



# ecovadis

## EcoVadis Sustainability Assessment Report

Company rated:  
MISUMI EUROPA GMBH

Overall score: 62 /100  
October 2023

Sustainability performance: Good

Size: M  
Headquarters country: Germany  
Risk country operations: NO  
Industry: Manufacture of other fabricated metal  
products n.e.c.

## TABLE OF CONTENTS

1. Sustainability Performance Overview
2. Assessment Benefits
3. Assessment Process
4. EcoVadis Methodology
  - A. Four Themes and 21 Criteria
  - B. Seven Management Indicators
5. Understanding a Scorecard
  - A. Quantitative Information: Scores & Activated Criteria
  - B. Qualitative Information: Strengths & Improvement Areas
  - C. Scoring Scale
6. Environment
7. Labor & Human Rights
8. Ethics
9. Sustainable Procurement
10. 360° Watch Findings
11. Specific Comments
12. Contact Us
13. Appendix: Industry Risk Profile

## 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.

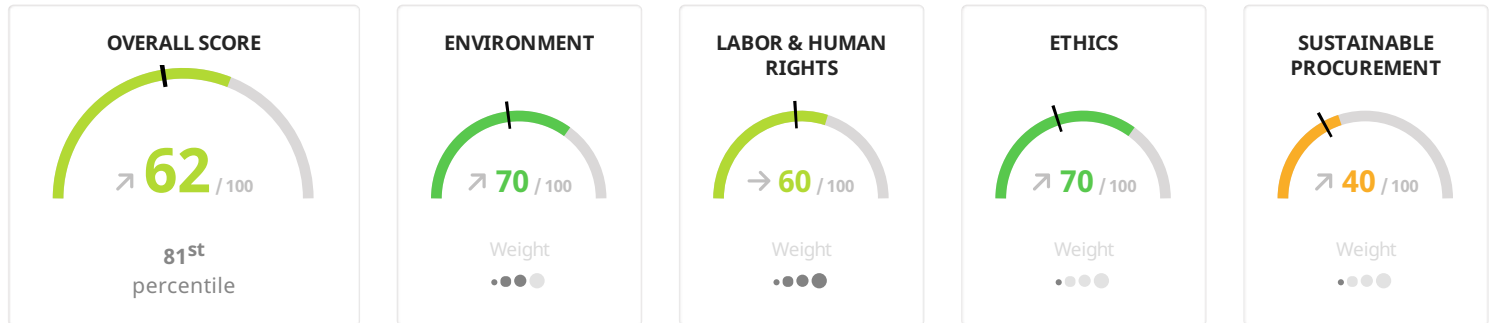
---

*No part of this document may be reproduced, modified or distributed in any form or manner without prior written permission from EcoVadis. Provided under contract for exclusive use by subscriber:*

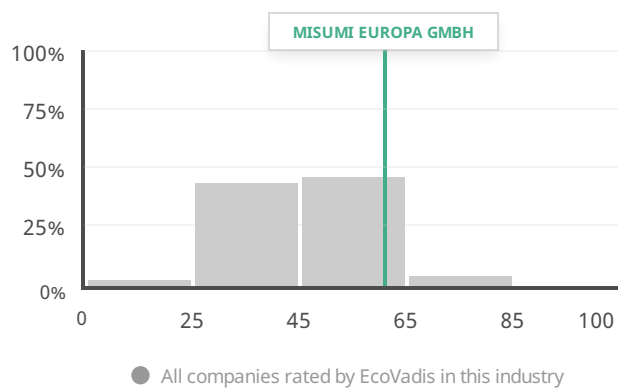
# 1. SUSTAINABILITY PERFORMANCE OVERVIEW

## Score breakdown

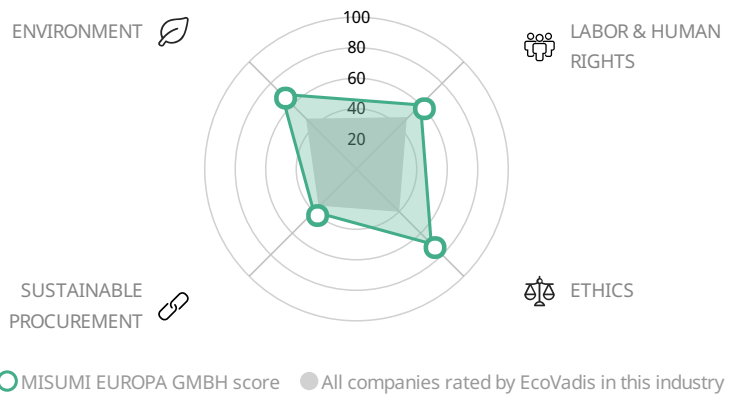
Sustainability performance ● Insufficient ● Partial ● Good ● Advanced ● Outstanding — Average score



## Overall score distribution



## Theme score comparison



MISUMI EUROPA GMBH has been awarded a silver medal in recognition of sustainability achievement! To receive this medal, companies must have an overall score of 59-70.

## 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. MISUMI EUROPA GMBH has a corrective action plan in place and is working on improving their sustainability management system.

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

## 2. ASSESSMENT BENEFITS

### Understand :

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

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

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

### Communicate :

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

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

## 3. ASSESSMENT PROCESS

1

### Customer Request

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

2

### Questionnaire

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

3

### Document Analysis

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

4

### Public Information

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

5

### 360° Watch Findings

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

6

### Expert Analysis

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

### SCORECARD



## 4. ECOVADIS METHODOLOGY

### A. Four Themes and 21 Criteria

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

#### 21 sustainability criteria

##### 1. ENVIRONMENT

###### OPERATIONS

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

###### PRODUCTS

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

##### 2. LABOR & HUMAN RIGHTS

###### HUMAN RESOURCES

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

###### HUMAN RIGHTS

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

##### 3. ETHICS

- Corruption
- Anticompetitive Practices
- Responsible Information Management

##### 4. SUSTAINABLE PROCUREMENT

- Supplier Environmental Practices
- Supplier Social Practices



### B. Seven Management Indicators

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



#### Policies (weight: 25%)

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

#### Actions (weight: 40%)

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

#### Results (weight: 35%)

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

## 5. UNDERSTANDING A SCORECARD

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

### A. Quantitative Information: Scores & Activated Criteria

#### Theme Scores:

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

#### Activated Criteria:

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

#### Non-activated

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

Medium

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

High

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

#### ! Risk countries only

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

### C. The Scoring Scale

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

### B. Qualitative Information: Strengths & Improvement Areas

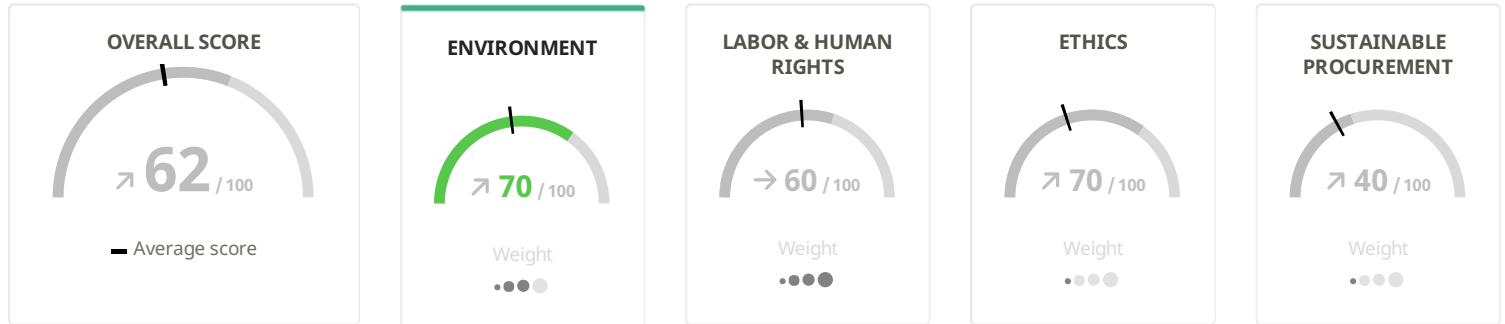
Qualitative information provides more details and insights into a company's score. For each theme, the company is assigned strengths (elements of their sustainability management system that are positive) and improvement areas (elements of their sustainability management system that need to be improved).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

