

EcoVadis Sustainability Assessment Report

Company rated: CARGLASS SWEDEN AB

Overall score: 68 /100 March 2021

Sustainability performance: Advanced

Size: M Headquarters country: Sweden Risk country operations: No Industry: Maintenance and repair of motor vehicles

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# ABOUT SUSTAINABILITY

Sustainability is the continuing commitment to act responsibly by integrating social and environmental concerns into business operations. Sustainability goes beyond regulatory compliance to focus on how companies manage their economic, social and environmental impacts, as well as their relationships with stakeholders (e.g. employees, trading partners, government).

# **ABOUT THE ASSESSMENT**

The EcoVadis methodology framework assesses companies' policies and actions as well as their published reporting related to the environment, labor and human rights, ethics and sustainable procurement. Our team of international sustainability experts analyze and crosscheck companies' data (supporting documents, 360° Watch Findings, etc.) in order to create reliable ratings, taking into account each company's industry, size and geographic location.

# **ABOUT ECOVADIS**

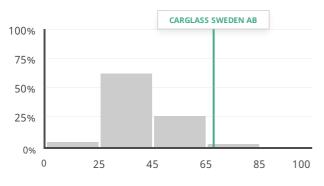
EcoVadis provides the leading solution for monitoring sustainability in global supply chains. Using innovative technology and sustainability expertise, we strive to engage companies and help them adopt sustainable practices.

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# **1. SUSTAINABILITY PERFORMANCE OVERVIEW**

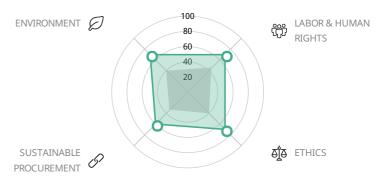
#### Score breakdown O Insufficient O Partial O Good Advanced O Outstanding Sustainability performance Average score **OVERALL SCORE** ENVIRONMENT LABOR & HUMAN ETHICS SUSTAINABLE RIGHTS PROCUREMENT **60** / 100 **70** / 100 70 **70** / 100 95<sup>th</sup> ... .... .... ... percentile

# **Overall score distribution**



All companies rated by EcoVadis in this industry

# Theme score comparison



OCARGLASS SWEDEN AB score All companies rated by EcoVadis in this industry



CARGLASS SWEDEN AB has been awarded a gold medal in recognition of sustainability achievement! To receive this medal, companies must have an overall score of 66-73.

# **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. CARGLASS SWEDEN AB has a corrective action plan in place and is working on improving their sustainability management system.

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

# 2. ASSESSMENT BENEFITS

# **Understand :**

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

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

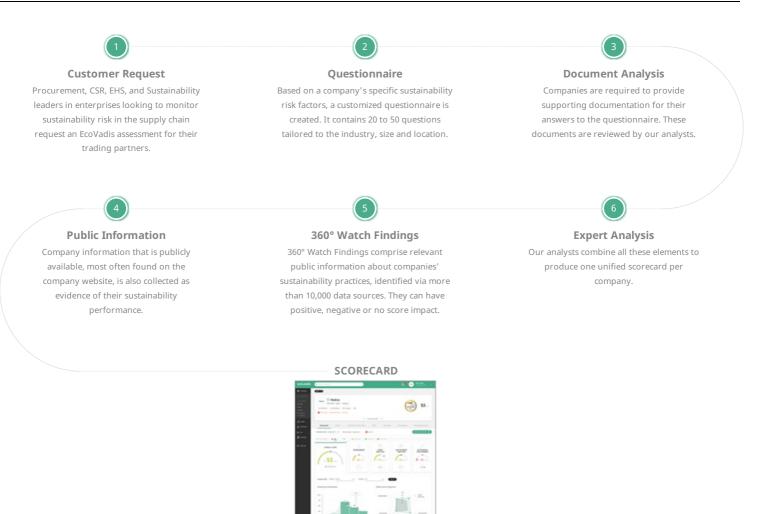
**Identify industry trends.** Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

# Communicate :

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

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

# **3. ASSESSMENT PROCESS**



# 4. ECOVADIS METHODOLOGY

# A. Four Themes and 21 Criteria

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

## 21 sustainability criteria

# 1. ENVIRONMENT OPERATIONS

Energy consumption & GHGs Water Biodiversity Local & Accidental Pollution Materials, Chemicals & Waste

## PRODUCTS

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

## **3. ETHICS**

Corruption Anticompetitive Practices Responsible Information Management





# HUMAN RESOURCES Employee Health & Safety

2. LABOR & HUMAN RIGHTS

Working Conditions Social Dialogue Career Management & Training

# HUMAN RIGHTS

Child Labor, Forced Labor & Human Trafficking Diversity, Discrimination & Harassment External Stakeholders Human Rights

4. SUSTAINABLE PROCUREMENT Supplier Environmental Practices Supplier Social Practices

ISO 26000

# B. Seven Management Indicators

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



### Policies (weight: 25%)

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

2. Endorsement: Endorsement of external sustainability initiatives

### Actions (weight: 40%)

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

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

### Results (weight: 35%)

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

# 5. UNDERSTANDING A SCORECARD

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

# A. Quantitative Information: Scores & Activated Criteria

### **Theme Scores:**

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

## **Activated Criteria:**

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

## Non-activated

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

## Medium

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



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

## Risk countries only

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

# C. The Scoring Scale

# B. Qualitative Information: Strengths & Improvement Areas

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

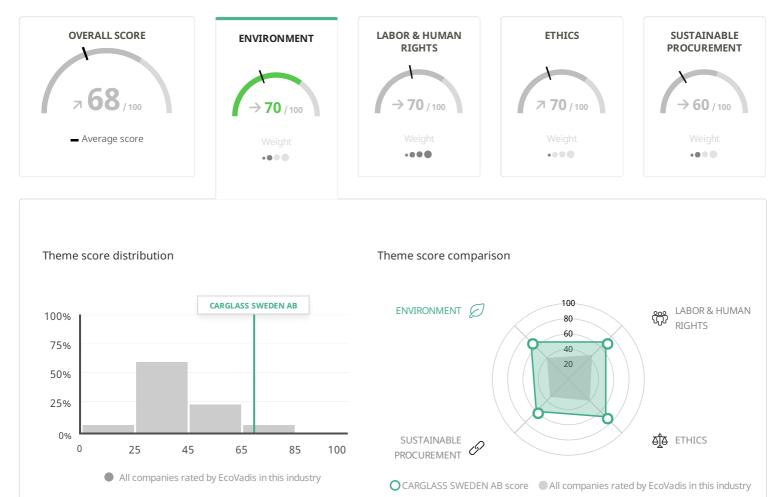
All improvement areas are automatically added to the company's Corrective Action Plan. They are pre-organized by priority. The Corrective Action Plan is a collaborative feature designed to support companies' performance improvement. It enables companies to build an improvement plan online, communicate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

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

# 6. ENVIRONMENT

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

# **Environment Score Breakdown**



### **Environment: Activated Criteria**

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

## **Environment: Strengths & Improvement Areas**

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

Weight

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# Environment

Strengths (15)

#### Policies

Quantitative objectives set on some relevant issues [i.e. energy consumption]

#### Information

The company has defined and has formally communicated quantitative objectives (i.e. targets) with regard to the relevant environmental policy objectives.

