

SILVER | Top 15%

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Sustainability Rating

DEC 2025

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EcoVadis Sustainability Assessment Report

Company rated:
HYPNOS CONTRACT BEDS LTD

Overall score: 73/100
December 2025

Sustainability performance: Advanced

Size: M
Headquarters country: United Kingdom
Risk country operations: NO
Industry: Manufacture of furniture

TABLE OF CONTENTS

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

ABOUT SUSTAINABILITY

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

ABOUT THE ASSESSMENT

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

ABOUT ECOVADIS

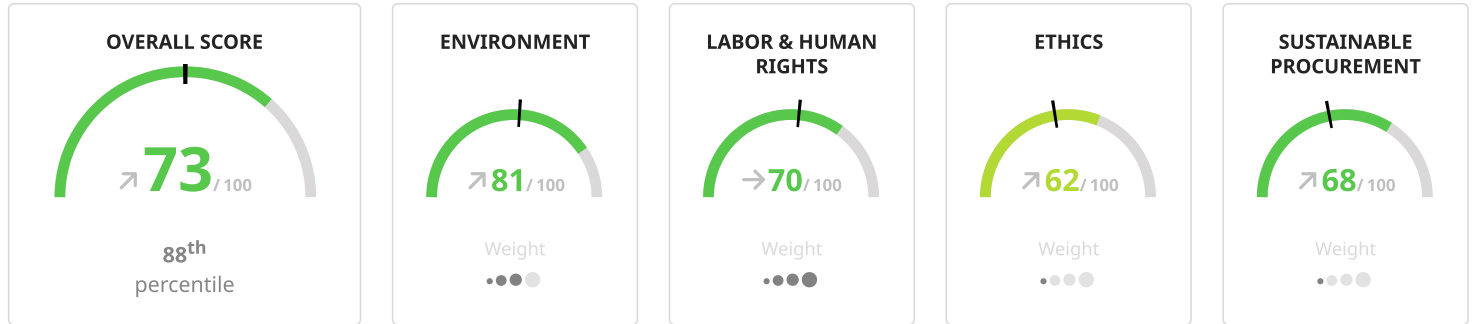
EcoVadis provides the leading solution for monitoring sustainability in global supply chains. Using innovative technology and sustainability expertise, we strive to engage companies and help them adopt sustainable practices.

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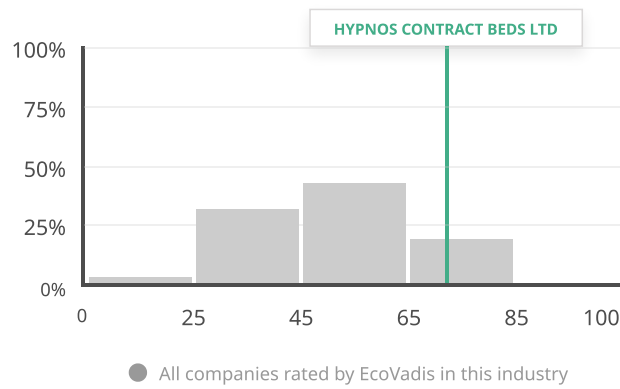
1. SUSTAINABILITY PERFORMANCE OVERVIEW

Score breakdown

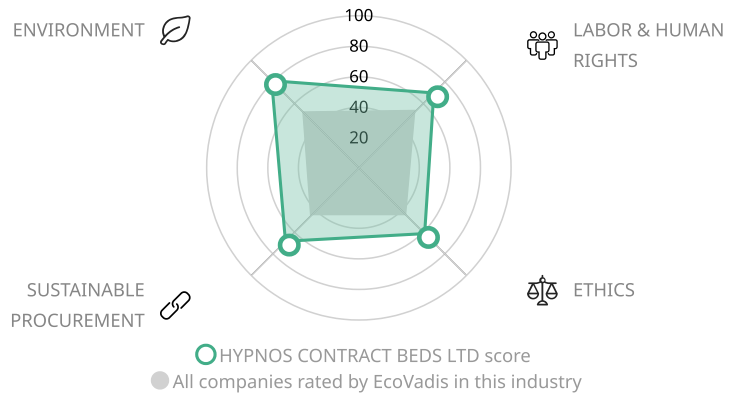
Sustainability performance ● Insufficient ● Partial ● Good ● Advanced ● Outstanding — Average score



Overall score distribution



Theme score comparison



HYPNOS CONTRACT BEDS LTD has received a Silver Medal in recognition of its sustainability achievement. This award places it in the top of companies assessed by EcoVadis over the past 12 months.

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. HYPNOS CONTRACT BEDS LTD has a corrective action plan in place and is working on improving their sustainability management system.

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

2.ASSESSMENT BENEFITS

Understand:

