valid for a period of 12 months, it is recommended to conduct assessments annually. Moreover, organistions can conduct reassessments for the following reasons:

- If EcoVadis assessment validity has expired;
- If additional evidence could be used and was not submitted in the previous assessment;
- If your EcoVadis rating is lower than is being asked by a trading partner and trading partner requires the company to get reassessed.

It is recommended to take time to understand your scorecard before requesting a reassessment on the EcoVadis platform.

Why get certified through EcoVadis?

An EcoVadis certification can bring multiple benefits to an organisation, among which:

Better understanding of your organisation's environmental management system (understand your strengths and weaknesses with regards to the Environment, Labour & Human Rights, Ethics, and Sustainable Procurement themes);

- Increased supplier selection likelihood and evaluation scores due to transparency on socio-environmental performance;
- Increase stakeholder trust and gain legitimacy;
- Industry benchmarking opportunities;
- Better insights into the material issues specific to one's organisation;
- Ability to share your scores with your partners.

Does EcoVadis offer support?

Yes, EcoVadis can offer support through its support <u>platform</u>, where common questions about registration, payment, the questionnaire, the expert analysis and the results can be answered.

However, EcoVadis will not provide help on optimising the questionnaire completion. As EcoVadis' worldwide certified partner, it is Nexio's role to assist you in assessment completions, assessment reviews, implementations, and GAP analyses. You can reach out to Nexio Projects <u>here</u> if you would like to receive professional assistance on your <u>EcoVadis assessment</u>.

Should we respond on a group or subsidiary level?

The answer to this question will depend on your situation, more specifically on the coverage of the documentation provided, and on the partner requests.

On a group level, you need to ensure that the documentation provided covers all the underlying entities for optimal scoring. If the documentation doesn't provide enough coverage, the risk of responding on a group level is to receive a lower score.



For instance, if an organisation is only ISO certified for a site in X country, the documentation will not provide full coverage as sites in Y and Z countries are not ISO certified. In this case, it may be beneficial conduct more to the assessment on a subsidiary level (e.g., on site from company X only). While policies can generally provide full coverage, this is especially important for the measures and reporting questions, as sustainability practices differ from entities and therefore cannot be considered equal.

The decision will also depend on the request to participate in the EcoVadis assessment.

Requests can generally target specific entities in cases where only the specific entity is related to a partner organisation (e.g., if a partner only supplies its raw materials from specific facility). а Conversely, requests can target the overarching organisation when the whole group is tied to a partner, which forms a rationale for conducting good the assessment on a group level. It may be more logical to complete the group assessment if multiple entities are requested to complete the questionnaire.

How should I prepare my team for the EcoVadis assessment?

As the assessment covers a variety of themes, it may be wise to gather multiple people across departments. Ideally, the people gathered have both (1) knowledge in the topic; (2) access to relevant documentation.

Generally speaking, the environmental questions can better be answered by the ESG manager, who is best able to answer

topics of waste, GHG emissions, and sustainable consumption among others. In addition, the Labour & Human rights questions can often be best answered by the HR manager who has insights on recruitment policies and working conditions. Naturally, the sustainable procurement can best be tackled by someone in the purchasing team. Finally, the ethics section can be addressed by the IT or compliance department. Other relevant roles include managing directors, or even company owners.

Do we need to take the assessment every year?

Yes. An EcoVadis medal stays valid for one year. Therefore, if a company wishes to maintain a valid medal, it should be reassessed on a yearly basis. This also comes with the possibility to increase the score, as EcoVadis makes recommendations based on corrective actions, thus orienting organisations towards improvement.

How long does it take to complete the process?

The questionnaire completion process takes as long as the assigned team takes to gather the relevant documentation to the answer the auestions. Once questionnaire is opened, EcoVadis grants companies 3 weeks to complete it. It is however not uncommon to request a deadline extension by contacting EcoVadis.

Once an organisation submits the questionnaire, the evaluation process (expert analysis phase) takes on average 6-8 weeks.

The EcoVadis Scorecard and medal are valid for 12 months.



Can I ask my suppliers to complete the EcoVadis assessment?

A key feature of the EcoVadis platform is its ability to manage supplier relationships and increase transparency through supplier assessment requests. The platform allows businesses (or 'buyers') to request their suppliers to undergo the EcoVadis assessment by sending them an invitation, after which they will receive notifications on the process and results.

Is the EcoVadis assessment available in multiple languages?

EcoVadis The assessment can be conducted in 8 languages: English, French, Spanish, Dutch, German, Italian, Chinese. Portuguese and However, can be submitted in all documents there is need for languages, no translating.



Sustainability in motion

We help you understand, simplify and embed sustainability into your company DNA to accelerate your transition to a brighter future.

<u>Contact us</u>

Authors



Indra Lancien ESG Junior Facilitator, Nexio Projects



Sami El Rafei Sustainability Analyst, Nexio Projects

Nexio Projects Netherlands nexioprojects.com