## Guidance

Quantitative objectives or targets on environmental 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 issues such as energy consumption reduction. 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 reduce our energy consumption by 20% from 2015 levels). Best practices are to issue valid quantitative objectives or targets for all relevant environmental issues in a particular industry sector. Download the How-to Guide on this topic here (in English).

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

#### Information

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

#### Guidance

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

#### Endorsement of the United Nations Global Compact (UNGC) (at parent company level)

### Information

The company's parent company is a Global Compact Signatory.

#### Guidance

The United Nations Global Compact (UNGC) is a voluntary initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. Global Compact participants commit to respecting 10 principles on human rights, labor rights, the environment and anticorruption. The initiative has a mandatory disclosure framework, which obliges business participants to annually report on their progress against the 10 principles in a Communication on Progress (COP). Companies that do not comply with this reporting requirement are removed (or "delisted") from the list of participants after two years.

#### Actions

## Formalized procedure related to materials / chemicals management (e.g. storing, handling, transportation)

## Information

The company demonstrates that it has a procedure in place related to materials/chemicals management (e.g. storing, handling, transportation) through supporting documentation.

#### Guidance

Procedural documents detail a company's control systems and/or processes, and assign responsibilities for tasks and actions. Procedures describe how policies that are implemented by the company will be put into action. They can be presented in form of checklists, instructions, flowcharts, etc. A typical procedure document should outline the issues at hand, employees or departments responsible for overseeing or implementing the procedure, and how the procedure is to be implemented (i.e. step-by-step). Examples of procedures related to materials/chemicals management could be: process to properly store or handle hazardous materials, training procedures relating to labling or transporting hazardous materials, etc.

#### Measures to reduce paper consumption

#### Information

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

Examples might include provision of online catalogue to clients, distribution and storage of documents electronically (e.g. bills, press release, staff awareness on 'need to print', setting printers to double side).

#### Provision of products with reduced environmental impacts i.e. ecoproducts

#### Information

The company offers eco-friendly products or products with reduced environmental impacts to its clients.

#### Guidance

Guidance

Examples of eco-friendly or ethical products are products from fairtrade initiatives (e.g. Max Havelaar, Fairtrade), products with reduced impacts (e.g. phthalate-free) or products that are recyclable/refillable/reusable, in addition to products with reduced energy consumption like ENERGY STAR equipment. Products with eco-labels refer to products that integrate environmental criteria in the use of products. Eco-labels include PEFC, FSC, 'Blue Angel', Eco-mark, European Eco-label , Green Seal or product characteristics such as the use of materials and/or products with reduced environmental impacts.

#### Use of renewable energies or purchase of green energy

#### Information

The company has implemented a process to be able to use renewable energy on its site or to buy green energy from the electricity grid.

#### Guidance

Examples of renewable energy are solar power, wind power, hydroelectric energy, biomass, geothermal power, energy from tides/ocean. The company may have set up a contract with a provider of such type of energy, either a private company or an institutionalized organisation (e.g. the company is connected to the town / region grid which relies on wind power for electricity production).

#### Partnership established to help dispose of waste that the company cannot recycle

#### Information

The company has established a working relationship with a partner to ensure the disposal of the waste it cannot recycle.

#### Guidance

Examples of partnership might include agreement with equipment manufacturers so that they deal with unwanted equipment, contracts with specialist waste collectors (e.g. for used oil, metals), and joint working groups with several other companies in the same industry sector / in the same region to set up a common collection and disposal scheme.

#### Waste management measures in place

#### Information

The company has implemented specific actions regarding management of waste.

#### Guidance

Examples of such measures include (but are not limited to): procedures to reuse or recycle waste, waste separation and waste sorting procedures, work process to optimize material consumption or to reduce waste, waste disposal arrangements etc.

#### Results

Sustainability report has been prepared in accordance with GRI Standards at parent company level [in accordance - Core]

Reporting on total weight of hazardous waste

Reporting on total gross Scope 1 and 2 GHG emissions

Company communicates progress towards the Sustainable Development Goals (SDGs) [information available at parent company level]

## 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. Download the How-to Guide on this topic here (in English).

#### Improvement Areas (1)

#### Actions

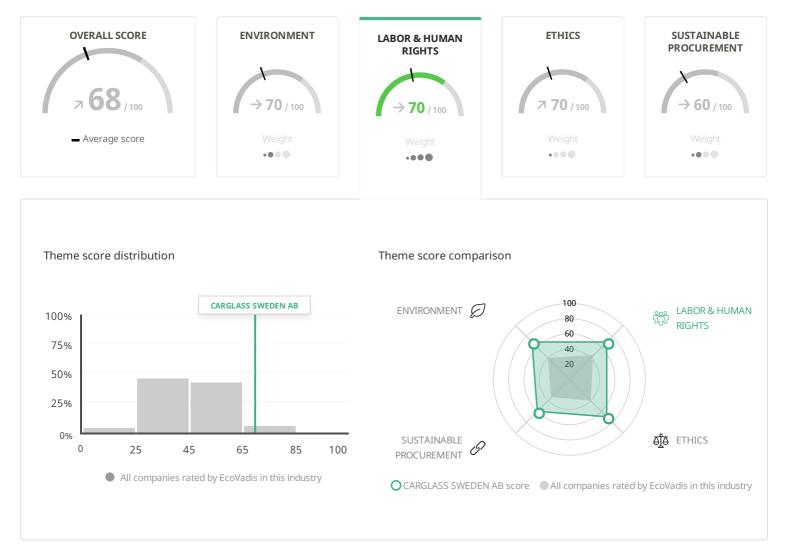
Medium

No information regarding certification of an environmental management system

# 7. LABOR & HUMAN RIGHTS

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

# Labor & Human Rights Score Breakdown



## Labor & Human Rights: Activated Criteria

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

## Labor & Human Rights: Strengths & Improvement Areas

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

Weight

#### ၀၀၀ (၂၇) Labor & Human Rights

# Strengths (29)

# Policies

## 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.

#### Quantitative objectives set on some relevant issues [i.e. diversity, discrimination & harassment]

### Information

The company has defined and has formally communicated quantitative objectives (i.e. targets) with regard to the relevant labor practices policy objectives.

### Guidance

Quantitative objectives or targets on labor and human rights issues are considered as fundamental elements of a 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), and quantitative objectives on the percentage of employees trained on discrimination and/or harassment issues, among others. 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 issues). To achieve the maximum score on the policies indicator, valid quantitative objectives or targets should be present for high importance sustainability issues in this theme. Download the How-to Guide on this topic here (in English).

Endorsement of the United Nations Global Compact (UNGC) (at parent company level)

### Information

The company's parent company is a Global Compact Signatory.

# Guidance

The United Nations Global Compact (UNGC) is a voluntary initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. Global Compact participants commit to respecting 10 principles on human rights, labor rights, the environment and anticorruption. The initiative has a mandatory disclosure framework, which obliges business participants to annually report on their progress against the 10 principles in a Communication on Progress (COP). Companies that do not comply with this reporting requirement are removed (or "delisted") from the list of participants after two years.