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

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

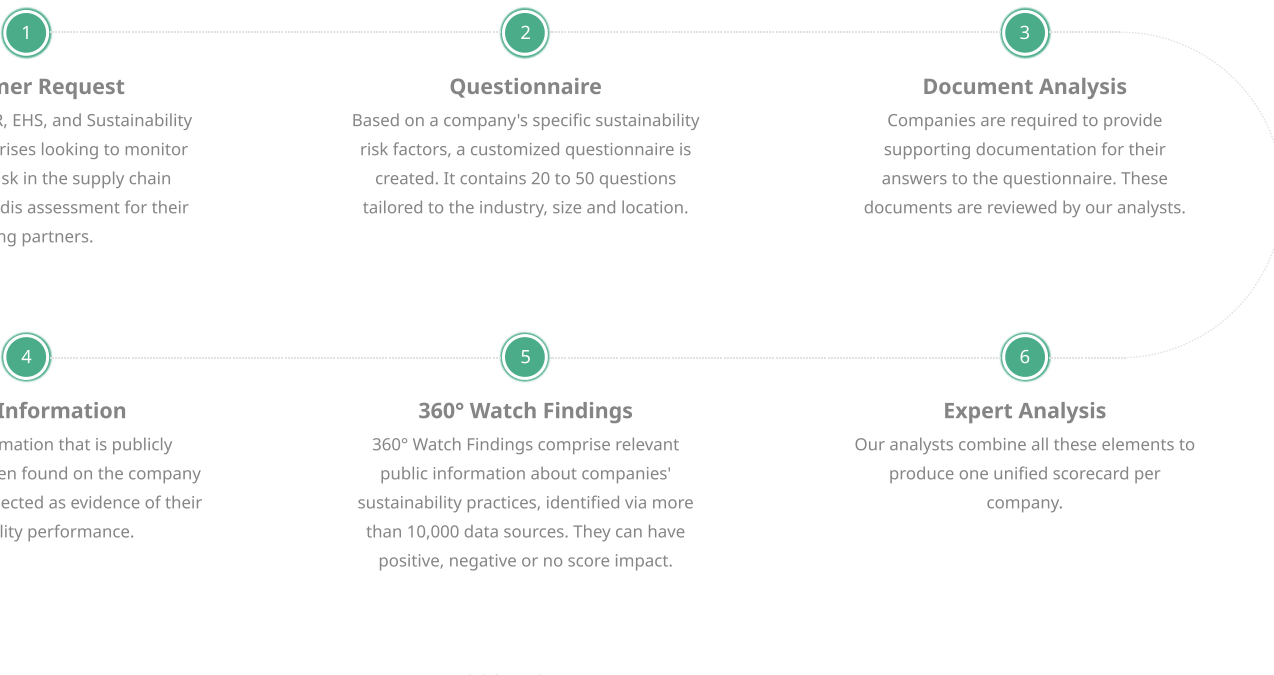
Identify industry trends.Discover the primary sustainability risks, regulations, hot topics and best practices related to specific industries.

Communicate:

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

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

3.ASSESSMENT PROCESS



1 Customer Request

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

2 Questionnaire

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

3 Document Analysis

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

4 Public Information

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

5 360° Watch Findings

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

6 Expert Analysis

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

SCORECARD



4. ECOVADIS METHODOLOGY

A. Four Themes and 21 Criteria

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

21 sustainability criteria

1. ENVIRONMENT

OPERATIONS

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

PRODUCTS

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

3. ETHICS

- Corruption
- Anticompetitive Practices
- Responsible Information Management

2. LABOR & HUMAN RIGHTS

HUMAN RESOURCES

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

HUMAN RIGHTS

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

4. SUSTAINABLE PROCUREMENT

- Supplier Environmental Practices
- Supplier Social Practices

B. Seven Management Indicators

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



Policies (weight: 25%)

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

Actions (weight: 40%)

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

Results (weight: 35%)

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



5. UNDERSTANDING A SCORECARD

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

A. Quantitative Information: Scores & Activated Criteria

Theme Scores:

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

Activated Criteria:

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

Non-activated

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

Medium

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

High

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

! Risk countries only

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

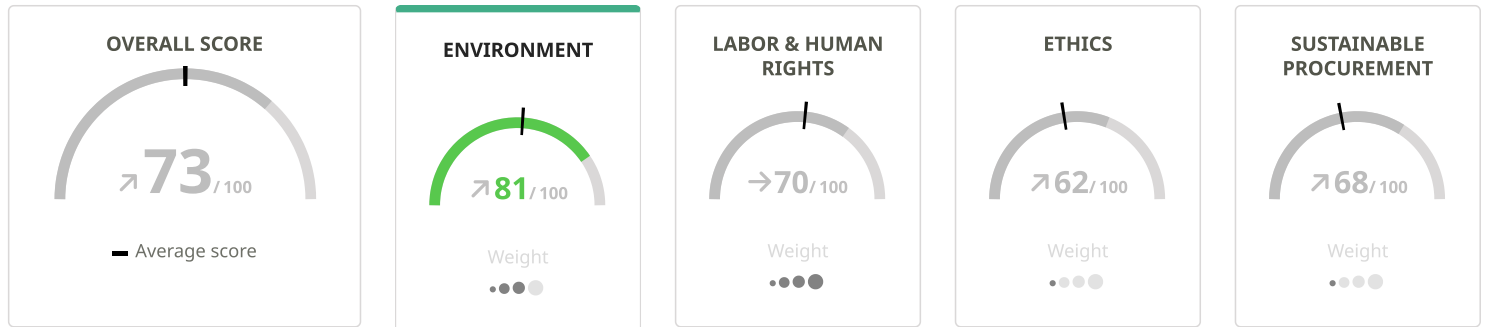
C. The Scoring Scale

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

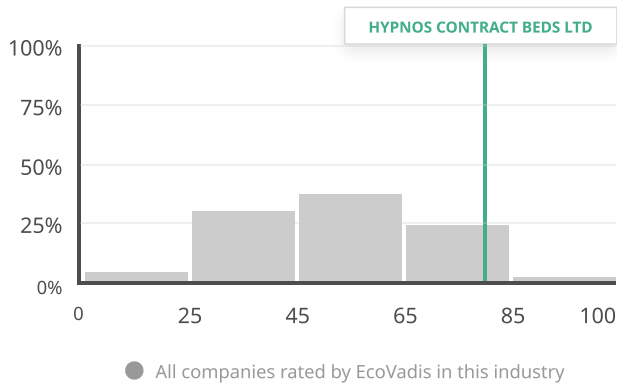
6. ENVIRONMENT

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

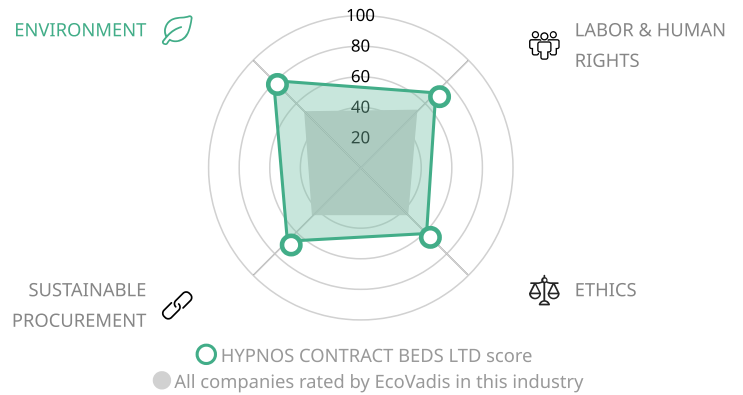
Environment Score Breakdown



Theme score distribution



Theme score comparison



Environment: Activated Criteria

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

Environment: Strengths & Improvement Areas

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



Strengths

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Quantitative objectives set on energy consumption & GHGs