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

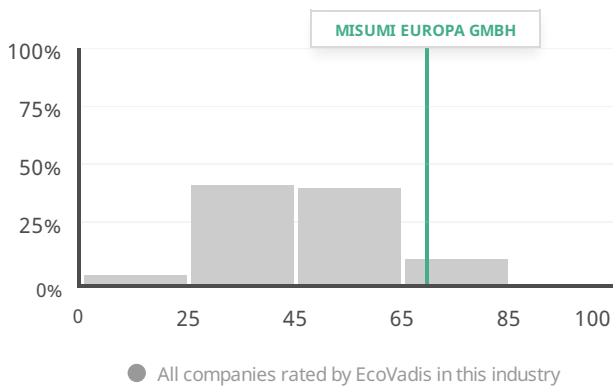
## 6. ENVIRONMENT

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

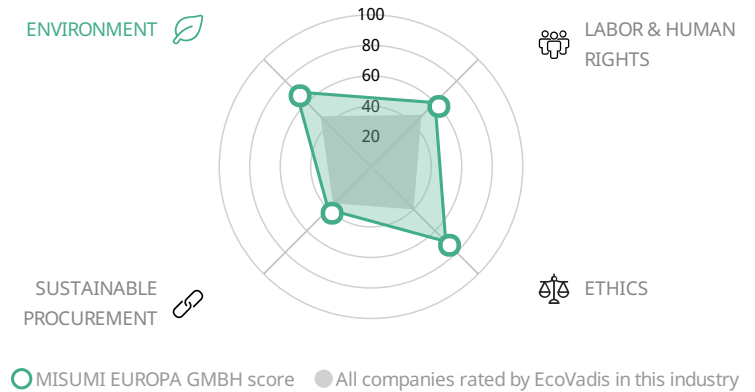
### Environment Score Breakdown



Theme score distribution



Theme score comparison



#### Environment: Activated Criteria

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

#### Environment: Strengths & Improvement Areas

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

**Strengths**

**Policies**

**Environmental policy on air pollution**

---

**Quantitative objectives set on energy consumption & GHGs**

---

**Environmental policy on materials, chemicals & waste**

---

**Environmental policy on water**

---

**Environmental policy on energy consumption & GHGs**

---

**Comprehensive policy on a majority of environmental issues**

**Information**

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

---

**Guidance**

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

---

**Actions**

**Specialized treatment and safe disposal of hazardous substances**

---

**Internal sorting & disposal of waste according to waste streams**

---

**Actions or training to raise employee awareness on waste reduction & sorting**

---

**Reduction of internal wastes through material reuse, recovery or repurpose**

---

**Purchase and/or generation of renewable energy**

---

**Improvement of energy efficiency through technology or equipment upgrades**



**Energy and/or carbon audit**

**Information**

The company has provided supporting documentation demonstrating that it has performed an energy audit or carbon assessment.

**Guidance**

An energy audit is an inspection, survey and analysis of energy flows, within a building, process or system to reduce energy consumption. An energy audit is the first step in identifying opportunities to reduce energy expense and carbon footprints. Carbon assessment or carbon footprint is a measure of the amount of CO2 or other GHG emissions of a defined process expressed as carbon dioxide equivalent and this can be done using a carbon footprint calculator.

**ISO 14001 certified**

**Information**

The company has provided a valid ISO 14001 certificate that covers all of its operations.

**Guidance**

The ISO 14001 standard belongs to the ISO 14000 series, a family of environmental management standards developed by the International Organization for Standardization (ISO) designed to provide an internationally recognized framework for environmental management, measurement, evaluation and auditing. The standard serves as a framework to assist organizations in developing their own environmental management system and is based on the continuous Plan-Do-Check-Act cycle.

**Training employees to safely handle and manage hazardous substances**

**Information**

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

**Guidance**

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

**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.

**Results**

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

**Total gross Scope 3 GHG emissions reporting value confirmed in supporting documentation**

**Reporting on total water consumption**

---

**Reporting on total weight of non-hazardous waste**

---

**Reporting on total gross Scope 3 GHG emissions**

---

**Parent company reports to CDP**

**Information**

The company's parent company has responded to the Carbon Disclosure Project (CDP) survey (either Investor or Supply Chain Responses).

**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. EcoVadis and the CDP have an active partnership which facilitates the assessment process for companies which are answering to the CDP questionnaires. Through this partnership, EcoVadis collects and analyzes available CDP answers and allows respondent companies to skip energy consumption & GHG related KPIs in the Ecovadis survey.

---

**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 exclude 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 CO<sub>2</sub>, methane, nitrous oxide, HFCs, PFCs and sulphur hexafluoride (SF<sub>6</sub>).

---

**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 exclude 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 CO<sub>2</sub>, methane, nitrous oxide, HFCs, PFCs and sulphur hexafluoride (SF<sub>6</sub>).

**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.

**Standard reporting on environmental issues**

**Information**

There is evidence of formal reporting implemented regarding the management and the mitigation of the company environmental footprint from its supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions.

**Guidance**

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. Examples of key performance indicators include total electricity consumption, electricity consumed per kg of product or per unit produced. Comprehensive reporting on environmental issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external sustainability reporting standards.

**Improvement Areas**

**Policies**

Low

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

**Actions**

Medium

No information on measures regarding water management

**Information**

No company declaration and no evidence within the supporting documentation on actions implemented on water management issues.

**Guidance**

Some examples of actions on this topic include water treatment, recycling and reuse, reduction of wastewater discharge, measurement and control mechanisms for organic water pollutants (BOD) or chemical oxygen demand (COD).

Low

Declares measures on air pollution, but no supporting documentation available

**Results**

Low

No information on reporting on total weight of hazardous waste

Low

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

---

Low

No information related to reporting on total weight of pollutants emitted to water

---

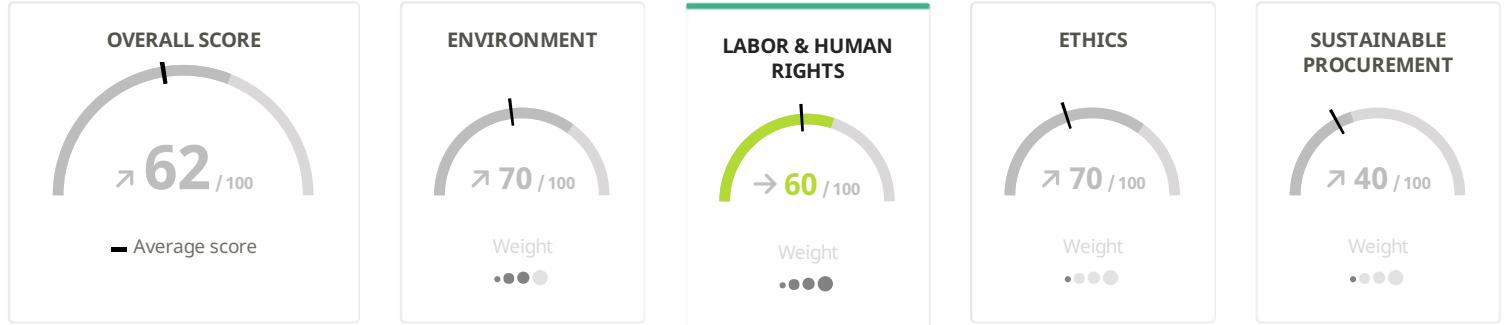
Low

Declares reporting on total weight of waste recovered, but no supporting documentation available