#### Actions

Measures to promote gender and/or minority inclusion in the workplace

#### Collective agreement in place

#### Information

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

### Guidance

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

#### Formalized procedure related to career management & training

### Information

The company demonstrates that it has a procedure in place related to career management & training through supporting documentation.

## Guidance

Procedural documents detail a company's control systems and/or processes, and assign responsibilities for tasks and actions. Procedures describe how policies that are implemented by the company will be put into action. They can be presented in form of checklists, instructions, flowcharts, etc. A typical procedure document should outline the issues at hand, employees or departments responsible for overseeing or implementing the procedure, and how the procedure is to be implemented (i.e. step-by-step). Examples of procedures related to career management & training could be: procedure regarding recruitment steps, procedure on how to conduct employee performance appraisals, etc.

#### Formalized procedure related to employee health & safety

#### Information

The company demonstrates that it has a procedure in place related to employee health & safety through supporting documentation.

### Guidance

Procedural documents detail a company's control systems and/or processes, and assign responsibilities for tasks and actions. Procedures describe how policies that are implemented by the company will be put into action. They can be presented in form of checklists, instructions, flowcharts, etc. A typical procedure document should outline the issues at hand, employees or departments responsible for overseeing or implementing the procedure, and how the procedure is to be implemented (i.e. step-by-step). Examples of procedures related to employee health & safety could be: procedure for monitoring and reporting of accidents on-site, procedure on evacuation in case of emergency, procedure on limiting employee exposure to hazardous chemicals, etc.

#### Compensation for extra or atypical working hours

#### Information

The company provides additional remuneration to compensate for overtime work.

#### Guidance

Extra or atypical hours refers to all hours worked in excess of the normal hours (could be overtime hours for instance). Employees should be provided additional compensation for overtime and/or other forms of atypical working hours.

#### Employee satisfaction survey

#### Information

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

# Guidance

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

#### Childcare services or allowance

### Information

The company has official measures to promote work-life balance in place, which have been found within the supporting documentation. The company provides services and/or an allowance for child care.

### Guidance

The company has implemented working practices that acknowledge and aim to support the needs of staff in achieving a balance between their home and working lives. The company provides an allowance to help employees cover the costs of child care, or the company provides services that can help employees who need child care during work hours for their children.

#### Bonus scheme related to company performance

#### Information

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

#### Guidance

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

#### Flexible organization of work available to employees (e.g. remote work, flexitime)

#### Information

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

#### Guidance

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

#### Health care coverage of employees in place

#### Whistleblower procedure on discrimination and/or harassment issues

## Information

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

#### Guidance

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

Actions to promote wage equality in the workplace

Awareness training regarding diversity, discrimination, and/or harassment

## Emergency preparedness plan to all impacted employees (e.g. fire drills)

#### Information

The company has conducted an emergency preparedness plan to protect all impacted employees from potential hazards.

#### Guidance

Some potential examples of measures could include building evacuation drills ("fire drills"), sheltering from severe weather such as tornadoes, "shelter-inplace" from an exterior airborne hazard such as a chemical release and protective action when faced with an act of violence.

#### 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).

Actions to prevent discrimination during recruitment phase

#### Information

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

#### Guidance

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

#### 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.

#### Mandatory health check-up for employees

#### Information

The company provides general mandatory health check-up for employees

### Guidance

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

#### Active preventive measures for stress

### Information

The company has preventive measures in place against stress

# Guidance

The company has implemented measure to alleviate the stress level of employees. The definition of stress used by Health and Safety Executive (HSE), namely "the adverse reaction people have to excessive pressures or other types of demand placed on them." Work-related stress can be caused by poor work design (for example, lack of control over work processes), poor management, unsatisfactory working conditions, and a lack of support from colleagues and supervisors. Some examples of measures to reduce stress include: provision of appropriate employee support services, conducting stress risk assessments, ensuring that employees are appropriately trained to fulfill their roles, monitoring working hours and overtime, ensuring that employees take their full holiday entitlement, and offering appropriate support to employees who are experiencing stress outside of work.

#### Active preventive measures for Repetitive Strain Injury (RSI)

#### Information

The company has implemented active preventive measures for Repetitive Strain Injuries (RSIs).

#### Guidance

RSIs are occupational injuries to muscles, tendons or nerves caused by repetitive tasks, muscular efforts, vibrations, or sustained or awkward postures when performing a task. They include carpal tunnel syndrome (in the wrist) as well as shoulder, neck and back problems (ILO). A similar term is Cumulative trauma disorder ( or 'CTD' in the U.S.). Some examples of measures include, ensuring variation, providing an ergonomic work environment, setting priorities to decrease work pressure, and including long, short and micro breaks during working hours.

#### Official measures promoting career mobility

#### Information

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

## Guidance

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

## Provision of skills development training

# Information

The company provides training to its employees to develop their skills

## Guidance

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

#### Joint labor management health & safety committee in operation

#### Information

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

#### Guidance

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

#### Training of relevant employees on health & safety risks and best working practices

#### Information

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

## Guidance

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

#### Results

Sustainability report has been prepared in accordance with GRI Standards at parent company level [in accordance - Core]

Company communicates progress towards the Sustainable Development Goals (SDGs) [information available at parent company level]

## Improvement Areas (7)

Policies

Inconclusive documentation or only basic policy on some relevant issues [i.e. working conditions]

#### Information

The company has either provided no supporting documentation provided on policies, or provided only basic policy statements that do not cover all the major labor & human rights issues confronted by the company, or has provided supporting evidence that was not approved due to quality/acceptance requirements. e.g. company name, recent date (8 years).

# Guidance

A standard labor and human rights policy includes commitments and/or operational objectives on the main labor and human rights risks the company faces. It is communicated to internal and external stakeholders through a formal dedicated document. A standard labor and human rights policy contains qualitative objectives/commitments specific to those issues. The policy should also incorporate some of the following elements: scope of application, allocation of responsibilities, quantitative objectives, and review mechanisms. Download the How-to Guide on this topic here (in English).

#### Actions

Medium

No information regarding certification of a labor and human rights management system

#### Results

High

Basic reporting on labor and human rights issues: reporting only available at parent company level

#### Information

The company reports on labor practices & human rights issues are only available at parent company level.

#### Guidance

There is evidence of reporting implemented regarding labor & human rights issues within the company supporting documentation, including key performance indicators (KPIs) or statistical figures, but the reporting does not cover the exact entity under evaluation. The KPIs are aggregated at parent company level only. KPIs should be provided specifically at the assessment scope level. KPIs can be sector-specific and include for instance: health & safety injury rates, % of employees covered by collective bargaining agreements, % of employees trained on discrimination and KPIs on career development trainings (Source: Global Reporting Initiative G3). These and other relevant KPIs can be integrated within the company's CSR report, Annual Report, Code of Ethics or any other applicable reporting document. Download the How-to Guide on this topic here (in English).