Environmental policy on materials, chemicals & waste

Environmental policy on water

Environmental policy on energy consumption & GHGs

Comprehensive policy on a majority of environmental issues

Information

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

Guidance

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

Actions

External sustainability audit: no non-compliance found on environment

Information

The company provides evidence of an external audit report that covers environmental impacts from its operations and/or products. The audit was conducted within the past 24 months by an independent external organisation and no non-conformances were found.

Guidance

An external sustainability audit is an on-site examination of a company's business sites and sustainability practices by an independent third party auditor. The objective of such audit is to assess the performance of the company with regards to key sustainability criteria as well as the implementation of management systems with regards to sustainability. The performance is therefore verified against a pre-defined set of audit criteria and an audit report is produced to indicate the non-compliances found and to determine the required correction action procedure. The audit report is considered relevant when: 1) it is based on recognized auditing standards (e.g. SMETA, EICC, JAC, TFS); 2) it is less than 24 months old and provides good coverage on the main issues at stake; 3) it represents most of the company's operations; 4) it was conducted by a recognized accredited body

Use of eco-friendly or bio-based process materials

Specialized treatment and safe disposal of hazardous substances or waste

Environmental emergency measures in place

Reduction of internal wastes through material reuse, recovery or repurpose

Purchase and/or generation of renewable energy

Company-specific emergency preparedness and response procedure regarding customer health and safety

Information

The company has provided evidence of a company-specific emergency preparedness and response procedure regarding customer health and safety.

Guidance

The company demonstrates evidence of formalized instructions or operational processes to prepare for incidents related to customer health and safety and offer emergency support or real-time assistance to customers.

Purchase of verified carbon offset credits

Reduction of carbon emissions in transportation

Technologies or practices to recycle or reuse water

Energy and/or carbon audit

Information

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

Guidance

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

Provision of specific information to customers regarding safe use of the product

ISO 14001 certified

Information

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

Guidance

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

Company-specific research on potential health impacts of products/services

Information

The company has provided supporting documentation demonstrating that it carries out research on the health and safety impacts of their product and services on customers.

Guidance

It is important to carry out research on the health and safety impacts on customers of the product or services that a company offers. Measures implemented to protect the health and safety of customers have direct impacts on an organization's reputation, legal and financial risk due to recall, etc. The Global Reporting Initiative (GRI) has identified customer health and safety as a critical criteria for companies to report on, i.e. the percentage of significant product and service categories for which health and safety impacts are assessed for improvement. This measure helps to identify the existence and scope of systematic efforts to address health and safety across the life cycle of a product or service. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the OECD Guidelines for Multinational Enterprises.

Specific environmental certification [Global Organic textile Standard (GOTS), Global Recycled Standard (GRS), Responsible Wool Standard]

Information

The company has provided one or more environmental management certificate(s) or ecolabel issued by an accredited certification body.

Guidance

The company has provided valid evidence of one or more environmental management certificate(s) or ecolabel(s) issued by an accredited certification body that is specific to your industry or covers a specific environmental topic.

Results

Total gross Scope 2 reporting value confirmed in supporting documentation

Information

It was confirmed in the documentation provided by the company that the declared value for total gross Scope 2 is true.

Guidance

The company provided supporting documentation which show that the reported value for total gross Scope 2 reporting value is true.

Total gross Scope 1 reporting value confirmed in supporting documentation

Information

It was confirmed in the documentation provided by the company that the declared value for total gross Scope 1 is true.

Guidance

The company provided supporting documentation which show that the reported value for total gross Scope 1 reporting value is true.

Reporting on total gross Scope 2 GHG emissions (market or location based)

Information

The company demonstrates that there is public or internal reporting of consolidated data on the total gross Scope 2 GHG emissions (market or location based).

Guidance

The company provided data which show the total gross Scope 2 GHG emissions (market or location based), these emissions refer to the GHG emissions resulting from the generation of purchased or acquired electricity, steam, heating, and cooling.

Reporting on total gross Scope 1 GHG emissions

Information

The company demonstrates that there is public or internal reporting of consolidated data on the total gross Scope 1 GHG emissions.

Guidance

The company provided data which show the total gross Scope 1 GHG emissions, these are direct GHG emissions which occur from sources that are owned or controlled by the company, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Reporting on total weight of waste recovered

Reporting on total water consumption

Reporting on total weight of non-hazardous waste

Reporting on total weight of hazardous waste

Reporting on total gross Scope 3 GHG emissions

Materiality analysis in sustainability reporting

External assurance or verification of sustainability reporting

Information

The company has provided evidence of external assurance or verification of sustainability reporting by an independent third party in the documents provided.

Guidance

The company has provided valid evidence of external assurance of sustainability reporting through an independent third party such as KPMG or Deloitte (or others) which ensures the quality and credibility of the qualitative and quantitative information reported by the organization.

Company communicates progress towards the Sustainable Development Goals (SDGs)

Reporting on total energy consumption

Information

The company has reported KPIs with regard to total energy consumption either through formal documentation or questionnaire declaration.

Guidance

Total energy consumed represents total primary energy consumption reported in kWh. Total energy consumed may include e.g. consumption of coal and coke (in Kg) reported in kWh and/or consumption of oil, LPG and electrical power in kWh.

