



COMMUNICATION ON PROGRESS 2013



ABOUT ECOVADIS

ecovadis strives to improve environmental and social practices of companies by leveraging the influence of global supply chains. EcoVadis operates the 1st collaborative network enabling companies to manage the Sustainability performance of their suppliers, across 150 sectors and 100 countries. EcoVadis reliable ratings and easy to use monitoring tools allow companies to manage risks and drive eco-innovations in their global supply chains.

More than 120 Global Multinational companies have selected the EcoVadis solution, including Fortune 500 such as Axa, Alcatel-Lucent, Bayer, BASF, Coca Cola Enterprises, Deutsche Telekom, Heineken, Orange, Johnson & Johnson, Lafarge, Renault-Nissan, Schneider Electric, and Vodafone.



TABLE OF CONTENTS

1. Message from the CEO	4
2. EcoVadis and its role in sustainable procurement advocacy	5
2.1 Our indirect positive impacts	
a. Core business activities:	
b. Involvement in Sustainable Procurement activities	
3. CSR at EcoVadis	7
3.1 Environment	
3.2 Labor practices and Human Rights	
3.3 Business Ethics	
3.4 Community involvement	
4. Concluding Remarks	15

MESSAGE FROM THE CEO

Paris, February 20th 2014

Today's sustainable procurement movement illustrates that, more than ever, sustained efforts and robust solutions are needed to cope with environmental, social and ethical challenges in a constantly changing context and extremely complex, intricate supply chains.

Increasingly, a transparency shift permeates the value chain as shown in the latest GRI G4 Guidelines. Crucial sector collaborations are progressively built up to simultaneously catalyze more sustainable business practice and generate economic value across more resilient supply chains.

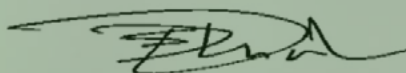
Collaborative actions indeed remain crucial to address the current sustainability challenges. Environmental challenges remain critical: GHG emissions grew on average by 2.2 % per year from 2000 to 2010 , emissions from fossil fuel combustion and industrial processes contributing about 78 % of the increase. Human Rights issues remain equally important and the April 2013 Rana Plaza tragedy in Bangladesh reminded us how far are from ensuring acceptable working conditions in global supply chains.

In this context, closer supply chain partnerships are key to help reduce the global environmental footprint, improve working conditions and respect human rights practices.


2013 saw a year of great change at EcoVadis in which we expanded our operations by 80% while leveraging our expertise to find solutions to the supply chain challenges facing our clients. We are pleased that we have made considerable progress on meeting their expectations. In 2014 and beyond, we will continue to deliver smart solutions, to help companies foster a sustainable relationship with their suppliers and drive positive transformational change.

EcoVadis has been a signatory to the United Nations Global Compact since 2008, and we continue to align our operations and strategies with its ten principles.

Pierre-François THALER
President



Frederic TRINEL
Managing Director



2. ECOVADIS AND ITS ROLE IN SUSTAINABLE PROCUREMENT ADVOCACY

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

a. Core Operations

In 2013, the number of suppliers assessed via EcoVadis' CSR risk monitoring and management solution rose by 70% compared to 2012. 16,000 new companies were invited to join our collaborative platform. This large increase was driven also by the launch of new sector initiatives, in particular through our partnership with GeSI in the Telecom sector, or with TfS in the Chemical sector.

On the supplier side, EcoVadis allows suppliers to identify improvement areas, and devise corrective action plans monitored by an expert team. This approach allows them to follow a continuous improvement cycle through a two-way feedback and capacity building process. Driving improvements is one of our critical objectives. We measured that in 2013, 68% of suppliers were able to demonstrate improvement in practices on a least one of the four dimensions we assess. On the buyer side, we provide a sustainable decision making tool that helps purchasing organizations better integrate CSR criteria into supplier selection, raise procurement team's awareness on key sustainable development issues and master CSR risk. In 2013 we continued rolling out our buyer training programs worldwide and focused on user satisfaction, achieving a 98% customer satisfaction.

The key solution developments in 2013 included:

- a completely redesigned web interface for suppliers data collection,
- the translation of our platform into new languages (ex : Chinese, Spanish, German) to improve our global coverage
- the launch of a new real time stakeholders monitoring service (Live 360°)

b. Sustainable Procurement Advocacy and Outreach

2013/2014 again was a fruitful year in terms of extended partnerships and new cooperation.

In June 2013, EcoVadis announced its partnership with GeSI¹ to launch a new online platform to drive sustainability in the ICT industry's supply chains.

EcoVadis has continued its collaboration² with ITC, a joint organization of the United Nations and World Trade Organization, on the new Standards Map³ web platform, which provides comparable information on sustainability standards and audit protocols.