Low	Declares reporting on average training hours per employee, but no supporting documentation available
Low	No information on reporting on accident frequency rate
Low	No information on reporting on accident severity rate

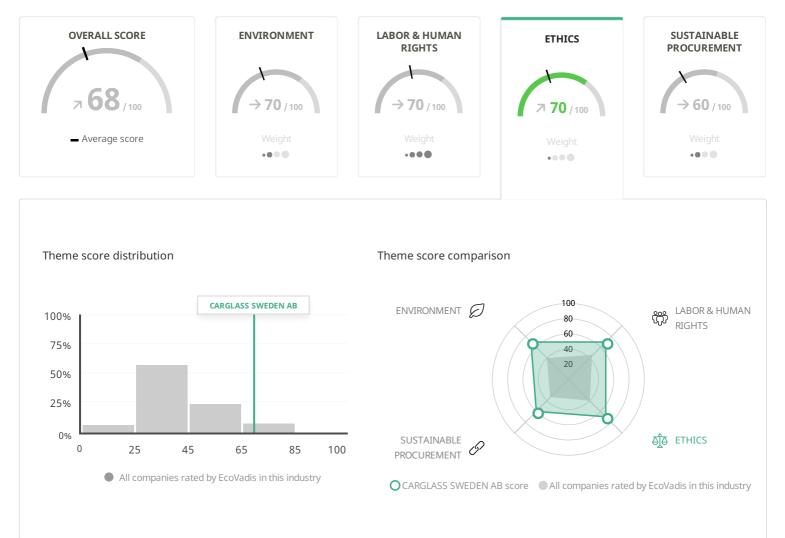


Declares reporting on percentage of women in top executive positions, but no supporting documentation available

# 8. ETHICS

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

# **Ethics Score Breakdown**



## **Ethics: Activated Criteria**

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

### **Ethics: Strengths & Improvement Areas**

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

Weight 🔹 💿 🔵

# ခ်ို့ခံ Ethics

Strengths (9)

#### Policies

Disciplinary sanctions to deal with policy violations

## Information

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

## Guidance

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

#### Comprehensive policies on ethics issues

#### Information

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

### Guidance

Policies are deemed exceptional when all business ethics issues are covered by qualitative and quantitative objectives. Additionally, an exceptional policy has exhaustive organizational elements such as allocation of responsibilities, mechanisms to deal with policy violations, formal review process, communication of the policy to all employees and business partners, etc. Download the How-to Guide on this topic here (in English).

#### Endorsement of the United Nations Global Compact (UNGC) (at parent company level)

#### Information

The company's parent company is a Global Compact Signatory.

# Guidance

The United Nations Global Compact (UNGC) is a voluntary initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. Global Compact participants commit to respecting 10 principles on human rights, labor rights, the environment and anticorruption. The initiative has a mandatory disclosure framework, which obliges business participants to annually report on their progress against the 10 principles in a Communication on Progress (COP). Companies that do not comply with this reporting requirement are removed (or "delisted") from the list of participants after two years.

### Actions

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

#### Whistleblower procedure to report ethics issues

### Information

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

#### Guidance

A whistleblower procedure is a grievance mechanism for stakeholders to report any wrongdoings, concerns or breaches of the company business ethics policies. An effective whistleblower procedure must provide stakeholders with an identified communication channel to report their concerns, as well as protect the whistleblowers' confidentiality and rights to non-retaliation. The procedure may also be handled by a third party.

## Awareness training on ethics issues

#### Information

The company has delivered awareness trainings on business ethics issues for its employees.

Guidance

Specific awareness or training programs are implemented to enable employees to identify and address the common business ethics issues that arise in a workplace. Such program may be conducted either online or in person, and should include regular audits to ensure the training effectiveness.

#### Measures to protect third party data from unauthorized access or disclosure

#### Information

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

#### Guidance

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

#### Results

Sustainability report has been prepared in accordance with GRI Standards at parent company level [in accordance - Core]

Company communicates progress towards the Sustainable Development Goals (SDGs) [information available at parent company level]

#### Improvement Areas (4)

#### Actions

High

No supporting documentation regarding an ethics 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 business ethics 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 audits of control procedures to prevent corruption

#### Information

No company declaration and no supporting documentation evidence provided on audits of internal controls relating to anti-corruption issues within the company's own operations.

### 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 & 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.

Low

No conclusive documentation on approval procedure for sensitive transactions (e.g. gifts, entertainment) [information available at parent company level only]

#### Information

No company declaration and no evidence within the supporting documentation regarding the implementation of 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.



No conclusive documentation regarding corruption risk assessments [information available at parent company level only]

### Information

No company declaration and no evidence within the supporting documentation regarding the implementation of a periodic corruption & bribery risk assessments.

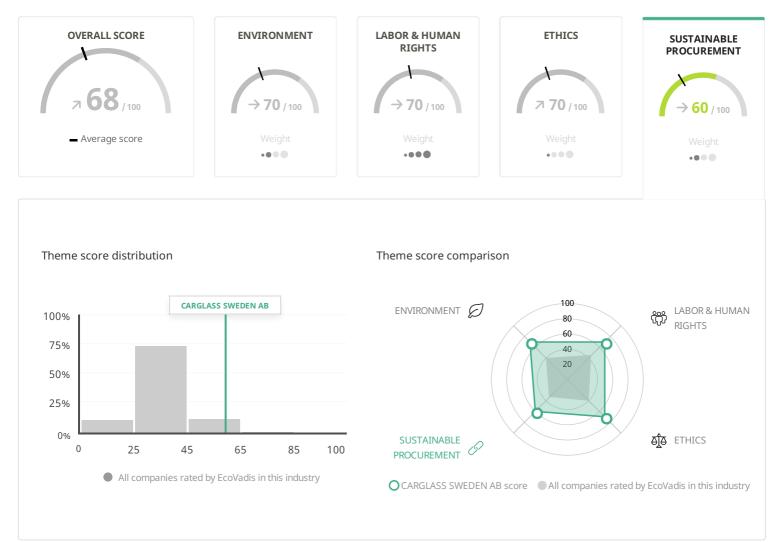
### Guidance

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 anticorruption 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.

# 9. SUSTAINABLE PROCUREMENT

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

# Sustainable Procurement Score Breakdown



## Sustainable Procurement: Activated Criteria

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

### Sustainable Procurement: Strengths & Improvement Areas

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

# Strengths (7)

## Policies

151

Sustainable procurement policies on both supplier environmental and social practices

#### Information

The company has formalized statements, commitments, and/or operational objectives on the management of its sustainable procurement policies. The existing policy covers both environmental and social factors that the company may be confronted with.

## Guidance

The standard sustainable procurement policy includes commitments and/or operational objectives on all material sourcing risks the company faces. It is communicated to internal and external stakeholders through a formal dedicated document. A comprehensive sustainable procurement policy also includes additional organizational elements such as a regular review mechanisms, an allocation of responsibilities, and a clearly defined scope of application.