Standard reporting on environmental issues

Information

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

Guidance

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

Improvement Areas

Policies

Medium

Inconclusive documentation for policies on product end-of-life

Corrective Action requested

Information

The company lacks evidence of formalized documents that demonstrate an environmental policy on customer health & safety.

Guidance

There is inconclusive evidence of policy that address environmental concerns of customer health & safety. An example of a customer health and safety policy is: the company is committed to ensuring there are no negative health and safety impacts of products and services on customers or consumers.

Medium

Inconclusive documentation for policies on customer health & safety

Corrective Action requested

Actions

Low

Declares actions on environmental impacts from product or packaging end-of-life, but no supporting documents available

Corrective Action requested

Information

The company declares it has implemented actions on mitigating environmental impacts from product end-of-life. However, no information was found on this topic in the supporting documentation.

Guidance

Some examples of actions on this topic include company take-back programs, formal life cycle analysis on key products and designing packaging for easy dismantling or recyclability.

Results

Low	Declares reporting on total amount of renewable energy consumed, but no supporting documentation available	Corrective Action requested
Low	Total gross Scope 3 GHG emissions reporting value not confirmed in supporting documentation	Corrective Action requested
Low	Declares reporting on total amount of water recycled and reused, but no supporting documentation available	Corrective Action requested

Information

The company has not provided documents about reporting on total amount of water recycled and reused.

Guidance

There is no supporting documentation available about total amount of water recycled and reused even though it has been declared. Recycled or reused water is water and wastewater (treated or untreated) that has been used more than once before being discharged from the undertaking's boundary, so that water demand is reduced. This may be in the same process (recycled), or used in a different process within the same facility or another of the undertaking's facilities (reused).

Low	Declares reporting on total gross Scope 3 downstream GHG emissions, but no supporting documentation available	Corrective Action requested
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Information

The company did not provide valid reporting on its total gross Scope 3 downstream Greenhouse Gases (GHG) emissions.

Guidance

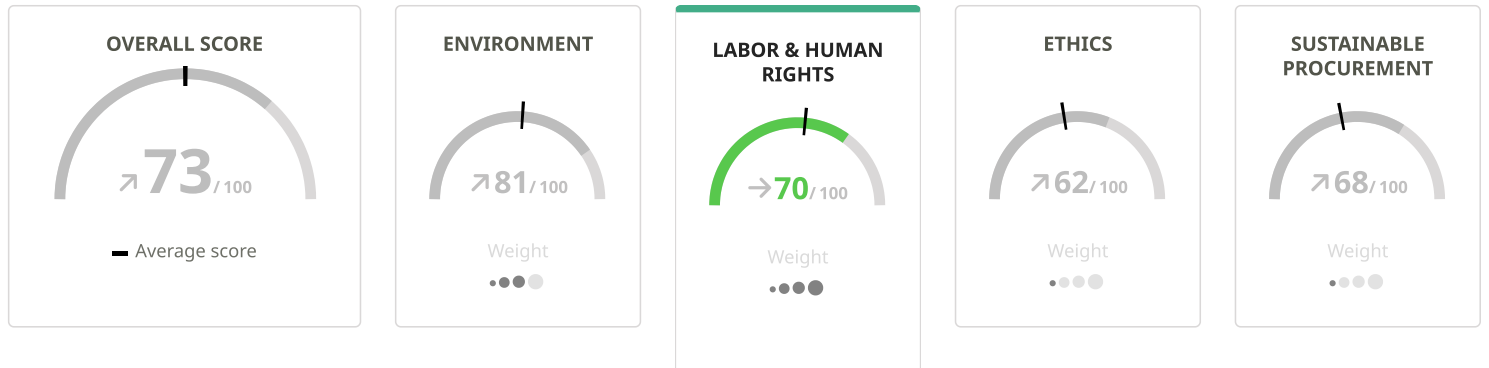
"There is no valid reporting available on the company's total gross Scope 3 downstream GHG emissions in the provided documents. Scope 3 downstream GHG emissions occur from the use or disposal of the company's products or services. The company should provide a gross reporting value comprising of relevant Scope 3 GHG emissions in Category 9-15. For further information refer to the Greenhouse Gas Protocol (<https://ghgprotocol.org/scope-3-calculation-guidance-2#supporting-documents>)."

Low	No supporting evidence of reporting aligned with a sustainability reporting standard (such as GRI, ESRS, IFRS)	Corrective Action requested
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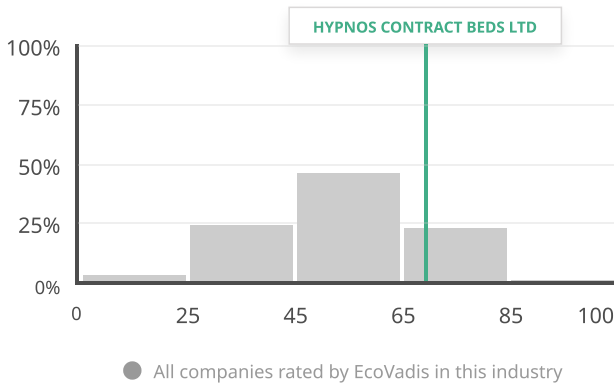
7. LABOR & HUMAN RIGHTS

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

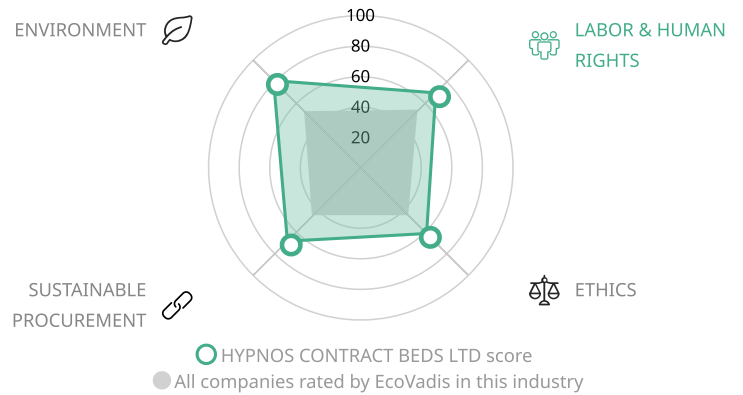
Labor & Human Rights Score Breakdown



Theme score distribution



Theme score comparison



Labor & Human Rights: Activated Criteria

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

Labor & Human Rights: Strengths & Improvement Areas

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



Strengths

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Committed to continuously pay a living wage

Information

The company provides evidence of commitment to continuously pay a living wage.