In December, the 6th edition of the HEC/EcoVadis Sustainable Procurement Benchmark⁴, which celebrated its 10th anniversary, was released. This survey, realized in partnership with AT-Kearney analyzed the practices of 135 of the largest global corporations, with a specific focus on « Measurement of Value Creation ».

In January 2014, a new collaboration⁵ between EcoVadis and BSR's Clean Cargo Working Group was concluded to streamline environmental reporting in the Sea Freight supply chain.

In April 2014, the EcoVadis Client Committee⁶ was held in Paris. Around 150 CSR and procurement professionals joined us from all over Europe and North America.

Last but not least, EcoVadis continuously communicates on sustainability in supply chains using social media. For example it regularly maintains a blog sustainable procurement blog⁷, which covers news, regulations, interviews or opinion articles.

1 http://www.ecovadis.com/website/en/gesi-partners-with-ecovadis-to-launch-a-new-online-platform-to-drive-sustainability-in-ict-industry-supply-chains-web.news_481.aspx

2 http://www.ecovadis.com/website/en/ecovadis-collaborates-with-itc-on-the-new-standards-map-web-platform-web.news_452.aspx

3 <http://www.standardsmap.org/>

4 http://www.ecovadis.com/website/en/the-sustainable-procurement-barometer-reaches-the-6th-edition-and-celebrates-its-first-10-years-web.news_498.aspx

5 http://www.ecovadis.com/website/en/new-collaboration-between-ecovadis-and-bsrs-clean-cargo-working-group-to-streamline-environmental-reporting-in-the-sea-freight-supply-chain-web.news_499.aspx

6 <http://blogspot.ecovadis.com/2014/04/ecovadis-client-committee-2014.html>

7 <http://blogspot.ecovadis.com/>

3. CSR AT ECOVADIS


2013/2014 introduced new challenges in relation to our international growth and a 40% increase in employee headcount.

3.1 Environment

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

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

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

Policy	Actions
<p>EcoVadis has an environmental policy, which is endorsed by the EcoVadis management team. All employees are responsible for its implementation and for taking reasonable care of the environment. It contains commitments on issues such as reduction of office energy use and environmental impacts from transportation, usage of chemicals (eco-friendlier cleaning agents), water consumption, recycling and promotion of sustainable consumption. The Policy is reviewed as necessary, at regular intervals, not exceeding one year.</p> <p>In addition, dedicated CSR managers are coordinating the company's efforts at the different locations.</p>	<ul style="list-style-type: none">• As part of our EcoVadis University project, we have created and published internal e-learning modules, of which one is related to environmental topics. It is accessible to all employees through an online platform. The module was launched in March 2013.• We purchased carbon credits from climatecare (<i>a member of ICROA</i>)⁸ to offset our 2013 emissions and thus became carbon neutral again.• Most of our client trainings were conducted via video conferencing.• We put in place a waste management system at our Paris office, which allows all employees to recycle garbage and collect used batteries. <p> No waste management systems are currently in place at several locations.</p> <ul style="list-style-type: none">• In 2013, we strengthened our sustainable purchase tracking procedure.

8 <http://climatecare.org/>

Results

2013:

- We provided 23 hours of environmental training hours company-wide as part of our induction training.
- Electricity consumed was: 17152 KWh at our Paris office covering 2013 and 30,107 KWh at our Mauritius location. Our New York and Tunis offices are not yet included in the current data. We composted 114 kg of coffee grounds (132 kg in 2011).

 In 2013, only 36 Kg of coffee grounds were composted (114 kg in 2012). Our composting program was discontinued. In 2011, we consumed an average of 1800 grams of paper per employee.


- Kilometers traveled by air (all staff): we estimate 447,838 km were traveled by air (382,525 km in 2012), a 17% increase from the previous year due to continued internationalization of our business.

 Our carbon footprint for 2013 was 84.19 tons of CO₂, mainly from flights.