# Actions

# Supplier sustainability code of conduct in place

# Information

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

### Guidance

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

#### On-site audits of suppliers on environmental or social issues

### Information

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

### Guidance

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

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

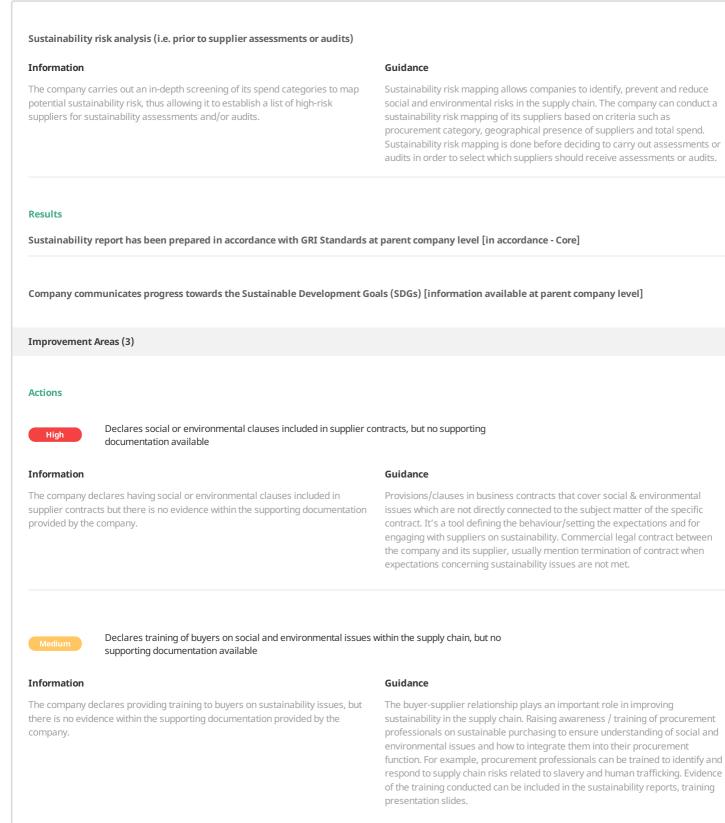
## Information

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

# Guidance

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

Weight





No information regarding capacity building of suppliers on sustainability issues

#### Information

No company declaration and no evidence within the supporting documentation on the capacity building of suppliers on CSR issues.

# Guidance

Capacity building measures include company proactive support directed towards its suppliers with the aim to enhance their ability to identify and manage environmental, social and ethical issues within their own operations. Such support includes supplier training, participation in supplier meetings, development of close collaborations on CSR topics, and continuous improvement feedback on supplier's CSR performance (e.g. Corrective Action Plans).

# **10. 360° WATCH FINDINGS**

0 December 2020
lo records found for this company on Compliance Database
uli
$\rightarrow$ No score impact

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

# EcoVadis is connected to the following international sources:

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

- Trade unions and employers' organizations

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

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

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

# **11. SPECIFIC COMMENTS**

Additional comments from our analysts pertaining to the assessment.

# Specific comments

No records found in third party risk and compliance database.

Some supporting documents has been provided from the parent company and/or group, however there is a lack of reasonable assurance that these actions have been implemented for the scope under assessment.

# **12. CONTACT US**

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

# **APPENDIX:**

# **INDUSTRY RISK PROFILE**

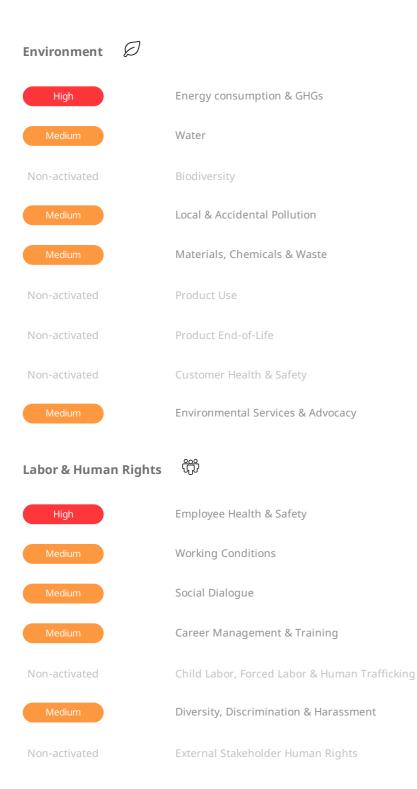
Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

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

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

# **CRITERIA ACTIVATION BY THEME:**

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





Medium

Corruption



Anticompetitive Practices

0



# Sustainable Procurement

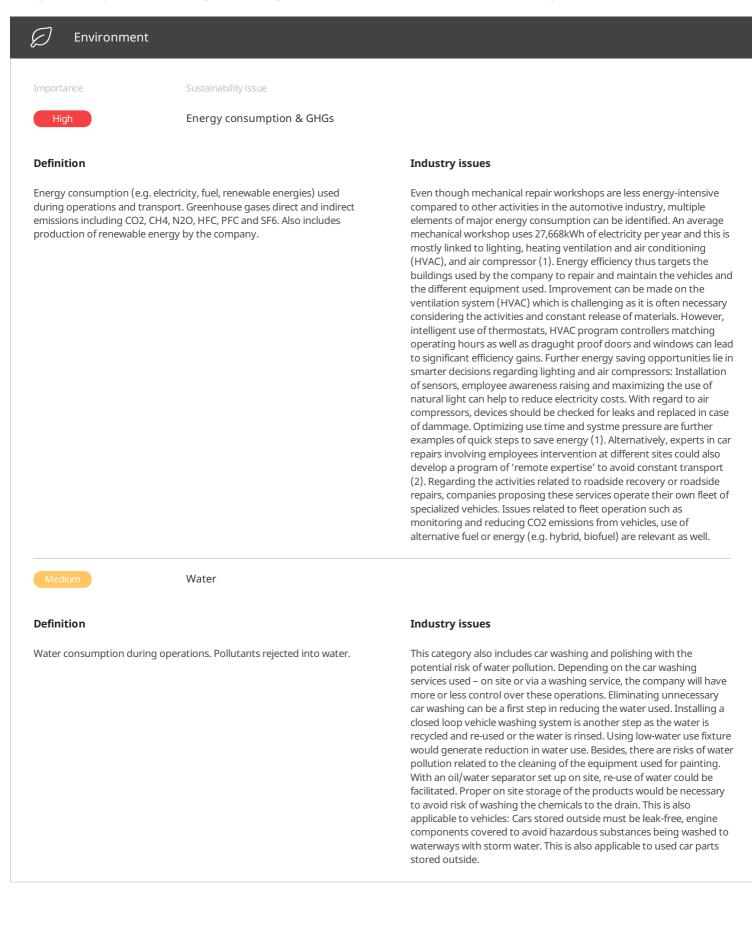


Supplier Environmental Practices

Supplier Social Practices

# **KEY SUSTAINABILITY ISSUES**

Find qualitative explanations of the key sustainability issues and risk associated with Maintenance and repair of motor vehicles



Medium

# Local & Accidental Pollution

### Definition

Impact from operations on local environment around company facilities: emissions of dust, noise and odor. It also includes accidental pollution (e.g. spills) and road congestion around the operation facilities.

#### **Industry issues**

The automotive maintenance and repair industry handles a variety of toxic substances. In relation to the mix and vast number of hazadous products used and generated in a car repair facilities (used oils, antifreeze fluids, paint, cleaning agents to name a few) monitoring and reduction of air pollution is needed as some are volatile compounds (they transition from liquid into gaseous phase under normal temperature and pressure). Spill prevention equipment and programs are recommended in order to prevent accidental and local pollution. Sealing the shop floor could also be a solution to avoid the contamination of the surrounding. Eventually, regular soil testing for contamination should be performed in collaboration with local authorities.