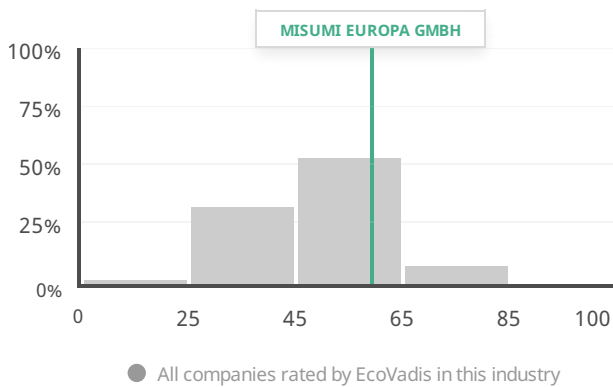
## 7. LABOR & HUMAN RIGHTS

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

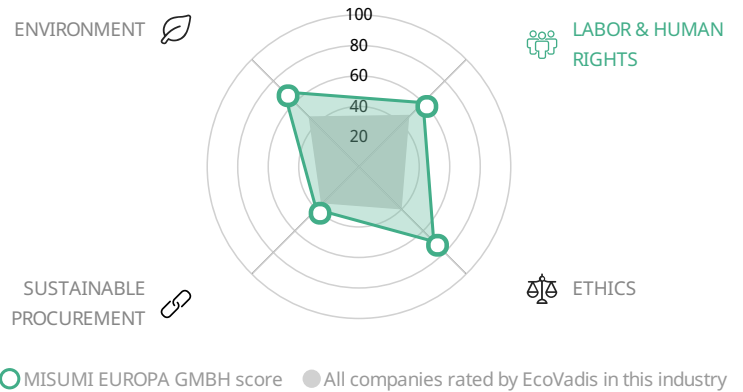
### Labor & Human Rights Score Breakdown



Theme score distribution



Theme score comparison



#### Labor & Human Rights: Activated Criteria

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

#### Labor & Human Rights: Strengths & Improvement Areas

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



**Strengths**

**Policies**

**Labor & human rights policy on diversity, equity & inclusion**

---

**Labor & human rights policy on child labor, forced labor & human trafficking**

**Information**

The company has issued a formal policy that integrates commitments and/or operational objectives on child labor, forced labor & human trafficking.

**Guidance**

The company has implemented a policy on the prevention of child labor, forced labor & human trafficking in its operations. There are at least qualitative objectives/commitments which specifies the efforts to be made by the company to eradicate the occurrence of child labor, forced labor & human trafficking.

**Labor & human rights policy on working conditions**

---

**Labor & human rights policy on employee health & safety**

---

**Standard policy on a majority of labor or human rights issues**

**Information**

A standard labor and human rights policy includes commitments and/or operational objectives on the main labor and human rights risks the company faces.

**Guidance**

A comprehensive labor and human rights policy includes commitments and/or operational objectives on the majority of labor and human rights risks the company faces, and integrates quantitative objectives (i.e. targets) on those risks. It is also mandatory for the policy to incorporate some of the following elements: scope of application, allocation of responsibilities, and/or a formal review process. Policies are deemed exceptional when all labor practice and human rights issues are covered by qualitative and quantitative objectives, in addition to all of the aforementioned elements.

**Actions**

**Actions to control hazardous substance exposure**

**Information**

The company has taken actions to limit/control the exposure of employees to hazardous substances at the workplace.

**Guidance**

The company has implemented actions such as work instructions, installation records of enclosures, ventilation or extraction systems, job rotation or work adjustment procedures to minimize employees' contact with chemicals or other hazardous substances. These actions have been taken to limit the negative health effects that these hazardous substances can have on employees after prolonged exposure at the workplace.

**Equipment safety inspections or audits**

**Information**

The company conducts regular inspections and/or audits of equipment used at work to ensure employee health and safety.

**Guidance**

The company conducts audits of control and/or inspections for equipment that employees use daily. The actions conducted include evaluation reports on equipment safety, work instructions on equipment safety, tracking record of equipment used or audits conducted by a third party regarding equipment used.

**Actions to address stress and psychological wellbeing in the workplace**

**Information**

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

**Guidance**

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

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

**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 be used by companies to get feedback on employees about their engagement, morale, and satisfaction at work.

**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.

**Awareness training regarding diversity, discrimination, and/or harassment**

**Health and safety training for subcontractors working on premises**

**Information**

The company has provided the subcontractors working on premises with necessary training to strengthen their knowledge about health and safety risks at work and to help them perform their tasks safely at the company's sites.

**Guidance**

The company has provided health and safety training with the help of training materials (slide decks, training content summaries) and/or evidence of training execution (progress reports, certificates of completion, attendance sheets) to demonstrate the execution of safety training programs for subcontractors working on the company's premises. A subcontractor is a person hired by the company which carries out work on the company's premises as part of a larger project.

**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).

**Employee health & safety risk assessment**

**Information**

The company has provided documents which demonstrate that an employee health and safety risk assessment has been conducted. The assessment took into consideration the daily operational tasks of employees, the health and safety hazards present at the workplace and the associated risks and has a proposed corrective action plan to address these identified risks.

**Guidance**

A health and safety risk assessment is systematically conducted to identify and evaluate the potential impact of operational tasks or conditions on employees' health and safety. The main elements of a complete risk assessment are; 1) description of hazards or risk factors identified to have the potential to cause harm and determining the significance of the risks. 2) periodic review of risks to reflect the latest risks and health and safety environment in the business. 3) presence of a preventive and corrective action plan in the form of steps and/or recommendations that an organization needs to take to effectively prevent and address the risks identified, mapped & evaluated in risk assessments. 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.

**Transparent recruitment process communicated clearly and formally to all candidates**

**Information**

The company has a transparent recruitment process in place which is clearly and formally communicated to all candidates

**Guidance**

The company has a transparent hiring process in place which is communicated to all candidates. This includes, but is not limited to: having a clear job description, a process in place to respond to applicants after an interview, notification to candidates on potential background checks, etc. An open, transparent, and merit-based recruitment process ensures equal opportunities to the job applicants, free of any direct or indirect discrimination.

**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.



**Regular employee health check-up**

**Information**

The company has been conducting regular health screening tests for employees.

**Guidance**

The company has made regular health check arrangements for employees through health service contracts or employee health surveillance procedures. These periodical and relevant occupational health check-ups provided to employees have had a particular focus on the health risk factors that the employees are exposed to at the workplace. Some of the health risks are; exposure to chemicals, potentially dangerous machines, noise, or other potential hazards to allow for early detection of effects on health and timely treatment.

**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.

**Actions to promote the inclusion of employees with disabilities**

**Information**

The company has implemented specific measures to integrate disabled persons into the workforce.

**Guidance**

Emerging studies determine that there is a true business case for the integration of disabled employees into the workforce beyond its roots as a socially responsible business practice. Evidence states that disabled employees have comparable productivity rates, lower accident rates, and higher job retention trends. People with disabilities also represent an untapped source of skills and talent, including technical skills if they have access to training and transferable problem-solving skills developed in daily life. Hiring disabled employees can contribute to the overall diversity, creativity and workplace morale. Some potential examples of implementation measures could include specific outreach techniques and programs, the provision of reasonable accommodation to meet individual needs, and allocating designated human resources management staff with knowledge on disadvantaged or work-related disability issues, etc. (source: ILO)

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

**Information**

The company has provided its employees with necessary training to strengthen their knowledge about health and safety risks at work and good working practices.