Guidance

There is a commitment to continuously pay a living wage, which is the minimum income necessary for a worker to meet their basic needs

Labor & human rights policy on preventing discrimination and harassment

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

Information

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

Guidance

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

Labor & human rights policy on career management & training

Labor & human rights policy on working conditions

Labor & human rights policy on employee health & safety

Standard policy on a majority of labor or human rights issues

Information

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

Guidance

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

Actions

Grievance mechanism on working conditions

Actions to manage working hours and overtime

FSC chain-of-custody certified

Equipment safety inspections or audits

Information

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

Guidance

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

Complaints procedure in place for employees to report on occupational health and safety issues

Information

The company has provided documents that demonstrate a company-based mechanism for its employees to report any incident, risks or concerns related to occupational health and safety.

Guidance

The company has implemented a mechanism for its employees report any incident, risk or concern related to occupational health and safety. This reporting process includes a record system on complaints filed and how they are processed through investigation and/or remediation.

Actions to address stress and psychological wellbeing in the workplace

Information

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

Guidance

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

Employee health and safety emergency action plan

Information

The company has formal procedures that have been communicated to all employees regarding accidents, injuries, provision of emergency equipment, emergency evacuation, first aid, fire drills and other situations regarding health and safety at the workplace.

Guidance

A health and safety emergency action plan is a document that demonstrates the health and safety plan created by each company in order to guide its employees when facing emergency situations. These emergency situations depend on the operations of the company as well as their workforce, but also include accidents related to operations of heavy equipment, injuries, fires, chemical spills, explosions, falls, among others.

Actions in place to protect young workers

Information

The company has implemented actions to protect its young workers of working age but less than 18 years old.

Guidance

The company pays special attention to its young employees as far as contracting working hours, onboarding and orientation, ongoing health and safety checks, identification of hazards are concerned. These dedicated workplace arrangements are in place to ensure the wellbeing of young workers who are of working age but still under 18 years old.

Age verification of candidates before hiring

Information

The company verifies the age of all its candidates before employment.

Guidance

The company has an operational procedure in place to prevent hiring of underage workers and systematically verifies the age of all candidates before employment. This has been demonstrated in the company's hiring procedures, employee handbook, child labor prevention procedure or other relevant documents.

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

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.

Flexible organization of work (eg. remote work, flexi-time)

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, job-shares, and other forms of variable work schedules.

Health care coverage of employees in place

Grievance mechanism on discrimination and/or harassment issues

Information

The company has established a grievance mechanism to report on discrimination and/or harassment issues.

Guidance

The company has established a reporting mechanism for all parties, regardless of their employment status or position, to report on discrimination and/or harassment issues. The elements of a grievance mechanism should include: 1. Accessibility/Clear Communication channel communicated to all stakeholders about the presence of a grievance mechanism and the provision of support for those who may face particular barriers (i.e., language, minority status). 2. Non-retaliation policy to protect those who make use of the grievance mechanism. 3. Confidentiality of those who make use of the grievance mechanism.

Actions to ensure equal pay for equal work

Specific labor or human rights certification [Global Organic textile Standard (GOTS), Global Recycled Standard (GRS), Responsible Wool Standard]

Information

The company has provided one or more labor or human rights management certificate(s) issued by an accredited certification body.

Guidance

The company has provided valid evidence of one or more labor or human rights management certificate(s) issued by an accredited certification body that is specific to your industry or covers a specific labor and human rights topic.

Employee representatives or employee representative body (e.g. works council)

Information

The company has implemented representation for employees in the form of elected employee representatives or a representative body.

Guidance

Social dialogue entails all types of negotiation, consultation or simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Employee representatives can include representatives who are freely elected by the workers of the company in accordance with provisions of national laws, or any union, works council or other agency or representative body recognized for the purposes of bargaining collectively on behalf of any employee. They are the point of contact between the workforce and management. They can/must be consulted by management on certain topics (e.g. collective redundancy).

Employee health & safety risk assessment

Information

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

Guidance

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

Grievance mechanism on child labor, forced labor and/or human trafficking issues

Information

The company has established a grievance mechanism to report on child labor, forced labor or human trafficking issues.

Guidance

The company has established a reporting mechanism for all parties, regardless of their employment status or position, to report on child labor, forced labor and human trafficking issues. The elements of a grievance mechanism should include: 1. Accessibility/Clear Communication channel communicated to all stakeholders about the presence of a grievance mechanism and the provision of support for those who may face particular barriers (i.e., language, minority status). 2. Non-retaliation policy to protect those who make use of the grievance mechanism. 3. Confidentiality of those who make use of the grievance mechanism.

Regular assessment of individual performance

Information

The company demonstrates evidence of regular assessments of individual performance.

Guidance

The company has a process in place to quantitatively and/or qualitatively assess and review employee's job performance on a regular basis. This includes processes such as performance reviews to allow the company to identify areas for improvement, provide support and guidance to employees as well as recognizing and rewarding top performers.

Actions to prevent noise exposure

Information

The company has taken actions to minimize the noise exposure of employees at the workplace.

Guidance

The company has implemented actions to limit the noise exposure of employees by implementing work instructions to prevent noisy work environments or by implementing records of noise barriers or noise cancelling equipment, or noise inspection reports.

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.