Medium

Materials, Chemicals & Waste

#### Definition

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

### **Industry issues**

As hazardous products in the vehicle repair business, we can quote the organic solvents used in cleaning/ degreasing which are solvent based; antifreeze fluid; fluids replaced within the cars such as used engine oil, transmission and brake fluids; used vehicles batteries; rags soaked with hazardous substances. Hazardous materials also include all the pressurized spray bottles available which can be refilled in order to decrease the amount of raw materials needed. Implementation of a proper waste management process involving planning, inventorying and monitoring is thus necessary. First of all, it is recommended to recycle and reuse the fluids whenever possible or to schedule similar jobs together, e.g. when multiple cars need to be washed or require primer or paint. Alternatives such as the elimination of chemical stripping and the use of water-based solutions, primers and paints could reduce the hazardous substances in the working environment. Ideally, repair companies use low- or no-volatile organic compound (VOC) paints, and avoid paints that contain toxic metals like cadmium, chromium and lead. Cleaning solutions could re-circulate and filtered and then re-used. Pre-cleaning with a wire brush, shop towel or used of a pre-cleaning bath would reduce the quantity of solvent used. To optimize the quantity used, recycling of the solvent-based and waterbased paint could be initiated (3). Repairs and maintenance work generate many wastes as the work performed by workers consists of fluid changes, repair and rework of fixable components, and replacement of non-repairable parts. While cleaning and dismantling the engine and other components, many fluids are gathered. In case of repairs, there are solutions to reduce the needs for new parts: either by giving priority to repair over replacement or, in case of unavoidable replacement, by re-using secondary parts whenever possible.



**Environmental Services & Advocacy** 

#### Definition

Programs implemented to promote the sustainable consumption of their own products or services among their customer base. This criteria includes the positive/negative indirect impacts of the use of products and services.

#### **Industry issues**

Vehicle repair services carry a responsibility to incentivize the extension of vehicle life time. By making repair more attractive than replacement, they contribute to improve consumption patterns. Customers should be encouraged to consider alternatives to using brand new parts for their car repairs: To accept repairs over replacement, and even in case of replacement, to accept second-hand spare parts are decisions to be promoted by repair services. These initiatives usually involve the insurance companies or network of car experts with their car repair networks which requires close collaboration, of course. Additionally, car repairs facilities could also offer to collect waste such as used oil filters so that customers are encouraged to bring back these wastes to be correctly disposed of. Another opportunity to encourage customers to adopt ecological behaviour is by offering them a vehicle with low CO2 emission or even an electrical/hybrid vehicle as replacement car during the repair time.

#### ၀၀၀ (႐ှာ Labor & Human Rights

Importance

Sustainability issue

High

Employee Health & Safety

## Definition

Deals with health and safety issues encountered by employees at work i.e. during operations and transport. Includes both physiological and psychological issues arising from, among others, dangerous equipment, work practices and hazardous substance.

### **Industry issues**

There are several major occupational hazards in this labor intensive sector, including exposure to heavy metals and hazardous chemicals, and ergonomic problems from long working hours. Insufficient ventilation, inadequate protection gear and the lack of relevant information on the dangers of chemicals contribute to accidents and illness in this kind of working environment. The UK Health and Safety Executive presents the most common risks related to motor vehicle repair: The use of benzene, choosing the correct gloves, cleaning/degreasing substances including valeting, falling from heights, fire and explosion, harmful dusts, noise, slips and trips and many more (4). This non-exhaustive list of dangers require preventive actions and responsible decisions from management. For example, when using solvents, low hazard ones should be selected (nonchlorinated, low toxicity and low flammability). 100% water-based cleaning solutions are available with no petroleum distillates (and thus no VOC - volatile organic components). Ensuring proper ventilation, natural or forced one via use of fans, in particular when using cleaning/decreasing substances inside vehicles would reduce the worker exposure. Frequent and prolonged contact with engine oil may cause dermatitis and other skin disorders hence the need for protective clothing and personal protective equipment as necessary. Regarding mechanical repairs, most deaths are caused when a person is trapped and crushed under an inadequately supported vehicles which has been raised and had a wheel removed. Workers in this industry can also work roadside, when recovering or repairing vehicles on the road. In this instance, they are at risks from other road users and moving vehicles. These workers should receive information and training related to road traffic safety. Overall, to minimize occupational safety risks, comapnies should undertake a detailed risk assessment to understand the existing and potential risks in the working environment. Companies should adopt a health & safety management system through implementing safety measures to workers' daily routines and periodical monitoring to ensure a safe work environment. To further establish a solid health & safety management system, audits to obtain recognizable health & safety certifications such as ISO 45001 will demonstrate the company's commitment to workers' health & safety towards stakeholders.

Medium

Working Conditions

#### Definition

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

#### **Industry issues**

Human capital investment is increasingly important for companies seeking to develop a sustainable workforce while reducing hiring costs associated with high employee turnover. Employees should be adequately compensated through wages and other social benefits that reflect regional variations in living costs and state provided social protections. According to the 2017 International Trade Union Confederation Global Poll, nearly half of global respondents claim that their household incomes fail to accommodate cost of living (5). 84% of respondents believe that national minimum wages are insufficient to enable workers to lead a decent life (5). In the absence of public provision of social protections, including healthcare, family vacation and rest periods, workers are likely to change employers in order to obtain livable wages and adequate social protections. Companies that voluntarily develop human capital management systems position themselves to attract and retain the best talent, while preventing operational disruptions caused by worker strikes. In determining adequate wages companies operating in less developed countries where minimum wage laws are deemed inadequate, companies should default to wage standards established by ILO conventions. In addition to benchmarking with international standards, companies should also engage their workers through labor unions or employee representatives to determine workers' needs. In countries where unions and worker appointed representatives are illegal, it is key to leverage employee satisfaction surveys and other forms of worker voice tools to determine worker needs. When operating in countries where state provided social protections are minimal or absent, companies should provide employees with employer paid healthcare benefits and retirement pensions.



Social Dialogue

#### Definition

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



Career Management & Training

### Definition

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

#### **Industry issues**

Social dialogue, as defined by the International Labour Organization, includes all types of negotiation, consultation or exchange of information between, or among, government representatives, employers and workers (6). Companies that promote social dialogue through unions and other forms of worker-selected representatives are in a better position to obtain better visibility of potential health and safety issues and worker grievances around wages, working conditions, career development. A vast majority of the International Trade Union Confederation's 2017 respondents disapprove of their working conditions, including wages, benefits and job security. As a result of the concerns by global workers, 91% of respondents are in support of laws that give workers the right to collective bargaining, while 85% want the right to unionize (7). When worker issues are not identified and remedied, companies and their supply chain partners risk business interruptions caused by worker strikes. While there is no "one size fits all" model of social dialogue that can be readily exported from one country to another due to cultural and political factors, adapting social dialogue to the national situation is key to ensuring local ownership of the worker engagement process. When companies engage in worker dialogue, they are in a better position to manage talent retention issues that potentially hinder long-term business sustainability. Given the importance of social dialogue in helping establish policies and procedures that promote both employer and employee interests, companies should work to promote collective bargaining, regardless of national laws that prohibit such activity. Collaboration with work councils, labor unions or worker representatives can be leveraged to address working conditions, remuneration, skills development and occupational health and safety needs. In countries where union membership is not permitted, or are insignificant due to low member rates, companies should establish alternative modes of social dialogue that promote worker interests.