**Guidance**

The company has provided training with the help of training materials (slide decks, training content summaries) and/or evidence of training execution (progress reports, certificates of completion, attendance sheets) to demonstrate the execution of training programs regarding health and safety risks at work and good working practices. 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 employees from minority and/or vulnerable groups in the whole organization**

---

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

---

**Reporting on average training hours per employee**

---

**Reporting on the percentage of women in top executive positions**

**Information**

The company reports, either through formal documentation or questionnaire declaration, on the percentage of women in executive positions (e.g. senior or top management).

**Guidance**

Executive positions include positions such as chief financial officers, chief operating officers, or any other key roles in a company. The aim is to look into whether a company is promoting an increase in gender diversity in its executive rank or not. It is important to note that in 2015, only 14.2% of the top five leadership positions in companies in the S&P500 are held by women according to CNNMoney analysis.

---

**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:  $[(\text{number of days lost due to injuries}) \times 200,000 / \text{total hours worked}]$ , whereas in France it is:  $[(\text{number of days lost due to injuries}) \times 1000 / \text{total hours worked}]$ . In India, the rate is calculated as  $[(\text{number of days lost due to injuries}) \times 1,000,000 / \text{total hours worked}]$ .

---

**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:  $[(\text{total number of lost time injury events}) \times 100,000 / \text{total hours worked}]$ , whereas in USA it is:  $[(\text{total number of lost time injury events}) \times 200,000 / \text{total hours worked}]$ . In France or Japan, the rate is calculated as  $[(\text{total number of lost time injury events}) \times 1,000,000 / \text{total hours worked}]$

**Standard reporting on labor and human rights issues**

**Information**

There is evidence of formal reporting implemented regarding both labor and human rights issues from the company supporting documentation, including key performance indicators (KPIs), statistical figures or associated concrete actions.

**Guidance**

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. 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. Comprehensive reporting on labor practice and human rights issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external sustainability reporting standards.

**Improvement Areas**

**Policies**

Medium

Inconclusive documentation for policies on social dialogue

Medium

Inconclusive documentation for policies on career management & training

Low

No quantitative target on labor and human rights issues

**Information**

Company policy does not contain quantitative targets on labor and human rights issues.

**Guidance**

Quantitative objectives or targets on labor and human rights issues are considered as fundamental elements of comprehensive policy mechanism. They provide a monitoring framework that helps establish whether policy objectives are being met, and highlight the progress towards set goals. Some examples of specific targets on this topic include quantitative objectives on health & safety indicators (i.e. accident frequency and accident severity rates), quantitative objectives on percentage of employees trained on discrimination and quantitative objectives on number of employees covered by social benefits. As policy elements, targets can be expressed in absolute or relative terms and must have a valid future deadline (i.e. by 2020 we commit to train 100% of employees on discrimination).

Low

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

**Actions**

Medium

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

**Information**

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

**Guidance**

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

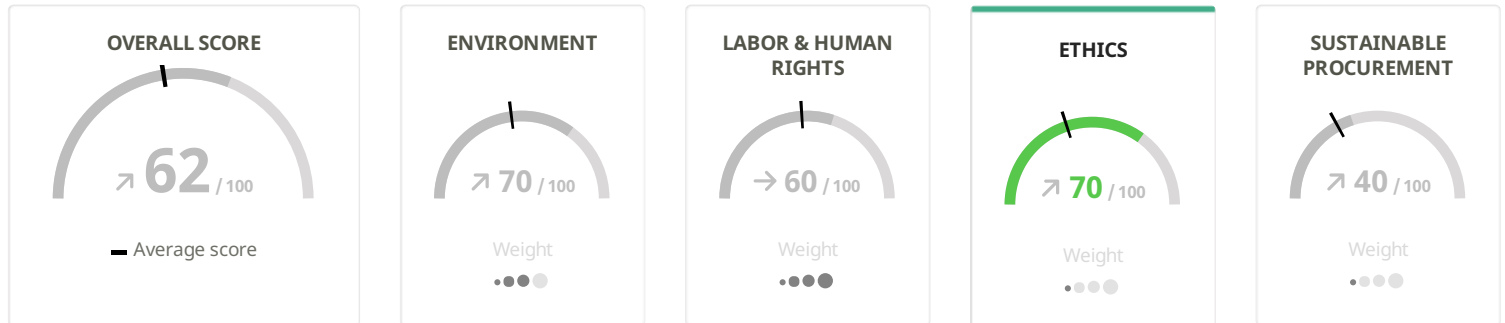
Low

No information on ISO 45001 certification

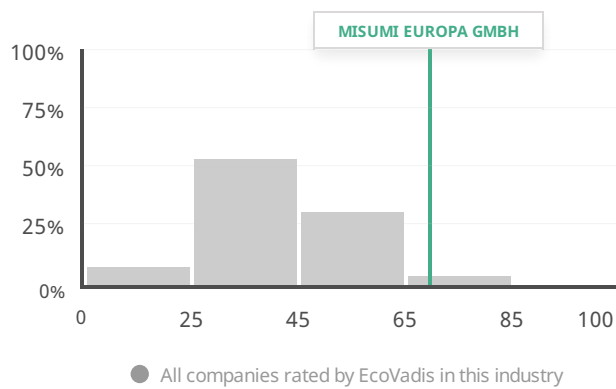
## 8. ETHICS

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

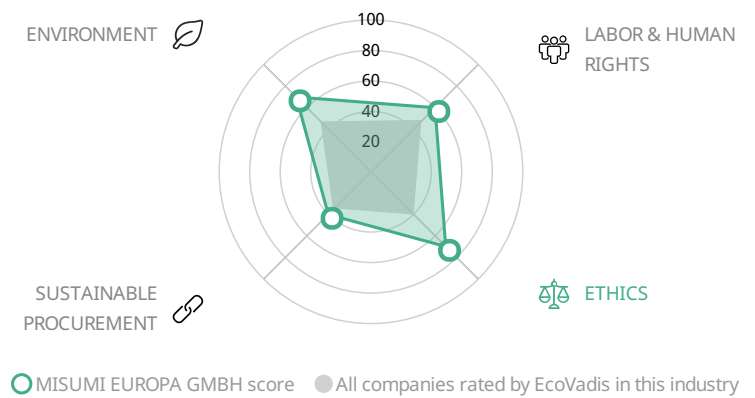
### Ethics Score Breakdown



Theme score distribution



Theme score comparison



#### Ethics: Activated Criteria

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

#### Ethics: Strengths & Improvement Areas

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

**Strengths**

**Policies**

**Standard policy on a majority of ethics issues**

---

**Policy on conflict of interest**

---

**Disciplinary sanctions to deal with policy violations**

**Information**

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

**Guidance**

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

**Policy on information security**

**Information**

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

**Guidance**

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

**Policies on corruption**

**Information**

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

**Guidance**

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

**Dedicated responsibility for ethics issues**

---

**Actions**

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

**Information security risk assessments performed**

**Information**

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

**Guidance**

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

**Awareness training to prevent information security breaches**

**Information**

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

**Guidance**

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

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

**Information**

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

**Guidance**

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

**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.

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

**Information**

The company has implemented a verification process for sensitive transactions.

**Guidance**

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

**Results**

**Standard reporting on ethics issues**

**Information**

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

**Guidance**

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

**Improvement Areas**

**Policies**

Low

Inconclusive documentation for policies on fraud

Low

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



**Actions**

Medium

No conclusive documentation on awareness training to prevent corruption and bribery

**Information**

No company declaration and no evidence within the supporting documentation regarding the implementation of awareness or training programs on anti-corruption & bribery issues for employees.