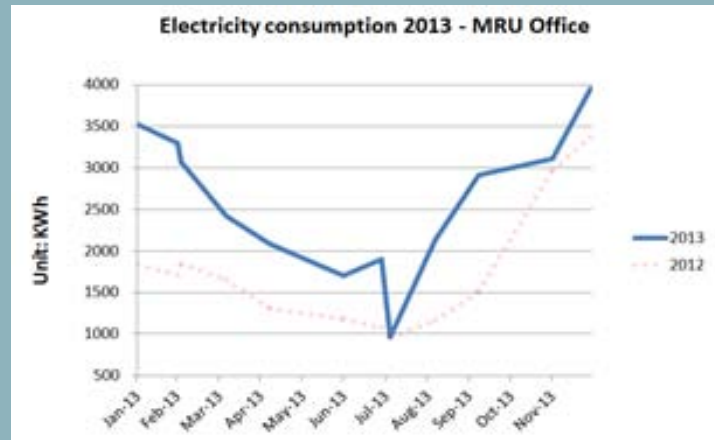
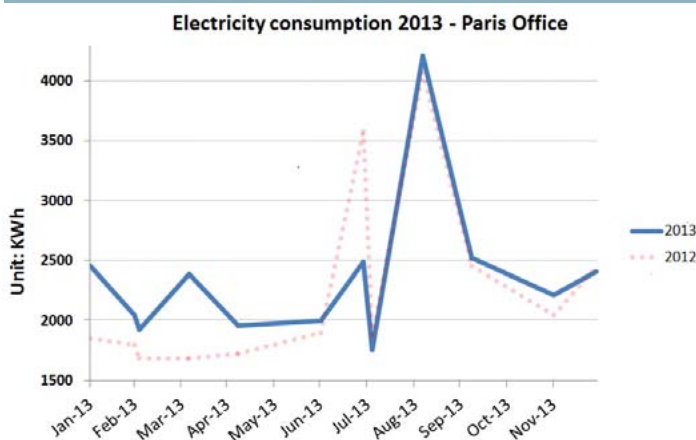
- Our environmental policy was not reviewed in 2013.

Supply Chain Results:

- 100% of our coffee purchases and 90% of our tea purchases had Fair Trade (Fair Trade Max Havelaar) and Organic Agriculture (Agriculture Biologique) labels at the Paris Office only.
- 13% only of our cleaning product purchased were identified with an ecolabel.

 Overall, 30% of our office supply purchases (pens, binders, trashcan bags) had an ecolabel or were from recycled origins.

- 100% of our printing paper purchases had an ecolabel (e.g. Blauer Engel, PEFC) at the Paris office.



EcoVadis carbon offset project

To balance our carbon emissions from day-to-day operations, EcoVadis has offset its Carbon footprint for the year 2013. We chose the *climatecare*⁹ program, which provides companies an opportunity to reduce their carbon impact through participation in renewable projects and projects designed to help achieve the Millennium Development Goals. EcoVadis had to compensate 84.19 tons of CO₂ emissions for the year 2013.



⁹ <http://climatecare.org/>



3.2 Labor Practices and Human Rights

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

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

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

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

Principle 5: the effective abolition of child labour; and

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

Policy	Action
<ul style="list-style-type: none"> • EcoVadis has a formalized Human Resource Policy in place, beyond compliance with laws and regulations. The 5-page document, endorsed by the company Executive Management Team, reiterates a commitment to the 10 Global Compact Principles. It covers all employees of EcoVadis worldwide. It also includes consultants and interns. This policy sets out the EcoVadis vision and values on employee health and safety, working conditions, dialogue with staff, human resources, recruitment, career management & development, diversity, non-discrimination and bullying & harassment. In February 2013, the EcoVadis Human Resource Policy was finalized and signed by the Executive Management Team. • The policy is to be revised annually by the EcoVadis CSR Project Team and subsequent versions will be approved by the Executive Management Team. • In addition, a dedicated CSR manager is coordinating the company's efforts with the help of an employee representative. 	<ul style="list-style-type: none"> • At the beginning of 2014, EcoVadis asked its entire staff to respond to its annual satisfaction survey (covering issues such as remuneration, working conditions, and stress). • Some health and safety achievements include ensuring all employees have ergonomic chairs, laptop stands & external keyboards provided to laptop users; two employees in Mauritius followed a first aid course; we have two dedicated security champions and in Paris. • In July/August 2013, external consultants assessed the Paris and Mauritius locations and provided advice on ergonomics. Some health and safety recommendations were made on equipment installation and maintenance. • At EcoVadis, employees have the option to partake in additional supplement insurance plan subsidized by the company • Employees are entitled to an annual performance bonus and salary reviews are conducted every year. • French staff is covered by the Syntec Collective Agreement. None of employees in our other offices are covered by a collective agreement. • An EcoVadis University program has been developed for all new CSR analysts in Mauritius covering CSR topics (7 months program). New hire introductory training is provided to all employees. • Skill development training was provided to French staff only (language courses, management skills, IT specific, communication skills). • Performance reviews and dialogue about career objectives in January and July, given to all employees. • In September 2013, EcoVadis officially became a signatory of the <i>French Diversity Charter</i>¹⁰, an external endorsement to condemn anti-discrimination and to act in favor of diversity supported by more than 3500 companies in France. • In Mauritius, an Equal opportunity policy has been displayed in the office as per legal requirement • An Employee Handbook covers work behavior, (including discrimination and harassment), health and safety. Disciplinary procedures are available. It also provides transparent information on working hours and workfrom home, bonuses, pension and medical • The Human Resources Department is responsible for the confidentiality and security of records placed in the employee personnel file.