#### **Industry issues**

In addition to fair pay, social benefits, and safe and stimulating working conditions, companies in this industry should include occupational skills development in their human capital management strategies. Occupational skills development, through formal training, developmental assignments, and feedback, provides mutual benefits for employees and employers. Manufacturers will benefit from a higher skilled workforce capable of meeting market demands, and workers will develop skills necessary for promotions and/or future employment opportunities in the sector. Workers are increasingly demanding occupational skills development in order to stay up-to-date on technological developments, ultimately ensuring they remain competitive on the job market. The reciprocal benefits ultimately reduce employee turnover costs, evidenced by one Harvard Business Review article (8) that finds that thriving workers are 32% more committed to their organization and 46% more satisfied with their jobs. To take advantage of the benefits provided by a skilled workforce, companies should develop and implement occupational training and development programs. Ongoing employee evaluations accompanied by continuous feedback should be deployed to identify skills that enable employees to be placed in positions that allow for promotions. Lastly, companies should ensure that, when necessary, workers performing redundant tasks are helped to access other responsibilities through training. Occupational skills development programs can benefit companies across all functional areas and should therefore be embedded throughout all operations.



Diversity, Discrimination & Harassment

#### 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**

Diversity at work is a key issue to any company. It is already addressed by specific regulations in most countries in addition to sectorial and national initiatives that have been created to act on this particular issue. Meanwhile in the USA, it is estimated that in 2013, women made up 1.5% of automotive body and related repairers and 1.8% of automotive service technicians and mechanics (9). This calls for further voluntary action at the level of each company. Developing a diverse workforce is not only a socially responsible business practice, it is also good for business. Diverse workforce unlocks business innovation and drives market growth due to the knowledge that workers from different gender, sexual orientation, race and ethnicity bring to their functions. More diverse companies are better able to win top talent and improve customer orientation, employee satisfaction, and decision making, each of which lead to increasing financial returns. A 2015 report by McKinsey found that companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians, and companies in the top quartile for gender diversity are 15 percent more likely to have financial returns above their respective national industry medians. In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8 percent (10).Many of the world's biggest and most successful companies have advanced diversity strategies that include respect of LGBT. Nearly 90% of Fortune 500 companies prohibit discrimination based on sexual orientation and gender identity and almost 60% of them extend benefits to the samesex partners of their employees (11). Given the higher returns associated with a diverse workforce, it is important that companies take steps to promote diversity in their operations. Companies must first create an environment that is welcoming of workers from all social backgrounds. Anti-discrimination and harassment policies should be framed to protect workers from all social backgrounds including, but not limited to, gender, race, ethnicity and national identity and increasingly important-sexual identity. While most countries have laws that prohibit discrimination, differences exist in the scope of groups protected and the level of enforcement-making it a strategic challenge for companies that operate in less progressive countries. When developing policies for operations in such locations, it is key for companies to be as inclusive as possible and to keep the business benefits in mind. In order to reinforce policies, diversity training should be provided to all employees, and anti-discrimination training should be required of all management levels-particularly human resourceswith decision making authority. Human resources personnel should perform frequent internal salary audits to determine where wage gaps exist between different social groups within the organization. Additional pro-diversity measures that reinforce non-discriminatory efforts include employee cultural and gender associations that enable social groups to share experiences related to professional integration and networking. Lastly, an effective whistleblowing procedure should be available to all employees to report concerns related to, or violations of, established anti-discrimination policy.

# ඩ්ර් Ethics

Importance

Sustainability issue



Corruption

### Definition

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

### **Industry issues**

As the regulations become stricter to control cars and deliver roadworthiness certificates, bribes could be paid to pass cars that have failed. For example, staff in Ireland has been fired for taking part in a scheme to accredit taxis that have initially failed the National Car Test (12). Another issue is related to the fact that in some countries, the same centers are licensed to accredit the vehicles by testing them and to carry out the necessary repairs with a risk of conflict of interest. Eventually, with strict regulations to control vehicles emissions and with bonuses paid to remove vehicles with higher emissions from traffic, test centers could be tempted to raise the emissions to benefit from the scrappage bonuses. Fraud issues are around the necessity to replace parts. The California State in the USA has voted a law against air bag fraud to ensure they are replaced with proper equipment (13). Other scams have been reported regarding replacement of parts paid by insurance companies, i.e. windshields (14). In more general terms, corruption distorts fair markets and, if not managed effectively by the automotive manufacturing sector, exposes companies to financial losses from both the act itself and the increased cost of business caused by rampant industry-wide corruption. The Foreign Corrupt Practices Act and the UK Bribery Act expose companies and individuals working on behalf of companies to financial and criminal penalties, while similar legislation is currently being debated in Brazil and Franceexposing companies to risks in additional jurisdictions. FCPA risks take different forms depending on the nature, scope and location of a company's international activity. They can arise both when companies seek to sell their products and services directly to foreign governments and state-owned entities and in the form of bribe payments in return for favorable contracting decisions. FCPA risks can also take other, less obvious forms, such as when companies face shakedowns from customs inspectors and tax assessors during efforts to import or export raw materials or finished products. Additionally, risks can surface when companies operate manufacturing facilities in foreign countries, which requires frequent interaction with hosts of foreign officials ranging from maintaining utility service to paying local taxes and securing police protection. The UK Bribery Act expands the scope of bribe recipients to any individual, regardless of their government relationship. To minimize corruption risks, companies should implement a risk-based due diligence procedure to identify opportunities or situations where corrupt transactions are possible. It is important that companies identify anti-corruption training needs in order to keep employees abreast of the regional or sector environment that exposes them to potential risks. Lastly, companies must document and maintain detailed records of all due diligence measures in order to minimize liability in the event that the company is implicated in corruption investigations involving internal employees or third-party relationships.

Medium

Anticompetitive Practices

#### Definition

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

#### **Industry issues**

In this industry, there is a certain risk for agreements concluded between insurance companies and their network of car repair shops on price fixing. In Hungary, the national competition authority has imposed fines in this instance (15). Also, there could be restrictions in relation to original equipment - car manufacturers keep their original parts in their own channel and refuse warranties if the cars are not repaired in their own shops. This could restrict the options offered by independent car repair services as agreements are set up between car manufacturers and their authorized repairers. For example, the European Commission has voted a rule allowing access to spare parts by independent repairers (16). The issue is also being tackled in France with a transition period allowing car manufacturers to adapt their business model before the opening of the market (17). Anticompetitive practices are relevant mostly for companies of large size, given their potential leverage on the market. Industry cartel behavior harms a wide range of stakeholders. When companies form cartels, market dominance prevents smaller businessmen from accessing and competing in markets, and consumers are unable to freely select the quality and variety of goods and services they desire. Buyers working in a cartelized sector are also subjected to higher prices that ultimately cut into the company bottom line. In order to ensure market competition, antitrust enforcement has received greater attention from US, EU and global law enforcement agencies in recent years. The electronics sector has been subjected to enhanced antitrust scrutiny due to large cartel settlements, most notably in the components sector: the cathode ray tube cartel in 2006, involving major market players such as Samsung, Philips, LG Electronics and Panasonic was even described as a textbook case. As part of their compliance systems, companies in the electronics sector should implement internal controls to prevent employees and business partners from engaging in anticompetitive practices. Employees should be adequately trained in the market impacts caused by such behaviors. Providing clear and detailed competitor interaction guidelines is one effective way to raise awareness among key employees. Lastly, companies should have an effective whistleblower procedure allowing employees to confidentially report collusion concerns without retaliation by employers.