**Guidance**

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

Low

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

**Information**

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

**Guidance**

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

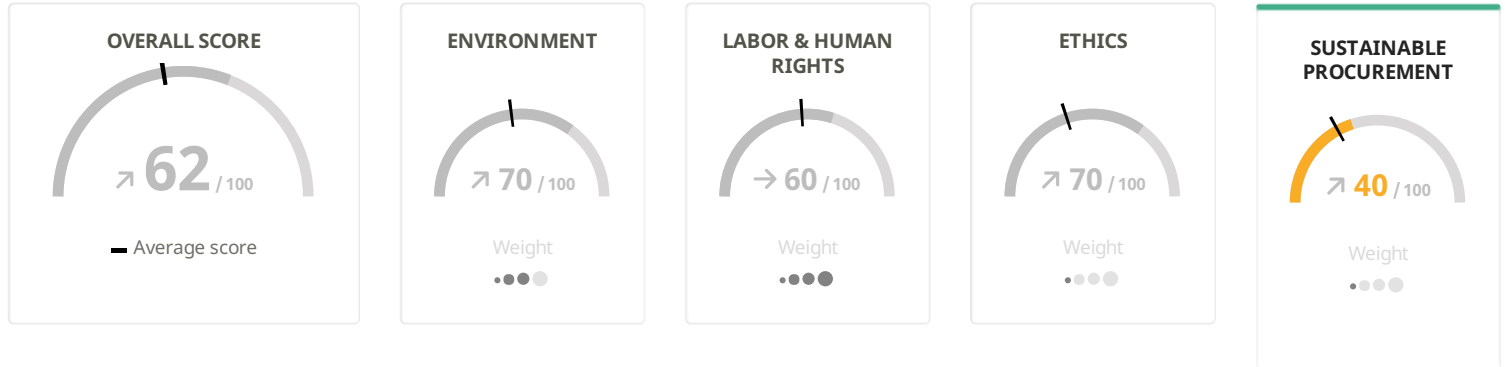
Low

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

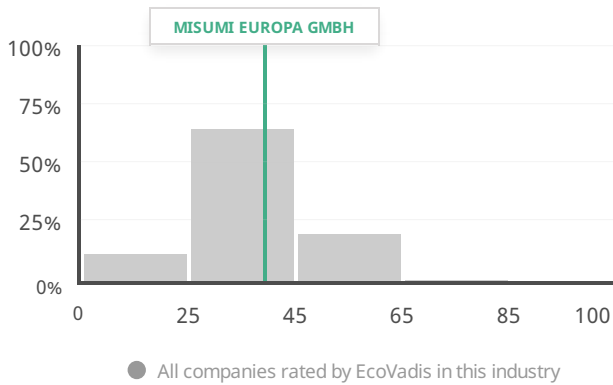
## 9. SUSTAINABLE PROCUREMENT

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

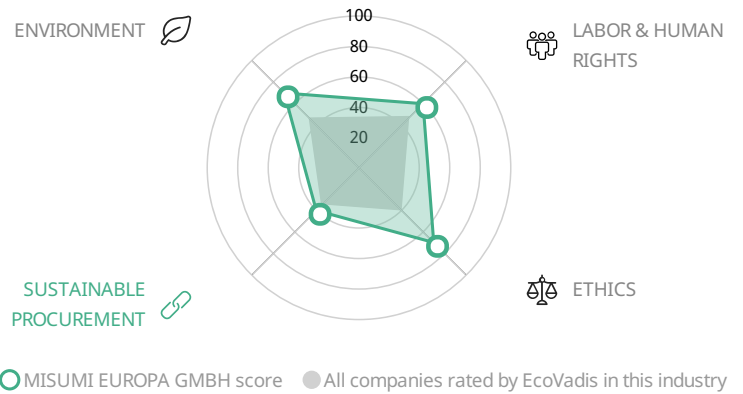
### Sustainable Procurement Score Breakdown



Theme score distribution



Theme score comparison



#### Sustainable Procurement: Activated Criteria

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

#### Sustainable Procurement: Strengths & Improvement Areas

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



Strengths

Policies

**Comprehensive sustainable procurement policies on both social and environmental factors**

**Information**

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

**Guidance**

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

Results

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

Improvement Areas

Actions

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

**Medium** No conclusive documentation on supplier sustainability code of conduct in place

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

Results

**High** No conclusive reporting on sustainable procurement issues

## 10. 360° WATCH FINDINGS

24 Jul 2023 |

Impact on score

**Neutral →**

No records found for this company on Compliance Database

---

 Environment
 Labor & Human Rights
 Ethics
 Sustainable Procurement

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


### EcoVadis is connected to the following international sources:

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

## 11. SPECIFIC COMMENTS

Additional comments from our analysts pertaining to the assessment.


### Specific comments

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


---

-  The company demonstrates an advanced management system on environmental issues.


---

-  Since the last assessment, the overall score has increased thanks to the implementation of additional policies.


---

-  Since the last assessment, the overall score has increased thanks to the implementation of additional measures.

---

-  Since the last assessment, the overall score has increased thanks to the publication of additional sustainability reporting.

---

-  Although the company has formalized policies regarding sustainable procurement issues, there is a lack of information on associated measures.

## 12. CONTACT US

Any questions or need help? Visit our Help Center at [support.ecovadis.com](https://support.ecovadis.com)

# APPENDIX:

## INDUSTRY RISK PROFILE

---

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

EcoVadis determines industry based on the International Standard Industrial Classification of All Economic Activities (ISIC), which is a compilation of all global economic activities published by the United Nations Statistical Commission. Its main purpose is to provide a set of activity categories that can be utilized for the collection and reporting of statistics according to such activities.

It is possible that a company has operations in more than one industry. In these cases, EcoVadis classifies companies based on their main area of operation, as determined by sustainability risk and/or total revenue.

## CRITERIA ACTIVATION BY THEME:

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

### Environment

High	Energy consumption & GHGs
Medium	Water
Non-activated	Biodiversity
Medium	Air Pollution
Medium	Materials, Chemicals & Waste
Non-activated	Product Use
Non-activated	Product End-of-Life
Non-activated	Customer Health & Safety
Non-activated	Environmental Services & Advocacy

### Labor & Human Rights

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

### Ethics

Medium	Corruption
--------	------------

Medium

Anticompetitive Practices

Medium

Responsible Information Management

**Sustainable Procurement**



High

Supplier Environmental Practices

Medium

Supplier Social Practices

## KEY SUSTAINABILITY ISSUES

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



### Environment

Importance

Sustainability issue

High

Energy consumption & GHGs

#### Definition

Energy consumption (e.g. electricity, fuel, renewable energies) used during operations and transport. Greenhouse gases direct and indirect emissions including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC and SF<sub>6</sub>. Also includes production of renewable energy by the company.

#### Industry issues

Segments of the metals and metal products manufacturing sector are highly energy-intensive. The 2006 Energy costs for the European Union's metals and metal products manufacturing sector accounted for 4.4% of all purchases of goods and services that year. This represented the third largest share among the industrial sectors. Within this sector, the primary processing of ferrous metals accounts for as much as 7.9% of energy costs. High level of energy consumption has important implications for energy and environmental policy, particularly relating to climate change(1). CO<sub>2</sub> is the most common waste from the fabricated metal products sector. The metals and metal products manufacturing sector in Europe is covered by a Directive on integrated pollution prevention and control (IPPC). A proposal from the European Commission regarding the EU Emissions trading system (ETS) that was adopted in January 2008 (COM(2008) 30) began the inclusion of coverage of non-ferrous metals in 2013(1).