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

Information

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

Guidance

The company has provided training with the help of training materials (slide decks, training content summaries) and/or evidence of training execution (progress reports, certificates of completion, attendance sheets) to demonstrate the execution of training programs regarding health and safety risks at work and good working practices. A best practice is to have a training matrix which helps to keep track of which employees have been trained, the date of the training, the training topic, and expected dates for refresher trainings. Monitoring of training attendance certificates is also suggested. It is also a best practice to have the training carried out in the language that the employees understand best and to carry out tests or quizzes to ensure training concepts have been successfully transmitted to participants.

Results

Reporting on number of recordable work-related accidents

Information

The company demonstrates that there is public or internal reporting of consolidated data on the recorded number of work-related accidents.

Guidance

The company provided data which show the recorded number of work-related accidents. An accident refers to an incident that results in injury or ill health.

Reporting on the percentage of direct employees covered by a living wage benchmarking analysis

Information

The company has provided documents that demonstrate public or public or internal reporting of consolidated data on the percentage of internal employees that are included in the living wage benchmarking analysis.

Guidance

There is reporting data on the percentage of of internal employees that are included in the living wage benchmarking analysis. This reporting covers a minimum period of two months and is not older than the last two calendar years.

Materiality analysis in sustainability reporting

External assurance or verification of sustainability reporting

Information

The company has provided evidence of external assurance or verification of sustainability reporting by an independent third party in the documents provided.

Guidance

The company has provided valid evidence of external assurance of sustainability reporting through an independent third party such as KPMG or Deloitte (or others) which ensures the quality and credibility of the qualitative and quantitative information reported by the organization.

Company communicates progress towards the Sustainable Development Goals (SDGs)

Standard reporting on labor and human rights issues

Information

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

Guidance

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. KPIs may include (but are not limited to): accident frequency and severity rates, the percentage of employees covered by collective bargaining agreements, skills development trainings, and percentage of employees trained on discrimination issues. Comprehensive reporting on labor practice and human rights issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external sustainability reporting standards.

Improvement Areas

Policies

Medium

Inconclusive documentation for policies on social dialogue

Corrective Action requested

Low

No quantitative target on labor and human rights issues

Corrective Action requested

Information

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

Guidance

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

Actions

Low

Declares measures on living wage, but no supporting documentation available

Corrective Action requested

Information

The company has not provided documents about their measures on living wage.

Guidance

There is no supporting documentation available about living wage even though it has been declared.

Results

Medium External sustainability audit: presence of major or/and critical non-compliances on employee health & safety Corrective Action requested

Information

The company provides evidence through supporting documentation that an audit was conducted, within the past 24 months, by an independent external organisation on the company premises. The audit covered employee health and safety issues and some major or/and critical non-conformances have been found following this audit.

Guidance

An external sustainability audit is an on-site examination of a company's business sites and sustainability practices by an independent third party auditor. The objective of such audit is to assess the performance of the company with regards to key sustainability criteria as well as the implementation of management systems with regards to sustainability. The performance is therefore verified against a pre-defined set of audit criteria and an audit report is produced to indicate the non-compliances found and to determine the required correction action procedure. The audit report is considered relevant when: 1) it is based on recognized auditing standards (e.g. SMETA, EICC, JAC, TFS); 2) it is less than 24 months old and provides good coverage on the main issues at stake; 3) it represents most of the company's operations; 4) it was conducted by a recognized accredited body

Low Declares reporting on average training hours per employee, but no supporting documentation available Corrective Action requested

Low No supporting evidence of reporting on discrimination and harassment Corrective Action requested

Low Declares reporting on number of days lost to work-related injuries, fatalities and ill health, but no supporting documentation available Corrective Action requested

Information

The company has not provided documents about number of days lost to work-related injuries, fatalities and ill health.

Guidance

There is no supporting documentation available about number of days lost to work-related injuries, fatalities and ill health even though it has been declared. Work-related injuries and work-related ill health arise from exposure to hazards at work. Injuries and ill health that occur when working from home are work related; if the injury or ill health occurs while the worker is performing work from home and the injury or ill health is directly related to the performance of work.

Low Declares reporting on ratio of the annual total compensation of the highest paid individual, to the median annual total compensation for all employees, but no supporting documentation available Corrective Action requested

Information

The company has not provided documents about ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees.

Guidance

There is no supporting documentation available about ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees even though it has been declared. Annual total compensation includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.

Low

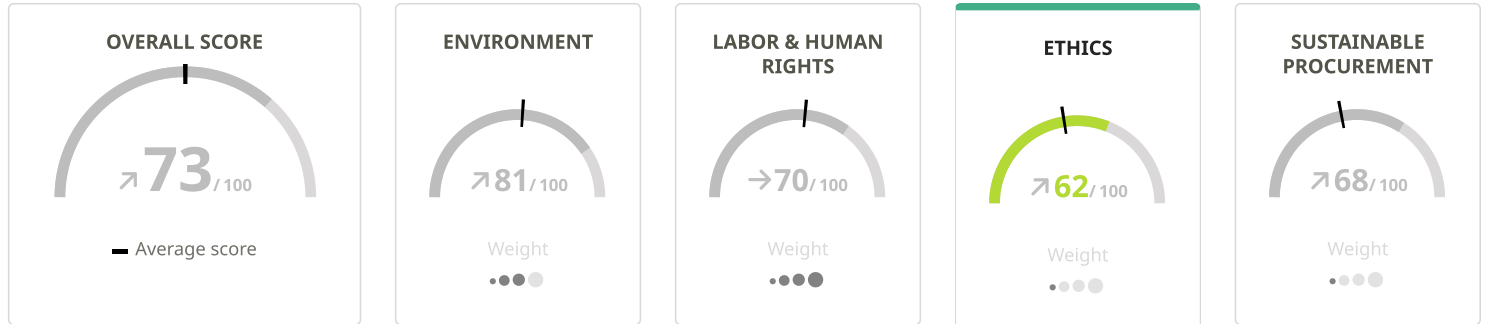
No supporting evidence of reporting aligned with a sustainability reporting standard (such as GRI, ESRS, IFRS)