10 <http://www.chartre-diversite.com/chartre-diversite-signataire-ecovadis-5415>.

Results

- Our fourth annual employee satisfaction survey took place in early 2014. With a 83% participation rate, the survey provided positive results:
 - ✓ 95% of employee would recommend EcoVadis as a great place to work,
 - ✓ Colleagues are perceived as great persons to work with by 100% of respondents
- The survey also highlighted areas for improvement, i.e. on working atmosphere, compensation, training and career opportunities, flexible working:
 - ⚠ A response rate of 83% for the 2013/2014 survey is a 7.2 % decrease in comparison to 2012/2013. Efforts are being conducted to investigate this drop in the response rate.
 - ⚠ Workload is perceived as not reasonable for 27% of respondents
 - ⚠ Stress was mentioned as too high for 13% of respondents Direct compensation was highlighted as an area of improvement for 44% of respondents
 - ⚠ Direct compensation was highlighted as an area of improvement for 44% of respondents
- The management team became aware of the results of the survey and has immediately responded with a 2014 Corrective Action Plan.
- External trainings were offered to 23 employees (225 hours).
- No health and safety workplace incidents were reported in 2013
- Male/ female ratio: there are 45% of women employee in total
- There are currently 23 nationalities represented among the EcoVadis global team.

3.3 Business Ethics

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

Policy	Action
<ul style="list-style-type: none">The EcoVadis Code of Ethics is a 6-page document endorsed by the company Management Team. It states an ongoing commitment to respect the 10 Global Compact Principles and applies to all EcoVadis employees. The code addresses issues particularly relevant to our core business activities, such as illegal payments and bribery, gifts and entertainment, fair competition, conflict of interest, protection of confidential information and respect of intellectual property rights. A detailed section on conflict of interest also provides concrete details on the EcoVadis team member roles.An Ethics Officer can be reached anonymously or by email and is appointed by the EcoVadis Advisory Board.EcoVadis' fair business practices strategy is currently being reviewed with a new agenda planned at the end of 2014.	<ul style="list-style-type: none">The code was reviewed in 2013 but no updates were yet deemed necessary.At EcoVadis, a whistleblower procedure is available.During each individual bi-annual performance assessment meeting, the letter of the code is reminded to each employee and a discussion on business ethics follows. "Integrity & Respect" remains a formal criterion included as an objective in employee performance appraisals.We provided ethics training on our code of conductWe asked all new employees to carefully read the EcoVadis Code of ethics and formally acknowledge their commitment to abide by its principles.As part of our EcoVadis University project, we have created and published 8 internal e-learning modules related to Business Ethics issues accessible to all employees through an online platform. One of this module is 3-hour long and is directly related to Corruption and Bribery issues.

Results

- As of the end of January 2014, 100% of EcoVadis employees had signed our code of ethics acknowledgment form.
- 9 employees were trained on anti-corruption policies and procedures as part of our induction training
- Number of reports through whistle blowing procedure: 0 reports in 2013/2014.

3.4 Community involvement

EcoVadis aims to make a positive, solid impact in the community where it operates, with a focus on sustainability in line with the company's overall CSR strategy. In 2013 we continued our work with Zone 'Education Prioritaire schools near our offices in Mauritius, promoting eco-conscious thinking in the students through presentations and donating library materials. As part of World Environment Day a dedicated team in Mauritius went to Barkly GS (an underprivileged school) and carried out environmental awareness raising activities including drawing competitions and sketches.

In 2013 financial donations and sponsorship included 2510€ to the UNICEF, 990€ to the WWF and 400€ to Transparency International.

In June 2013, 8 of our colleagues participated in the 'Pandathlon'¹¹ organized by WWF¹², a sportive & sustainable event (19km trail at the Mont Blanc mountain).



¹¹ <http://www.pandathlon.fr/>

¹² <http://www.wwf.fr/>

CONCLUDING REMARKS

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

2014 Internal Objectives:

- Review of EcoVadis' overall internal CSR strategy
- In 2014, EcoVadis plans to further roll out its environmental footprint and supply chain tracking mechanism across all its worldwide operations ('On Track' Project).
- EcoVadis will achieve carbon neutrality again.
- A waste management system will be implemented across all of our operations and we will track our recycling rate and paper consumption.
- Sustainable procurement activities will be increased by 20%.
- We will address the challenges uncovered in our employee survey through corrective actions.
- Our fair business practices strategy will be reviewed.
- EcoVadis will continue to stay engaged with its community involvement project.



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