Medium

Water

#### Definition

Water consumption during operations. Pollutants rejected into water.

#### Industry issues

The fabricated metal industry encompasses a wide variety of processes that machine, treat, coat, plate, paint, and clean metal parts. The cleaning and stripping of metal surfaces required for these tasks are accomplished by using one or more of: solvents, aqueous cleaners (alkaline and acid), abrasives, ultrasonics, and water. Waste water that may contain grease and other contaminants are matters of concern. Spent alkaline and acid cleaning solutions generally require some treatment before they can safely be discharged. Normally, this wastewater is made up of more than 90% soluble cutting and grinding fluids; high mineral content water can adversely affect fluid performance by deteriorating emulsions, causing corrosion, and enhancing microbial growth. Problems can be reduced by purifying water through deionization or reverse osmosis before mixing it with problematic fluids(2). To reduce water consumption and wastewater generation, metal producers should establish wastewater treatment systems, which can reuse and recycle wastewater resulting from operations.



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**

Many forms of local pollution may result from the production of metal products. Forging and stamping produce noise and dust while fumes are generated during the coating, plating, and polishing processes. In order to control noise, dust, and fumes, companies must install and properly maintain filters and dust collectors. Use of quenching oils and vent scrubber wastes produce contaminated wastewater for discharge. Moreover, accidental spills are a concern when concentrated or diluted waste makes its way into the sewer system.

Medium

Materials, Chemicals & Waste

**Definition**

Consumption of all types of raw materials and chemicals. Non-hazardous and hazardous waste generated from operations. Also includes air emissions other than GHG (e.g. SOx, NOx).

**Industry issues**

The most common wastes arising from the fabricated metal products sector are metal, paint, electroplating sludge, sludge from various processes, acids, alkali, used industrial fluids, and volatile organic compounds.<sup>4</sup> Waste solvents will generally be handled as hazardous waste. Air emissions may contain metal shaping (solvent wastes, metal-ion bearing mists, and acid mists). Solid wastes include: metal chips, solvent still-bottom wastes, metal-bearing cutting fluid sludge, metal, and reactive waste. In fabricated metal products air emissions are generated primarily from surface coating operations. Many paints contain volatile organic compounds (VOCs) that are released when sprayed from the paint applicator. In certain applications metal products' residual oils and greases are burned off in a dryer producing both VOC and particulate matter (PM) emissions.<sup>5</sup> To prevent waste, companies should efficiently use raw materials and recycle scrap metal waste. Additionally, companies should implement appropriate waste management measures which include hazardous waste controls.



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**

Employees in the metal products industry are exposed to many risks including mechanical injury, chemical injury, poisoning, and burns. Higher risk exposure is due to the fact that this sub-sector includes the manufacture of metal structures through processes such as forging, bending, forming, welding, and assembling. More than 1.3 million people worked in the fabricated metal product manufacturing industry in 2011 in the US according to the Bureau of Labor Statistics. That year, approximately 74,400 recordable injuries occurred at a rate of 5.6 per 100 full-time workers. For cases involving days away from work, job restriction, or transfer, the rate was 2.6 per 100.<sup>4</sup> Companies have to identify and assess these working environment risks and overcome them by establishing occupational health and safety management systems. Tangible measures to mitigate these risks include providing employees with safe operation procedures, trainings, and protective equipment.

Medium

Working Conditions

**Definition**

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

**Industry issues**

The ILO Working Conditions Laws Database defines working conditions as the regulatory environment of working time, minimum wages, and maternity protection. There is a training methodology called Work Improvement in Small Enterprises (WISE), which is specifically designed to improve working conditions and productivity in small and medium-sized enterprises around the world. This approach has 6 newly developed training modules and guides (WISE-R) on productivity, managing and motivating, working time, wages, family-friendly measures, and creating a respectful workplace.<sup>5</sup>

Medium

Social Dialogue

**Definition**

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

**Industry issues**

The purpose of Employee and Labor Relations is to provide support to managers and supervisors in the areas of contract administration, grievances, discipline, and performance management.<sup>6</sup> Most commonly, labor relations refers to dealings between management and a workforce that is already unionized, or has the potential to become unionized. Positive labor relations are thus crucial to industries with heavily unionized workforces. In the U.S., labor relations were profoundly affected by the National Labor Relations Act, which gave workers the right to form unions and bargain collectively.<sup>7</sup>

Medium

Career Management & Training

**Definition**

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

**Industry issues**

Career development can help to ensure productivity and the on-going ability of employees to meet evolving job requirements. Companies should: analyze organizational needs and identify specific training requirements; develop training plans for the overall organization and individual employees within it; obtain and allocate resources effectively to accomplish training needs and produce desired gains in organizational efficiency; and evaluate the impact of training efforts and making necessary adjustments to ensure maximum results. Good management practices include: ensuring that training and career development are related to organizational or employee needs; identifying opportunities to provide career enhancement such as elective projects, job rotations, etc; and developing an Individual Development Plan (IDP) for each employee that is reviewed on an annual basis. Once the training is completed, it is critically important to assess the effect it has had on the organization and/or the employee's performance. <sup>8</sup>

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 24.9 million people worldwide are the victims of some form of forced labor(1). An estimated 168 million children are engaged in labor — an estimated 90 million are exposed to hazardous work that jeopardizes the physical, mental or moral well-being of a child(2). 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 facilitates worker indebtedness. 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 have an estimated 18% of the global migrant class(3). Documented reports of migrant workers subjected to recruitment fees and passport confiscation have been abundant around the world, making the issue borderless in the 21st century. In accordance with the Guiding Principles on Business and Human Rights, manufacturers must respect human rights through the establishment of policies, due diligence procedures and provide remedy to victims of 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 chemical companies 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**

Discrimination at work is an important issue for all companies. Companies should remove all types of barriers - physical, social, attitudinal, economic, and cultural, especially to ensure the full and equal participation of disabled persons and women at the workplace, regarding remuneration, training, and promotion.10 Employers should create a workplace that is free from discrimination, to provide a mechanism such as discrimination policy to deal with occurrences of discrimination, to provide discrimination trainings to all employees and management staff, to ensure the policy is understood by all, and to have a complaint and disciplinary mechanism in place. In some jurisdictions employers have a responsibility to ensure these protections.11



Ethics

Importance

Sustainability issue

Medium

Corruption

**Definition**

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

**Industry issues**

Corruption and bribery are major issues for all businesses, particularly for companies operating in risky countries. Some preventative measures a business could implement include: establishing an anti-corruption policy; ensuring all employees are familiar with the relevant bribery and corruption laws as applicable to their company's operations and the appropriate response to any suspicion of corrupt activity; ensuring that agents and partners, who are representing or purporting to represent a company, have adequate and valid credentials for the activities being undertaken; establishing monitoring and reporting requirements for agents and partners representing your business; and establishing a clear and accessible system for the reporting of any suspicious behaviour.<sup>13</sup>

Medium

Anticompetitive Practices

**Definition**

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

**Industry issues**

Competition laws exists in most countries to prohibit any type of cartel or coordination that aims to restrict competition in the marketplace. Certain other business practices that limit or prevent competition are against the law. It is important that businesses understand their rights and obligations at all times and, in particular, when dealing with wholesalers, suppliers, and other businesses.<sup>14</sup>

Medium

Responsible Information Management

**Definition**

Deals with third-party data protection and privacy which encompasses the protection of customer personal identification information (PII) and third party intellectual property rights.