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. Thirdparty confidential information includes employee and consumer personal identification information, third parties' intellectual property, and business partner trade secrets. Companies are legally mandated in several jurisdictions to manage third party data responsibly. Breaches of third-party data, including proprietary intellectual property, trade secrets and employee and consumer PII expose companies to operational seizures, financial and reputational impacts caused by stakeholder lawsuits and regulatory penalties. The financial impacts of information security breaches can be both immediate and drawn out over several years, due to possible litigation action by parties who lost confidentiality of their information entrusted to the breached company. The costs of regulatory violations remain severe, and proposed changes to major regulatory frameworks in major countries are likely to impose greater fines. Ponemon Institute estimates the global average cost of a cyber-attack to be US\$3.86 million (19). 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 (20). In order for companies to manage operational and legal risks associated with information security breaches, it is vital that robust information security management systems are developed and implemented across to the operational scope. Companies should perform vulnerability assessments, implement access and disclosure controls and provide thorough training for all employees responsible for processing third-party data. An adequate incident response procedure capable of preventing further data loss, communicating with exposed stakeholders, and systems updates is necessary to meet legal requirements in key iurisdictions.

### Sustainable Procurement

Importance

6

Sustainability issue



Supplier Environmental Practices

#### Definition

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

#### **Industry issues**

Sustainable supply chains in the repair sector involve responsible management of spare parts procurement with regard to their ecological impact. The responsibility for offering eco-efficient, reusable and recyclable vehicle components lies with the Original Equipment Manufacturers (OEMs). However, Repair shops will have to maximize transparency within their supply chains and increase the demand for parts with the least environmental impact. Regarding the procurement of spare parts, companies should deal with wholesalers or dealers able to provide them with used or recycled auto parts which is sometimes even encouraged by insurance companies (18). Some of the activities offered by vehicle repair centers could also be contracted out such as the washing/cleaning of the vehicles. In these instances, confirming contractor's compliance with basic environmental law for example on prevention of water pollution through CSR assessment or audits is one way to mitigate the risks. Environmental issues in the supply chain of companies in the repair sector can be further effectively addressed through a variety of due diligence management activities. This may start with developing a supplier code of conduct, contract clauses or a risk analysis of the supplier base. Once expectations with regard to environmental factors are set, further monitoring, evaluation or capacity building should follow, which may lead to long-term partnerships with suppliers to address major environmental concerns along the value chain.

Medium

Supplier Social Practices

#### Definition

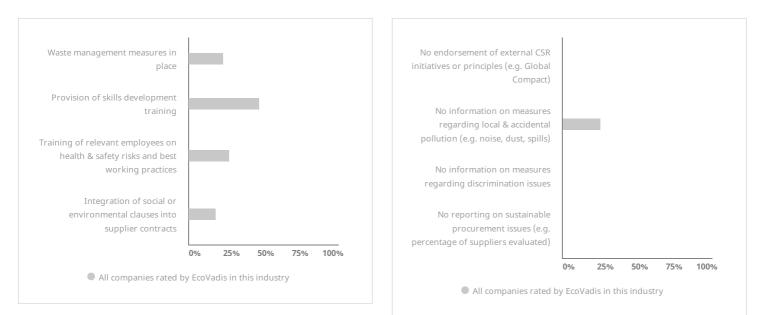
Deals with labor practices and human rights issues within the supply chain i.e. labor practices and human rights issues generated from the suppliers and subcontractors own operations or products.

#### **Industry issues**

To prevent supply disruptions and potentially costly litigation, companies should work to embed their human rights and business ethics commitments throughout their supply chain operations in order to address operational impacts on stakeholders. Companies have an obligation to respect human rights of both internal and external stakeholder groups, and the public seems increasingly engaged holding companies accountable. In accordance with the UN Guiding Principles on Business and Human Rights, human rights impact assessments should include those of supply chain operations. Companies should develop and implement due diligence procedures, to include supply chain mapping, risk assessments and follow up supplier engagements, including training and on-site audits. Companies should also establish contract provisions detailing supplier expectations regarding human rights protections. To minimize liability for supplier corruption, companies should implement a risk-based due diligence procedure to identify suppliers at greatest risk of being accused of such transactions. Training in anti-corruption management systems, is a must in order to establish an ethical culture internally as well as throughout their supply chains. Lastly companies should, when necessary, establish grievance procedures in the absence of a supplier procedure.

## **Key industry Strengths**

## Key industry Improvement Areas



## Sustainability KPIs Overview

KPI	All companies rated by EcoVadis in this industry
Active whistleblowing procedure in place	36%
Audit or assessment of suppliers on CSR issues	31%
Carbon disclosure project (CDP) respondent	7%
Global Compact Signatory	11%
ISO 14001 certified (at least one operational site)	31%
OHSAS 18001/ISO 45001 certification or equivalent (at least one operational site) 20%	
Policy on sustainable procurement issues	22%
Reporting on energy consumption or GHGs	30%
Reporting on health & safety indicators	23%

## **Main Regulations and Initiatives**

## Label NF Environnement - Service de rénovation

http://www.marque-nf.com/marquenf/pdf/nf environnement services de ren ovation.pdf

French label on maintenance services for automobiles

D Environment

## Universal Declaration of Human Rights

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

## A Regulatory

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

ເறື Labor & Human Rights

## ISO 45001 Standard for Occupational Health and Safety

## https://www.iso.org/iso-45001-occupational-health-and-safety.html

The standard was developed by a committee of occupational health and safety experts, and follows other generic management system approaches such as ISO 14001 and ISO 9001. It was based on earlier international standards in this area such as OHSAS 18001, the International Labour Organization's ILO-OSH Guidelines, various national standards and the ILO's international labour standards and conventions

## ញ៉ំ Labor & Human Rights

## United Nations Convention against Corruption (UNCAC)

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

length Regulatory

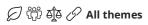
The UNCAC is the first leg12y binding international anti-corruption instrument. In its 8 Chapters and 71 Articles, the UNCAC obliges its States Parties to implement a wide and detailed range of anti-corruption measures affecting their laws, institutions and practices.

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## OECD guidelines for multinational enterprises

## http://www.oecd.org/about/0,2337,en 2649 34889 1 1 1 1 1,00.html

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



## Standard ISO 14000 (International Standard Organisation)

http://www.iso.org/iso/iso\_14000\_essentials

The ISO 14000 family addresses various aspects of environmental management

D Environment

## International Labor Organization's Fundamental Conventions

http://www.ilo.org/wcmsp5/groups/public/---ed\_norm/---declaration/documen ts/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.

ເມື່ອ Labor & Human Rights

## Foreign Corrupt Practices Act of 1977

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

🔎 Regulatory

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

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

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

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



## Standard Global Reporting Initiative's (GRI)

### http://www.globalreporting.org/Home

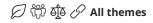
The GRI is a network-based organization, that has set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.



## 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.



### 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.

### D Environment

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