Corrective Action requested

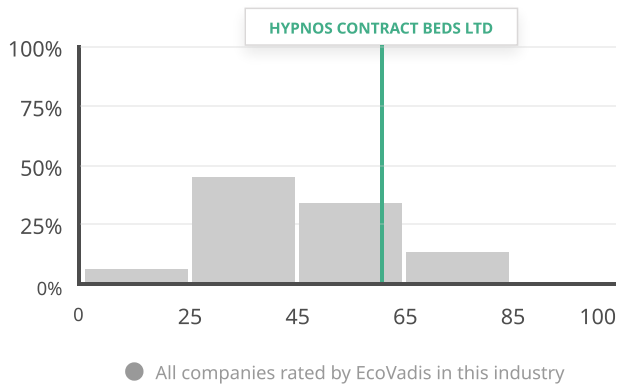
8. ETHICS

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

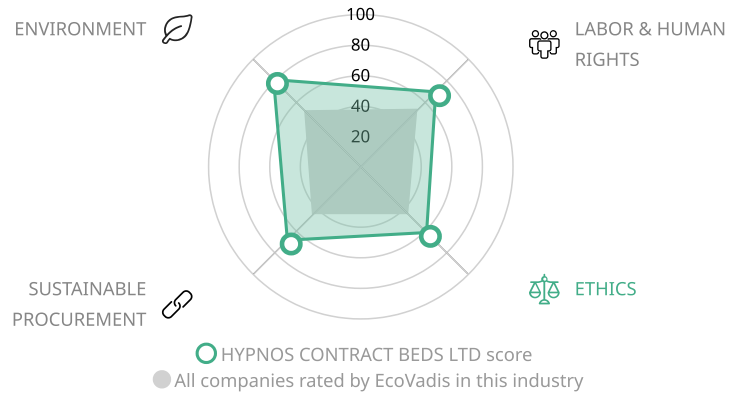
Ethics Score Breakdown



Theme score distribution



Theme score comparison



Ethics: Activated Criteria

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

Ethics: Strengths & Improvement Areas

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

Strengths

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Standard policy on a majority of ethics issues

Policy on conflict of interest

Disciplinary sanctions to deal with policy violations

Information

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

Guidance

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

Policy on information security

Information

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

Guidance

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

Policies on corruption

Information

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

Guidance

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

Dedicated responsibility for ethics issues

Actions

External sustainability audit: only a few minor non-compliances found on ethics

Information

The company provides evidence through supporting documentation that an audit was conducted, within the past 24 months, by an independent external organisation on the company premises covering ethics issues. Only a few minor non-conformances have been found following this audit.

Guidance

An external sustainability audit is an on-site examination of a company's business sites and sustainability practices by an independent third party auditor. The objective of such audit is to assess the performance of the company with regards to key sustainability criteria as well as the implementation of management systems with regards to sustainability. The performance is therefore verified against a pre-defined set of audit criteria and an audit report is produced to indicate the non-compliances found and to determine the required correction action procedure. The audit report is considered relevant when: 1) it is based on recognized auditing standards (e.g. SMETA, EICC, JAC, TFS); 2) it is less than 24 months old and provides good coverage on the main issues at stake; 3) it represents most of the company's operations; 4) it was conducted by a recognized accredited body

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

Information security risk assessments performed

Information

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

Guidance

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

Corruption risk assessments performed

Information

The company carries out periodic corruption & bribery risk assessments.

Guidance

Risk assessment are a formal process of evaluating and predicting the consequences (positive or negative) of a hazard and their likelihoods/probabilities. Periodic corruption and bribery risk assessments allow a company to identify potential bribery and corruption risks, rate the likely occurrence and the potential impact of the risks, select the appropriate anti-corruption controls, and develop an action plan. Such assessments ensure the presence of a strong compliance program and help to develop a more robust approach to counter bribery and corruption activities by the organization.

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

Information

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

Guidance

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

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

Information

The company has implemented a verification process for sensitive transactions.

Guidance

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

Results

Materiality analysis in sustainability reporting

External assurance or verification of sustainability reporting

Information

The company has provided evidence of external assurance or verification of sustainability reporting by an independent third party in the documents provided.

Guidance

The company has provided valid evidence of external assurance of sustainability reporting through an independent third party such as KPMG or Deloitte (or others) which ensures the quality and credibility of the qualitative and quantitative information reported by the organization.

Company communicates progress towards the Sustainable Development Goals (SDGs)

Improvement Areas

Policies

Low

Inconclusive documentation for policies on fraud

Corrective Action requested

Actions

Low

No supporting evidence of awareness training to prevent corruption and bribery

Corrective Action requested

Information

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

Guidance

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

Low

No supporting evidence of audits of control procedures to prevent corruption

Corrective Action requested

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 supporting evidence of an anti-corruption due diligence program on third parties

Corrective Action requested

Information

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

Guidance

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

Low

No supporting evidence of actions regarding an effective whistleblower procedure to report corruption and bribery

Corrective Action requested

Information

The company should establish a whistleblower procedure to report on corruption or bribery issues.

Guidance

The company should establish a reporting procedure for all parties, regardless of their employment status or position, to report on corruption and bribery issues. The elements of whistleblower procedure should include: 1. Accessibility/clear communication channel communicated to all stakeholders about the presence of a whistleblower procedure and the provision of support for those who may face particular barriers (i.e. language, minority status). 2. Non-retaliation policy to protect those who make use of the whistleblower procedure. 3. Confidentiality of those who make use of the whistleblower procedure.