**Industry issues**

Companies collect, process and share confidential information belonging to third-parties in order to operate their business. Third-party confidential information includes employee and consumer personal identification information, third parties' intellectual property, and business partner trade secrets. Companies are legally mandated in several jurisdictions to manage third party data responsibly. Breaches of third-party data, including proprietary intellectual property, trade secrets and employee and consumer PII expose companies to operational seizures, financial and reputational impacts caused by stakeholder lawsuits and regulatory penalties. The financial impacts of information security breaches can be both immediate and drawn out over several years, due to possible litigation action by parties who lost confidentiality of their information entrusted to the breached company. The costs of regulatory violations remain severe, and proposed changes to major regulatory frameworks in major countries are likely to impose greater fines. Ponemon Institute estimates the global average cost of a cyber-attack to be US\$3.86 million(1). Beyond direct regulatory and financial penalties, breaches in a company' information management system can cause long term distrust in the company' information security management. Almost immediately after Target's information breach, the company' net earnings for the fourth quarter were down 46 percent from the same period the year before. Over time, Target will pay an estimated US\$1.4 billion when factoring ongoing legal costs, class-action lawsuits by consumers and business partners, and credit monitoring services for affected consumers(2). In order for companies to manage operational and legal risks associated with information security breaches, it is vital that robust information security management systems are developed and implemented across to the operational scope. Companies should perform vulnerability assessments, implement access and disclosure controls and provide thorough training for all employees responsible for processing third-party data. An adequate incident response procedure capable of preventing further data loss, communicating with exposed stakeholders, and systems updates is necessary to meet legal requirements in key jurisdictions.



Sustainable Procurement

Importance

Sustainability issue

High

Supplier Environmental Practices

**Definition**

Deals with environmental issues within the supply chain i.e. environmental impacts generated from the suppliers and subcontractors own operations and products.

**Industry issues**

To ensure that companies achieve environmental objectives, improve overall environmental performance, and appropriately manage supply chains, companies should consider environmental impacts of purchasing. One means of doing this is adhering to the supply chain requirements of the ISO14001 standard: communicate procedures and requirements applicable to suppliers and subcontractors that may have an environmental impact on their activities; promote environmental awareness of suppliers and subcontractors and ensure that “any person that may perform tasks for [Supplier] or on its behalf and who has the potential to cause significant environmental impact(s) identified by the organization is (are) competent.”<sup>15</sup> Companies should have a purchasing policy and mechanism to control the impacts of materials purchased, such as the control of natural resources, conflict minerals, and prevention of environmental pollution. For chemical products, companies should ensure supplier’s compliance of REACH, and require suppliers to provide MSDS of chemicals used.

Medium

Supplier Social Practices

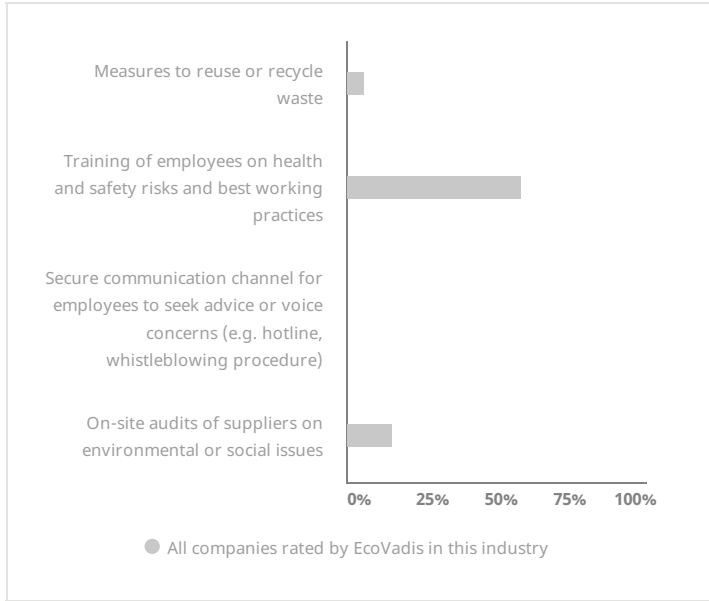
**Definition**

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.

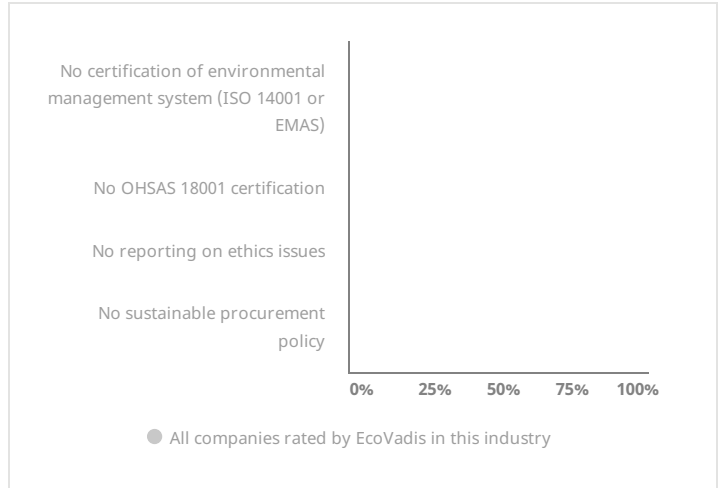
**Industry issues**

According to the current GRI G4 guidelines, supply chain management is particularly important for companies, especially those doing business across the world. G4 comprises four indicators regarding CSR and supply chain: Supplier Environmental Assessment (EN32, EN33); Supplier Assessment for Labor Practices (LA14, LA15); Supplier Human Rights Assessment (HR10, HR11); Supplier Assessment for Impacts on Society (SO9, SO10). To help suppliers gain an understanding of their buyers’ CSR philosophy and promote CSR-related measures among suppliers, companies can create their own Supply-Chain CSR Chart or Guidebook based on their CSR policies and distribute it to major suppliers. Companies may also require their suppliers to put initiatives into practice for fulfilling their social responsibility in areas such as human rights, labor, and the environment.<sup>15</sup> Due to the dangers involved in the production of metal, companies should pay close attention to the employee health and safety practices of their suppliers and ensure the absence of child and forced labor. Companies should communicate their CSR policies with all suppliers, and implement control measures such as regular assessment and on-site audits.

### Key industry Strengths



### Key industry Improvement Areas



Sustainability KPIs Overview

KPI	All companies rated by EcoVadis in this industry
<b>Active whistleblowing procedure in place</b>	28%
<b>Audit or assessment of suppliers on CSR issues</b>	34%
<b>Carbon disclosure project (CDP) respondent</b>	9%
<b>Global Compact Signatory</b>	12%
<b>ISO 14001 certified (at least one operational site)</b>	33%
<b>OHSAS 18001/ISO 45001 certification or equivalent (at least one operational site)</b>	21%
<b>Policy on sustainable procurement issues</b>	24%
<b>Reporting on energy consumption or GHGs</b>	34%
<b>Reporting on health &amp; safety indicators</b>	25%



## Main Regulations and Initiatives

### Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

<http://www.basel.int/index.html>

 Regulatory

The Basel Convention, which came into force in 1992, is the most comprehensive global environmental agreement on hazardous and other wastes. The Convention has 172 Parties and aims to protect human health and the environment against the adverse effects resulting from the generation, management, transboundary movements and disposal of hazardous and other wastes.

 Environment

### EU Directive 96/61/EC concerning integrated pollution prevention and control

<http://europa.eu/scadplus/leg/en/lvb/l28045.htm>

 Regulatory

The aim of this directive is to prevent or reduce pollution of the atmosphere, water and soil, as well as the quantities of waste arising from industrial and agricultural installations to ensure a high level of environmental protection.

 Environment

### GRI - Mining and Metals Sector Supplement, Pilot Version 1.0

<http://www.globalreporting.org/ReportingFramework/SectorSupplements/MiningAndMetals/MiningAndMetals.htm>

Thirteen supplementary indicators, as well as commentary to the GRI guidelines, developed to address economic, environmental and social aspects of Mining & Metals companies

 Environment

### US National Emission Standards for Hazardous Air Pollutants for Iron and Steel Foundries

<http://www.epa.gov/EPA-AIR/2005/May/Day-20/a9591.htm>

 Regulatory

In 2004, the EPA issued national emission standards to control hazardous air pollutants emitted from iron and steel foundries. This action amends the work practice requirements for materials certification and scrap selection/inspection programs.


 Environment

### Universal Declaration of Human Rights

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

 Regulatory

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

 Labor & Human Rights

### EU Directive 2006/42/CE on machinery

[http://ec.europa.eu/enterprise/mechan\\_equipment/machinery/revdir.htm](http://ec.europa.eu/enterprise/mechan_equipment/machinery/revdir.htm)

 Regulatory

Revised Machinery Directive 2006/42/EC (includes improvements on safety of the current Machinery Directive 98/37/EC). Deadline for national law transposition: 29th June 2008.

 Environment

### EU Directive on Noise Pollution

<http://europa.eu/scadplus/leg/en/s15003.htm>

 Regulatory

On top of the corrective measures applicable to some sources of noise, in 2002 the European Union adopted a Directive setting out a Community approach to the management and evaluation of ambient noise in order to protect public health.

 Environment

### Ultra Low CO2 Steelmaking (ULCOS)

<http://www.ulcos.org/en/index.php>

Consortium of 48 European companies and organisations that have launched a cooperative research & development initiative to enable drastic reduction in Carbon dioxide(CO2) emissions from steel production

 Environment

### Standard ISO 14000 (International Standard Organisation)

[http://www.iso.org/iso/iso\\_14000\\_essentials](http://www.iso.org/iso/iso_14000_essentials)

The ISO 14000 family addresses various aspects of environmental management

 Environment

### International Labor Organization's Fundamental Conventions

[http://www.ilo.org/wcmsp5/groups/public/--ed\\_norm/--declaration/documents/publication/wcms\\_095895.pdf](http://www.ilo.org/wcmsp5/groups/public/--ed_norm/--declaration/documents/publication/wcms_095895.pdf)

 Regulatory


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

 Labor & Human Rights

**Standard OHSAS 18001 (Occupational Health and Safety Assessment Series)**

<http://www.ohsas-18001-occupational-health-and-safety.com/index.htm>

OHSAS 18000 is an international occupational health and safety management system specification.

 **Labor & Human Rights**

**United Nations Convention against Corruption (UNCAC)**

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

 Regulatory

The UNCAC is the first leg12y binding international anti-corruption instrument. In its 8 Chapters and 71 Articles, the UNCAC obliges its States Parties to implement a wide and detailed range of anti-corruption measures affecting their laws, institutions and practices.

 **Ethics**

**OECD guidelines for multinational enterprises**

[http://www.oecd.org/about/0,2337,en\\_2649\\_34889\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/about/0,2337,en_2649_34889_1_1_1_1_1,00.html)

The Guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide voluntary principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation.

 **All themes**

**Standard ISO 26000 (International Standard Organisation)**

<http://www.iso.org/iso/pressrelease.htm?refid=Ref972>

The future International Standard ISO 26000, Guidance on social responsibility, will provide harmonized, glob12y relevant guidance based on international consensus among expert representatives of the main stakeholder groups and so encourage the implementation of best practice in social responsibility worldwide.

 **All themes**

**Foreign Corrupt Practices Act of 1977**

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

 Regulatory

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

 **Ethics**

**United Nations Global Compact (10 principles)**

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

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

 **All themes**

**Standard Global Reporting Initiative's (GRI)**

<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.

 **All themes**

**Carbon disclosure project**

<https://www.cdp.net>

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

 **Environment**

Sources

1- Fabricated metal product manufacturing statistics - NACE Rev

[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Fabricated\\_metal\\_product\\_manufacturing\\_statistics\\_-\\_NACE\\_Rev.\\_1.1](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Fabricated_metal_product_manufacturing_statistics_-_NACE_Rev._1.1)

2- GUIDES TO POLLUTION PREVENTION

[http://www.wmrc.uiuc.edu/info/library\\_docs/other\\_pubs/p2\\_guide\\_fabricated\\_metal\\_products.pdf](http://www.wmrc.uiuc.edu/info/library_docs/other_pubs/p2_guide_fabricated_metal_products.pdf)

3- Recycling rates of metals,

[http://www.unep.org/resourcepanel/Portals/24102/PDFs/Metals\\_Recycling\\_Rates\\_110412-1.pdf](http://www.unep.org/resourcepanel/Portals/24102/PDFs/Metals_Recycling_Rates_110412-1.pdf)

4- Fabricated metal product manufacturing

<http://www.safetyandhealthmagazine.com/articles/industry-spotlight-fabricated-metal-product-manufacturing>

5- WISE+full training package (Action Manual and Trainers' Guide)

[http://www.ilo.org/travail/whatwedo/instructionmaterials/WCMS\\_121229/lang-en/index.htm](http://www.ilo.org/travail/whatwedo/instructionmaterials/WCMS_121229/lang-en/index.htm)

6- Employee & Labor Relations

<http://hr.uoregon.edu/er>

7- Labor relations

<http://www.investorglossary.com/labor-relations.htm>

8- How Do I Contribute to an Employee's Career Development?

<http://www.fsa.usda.gov/FSA/hrdapp?area=home&subject=mgrs&topic=ccd>

9- The Global Slavery Index, 2016, Modern Slavery: A hidden, everyday problem.

<https://www.globallslaveryindex.org/2018/findings/highlights/>

10- International Labour Organisation - Child Labour, 2018.

<http://www.ilo.org/global/topics/child-labour/lang-en/index.htm>

11- LexisNexis, 2016, Modern Slavery in the Construction Industry.

[https://cdn2.hubspot.net/hubfs/534655/Construction\\_Report/Modern\\_Slavery\\_in\\_Construction\\_Full.pdf](https://cdn2.hubspot.net/hubfs/534655/Construction_Report/Modern_Slavery_in_Construction_Full.pdf)

12- International Day of Persons with Disabilities

[http://www.ilo.org/skills/events/WCMS\\_229922/lang-en/index.htm?ssSourceSiteId=global](http://www.ilo.org/skills/events/WCMS_229922/lang-en/index.htm?ssSourceSiteId=global)

13- Workplace discrimination and types of discrimination

<http://www.canadianlabourrelations.com/workplace-discrimination.html>

14- Employer's Guide to the Human Rights Act

[http://www.justice.gov.nl.ca/hrc/publications/employer\\_guide.pdf](http://www.justice.gov.nl.ca/hrc/publications/employer_guide.pdf)

15- What should companies do to minimise the risk of corruption?

<http://www.anticorruption.ie/en/ACIS/Pages/FQ08000024>

16- Anti-competitive behaviour

<http://www.accc.gov.au/business/anti-competitive-behaviour>

17- Larry Ponemon, 2018, Calculating the Cost of a Data Breach in 2018, the Age of AI and the IoT.

<https://securityintelligence.com/ponemon-cost-of-a-data-breach-2018/>

18- Andrew Roberts, 2015, Legal Ramifications of Data Breaches.

<https://www.stratokey.com/blog/Legal-ramifications-of-data-breaches>

19- Environmental requirements for suppliers and management of the supply chain

[http://www.airbus.com/company/environment/documentation/?eID=dam\\_frontend\\_push&docID=4037](http://www.airbus.com/company/environment/documentation/?eID=dam_frontend_push&docID=4037)