Results

High

No supporting evidence of reporting on ethics issues

Corrective Action requested

Low

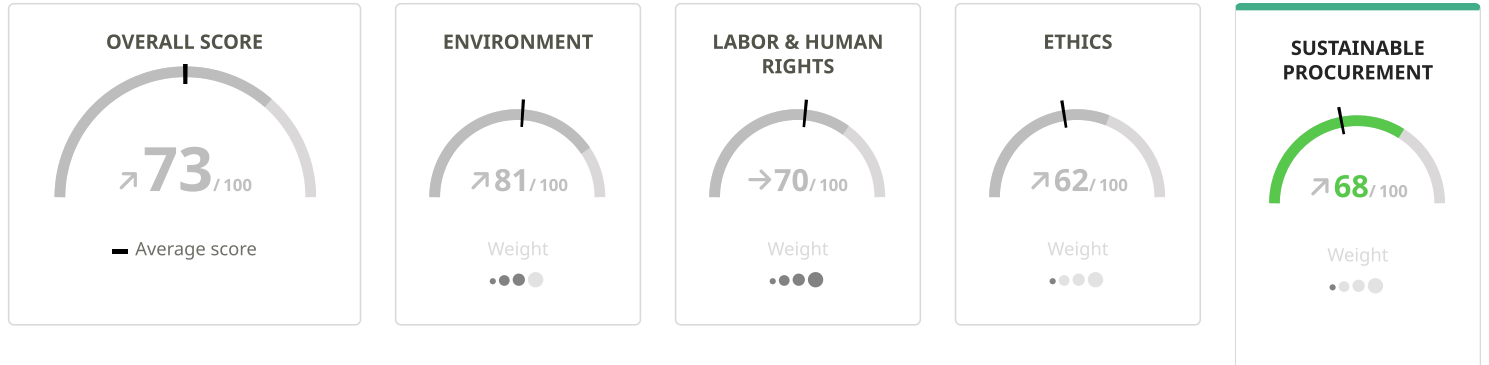
No supporting evidence of reporting aligned with a sustainability reporting standard (such as GRI, ESRS, IFRS)

Corrective Action requested

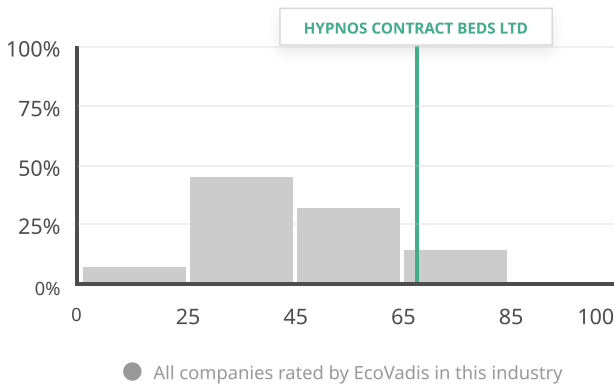
9. SUSTAINABLE PROCUREMENT

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

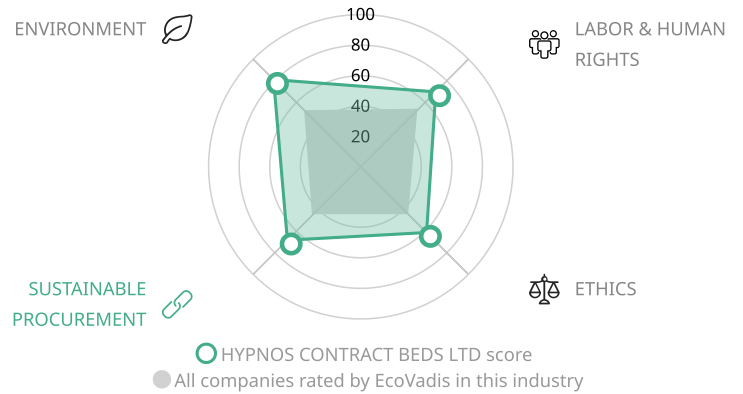
Sustainable Procurement Score Breakdown



Theme score distribution



Theme score comparison



Sustainable Procurement: Activated Criteria

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

Sustainable Procurement: Strengths & Improvement Areas

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



Strengths

Policies

Endorsement of the United Nations Global Compact (UNGC)

Information

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, ethics and sustainable procurement. The company is a formal signatory of this initiative.

Guidance

The United Nations Global Compact is a United Nations strategic policy initiative to encourage businesses worldwide to adopt sustainable, both environmentally and socially responsible policies, and to report on their implementation. Companies sign the initiative and then are required to provide overviews of their management system through a mandatory disclosure framework (annual publication of a Communication on Progress [COP]).

Sustainable procurement policy on supplier environmental practices

Information

The company has formalized statements, commitments, and operational objectives on the management of its sustainable procurement policies, focusing on some material issues. The existing policy covers environmental issues in the company's supply chain.

Guidance

A standard sustainable procurement policy also covers environmental issues in addition to social issues in the supply chain. It also includes commitments and/or operational objectives designed to improve performance or mitigate risk. The policy is communicated to internal and external stakeholders through a formal dedicated document.

Actions

FSC chain-of-custody certified

External sustainability audit: no non-compliance found on sustainable procurement

Information

The company provides evidence of an external audit report that covers sustainable procurement issues. The audit was conducted within the past 24 months by an independent external organisation and no non-conformances were found.

Guidance

An external sustainability audit is an on-site examination of a company's business sites and sustainability practices by an independent third party auditor. The objective of such audit is to assess the performance of the company with regards to key sustainability criteria as well as the implementation of management systems with regards to sustainability. The performance is therefore verified against a pre-defined set of audit criteria and an audit report is produced to indicate the non-compliances found and to determine the required correction action procedure. The audit report is considered relevant when: 1) it is based on recognized auditing standards (e.g. SMETA, EICC, JAC, TFS); 2) it is less than 24 months old and provides good coverage on the main issues at stake; 3) it represents most of the company's operations; 4) it was conducted by a recognized accredited body

Supplier sustainability code of conduct in place

Information

The company has provided formalized documents that demonstrate evidence of a supplier CSR code of conduct in place.

Guidance

There is evidence of a separate supplier code of conduct document that outlines the company's expectations for their suppliers to follow in order to be socially and environmentally responsible.

Specific certification on sustainable procurement [Global Organic textile Standard (GOTS), Global Recycled Standard (GRS), Responsible Wool Standard]

Information

The company has provided one or more sustainable procurement management certificate(s) or Chain-of-Custody certificate(s) issued by an accredited certification body.

Guidance

The company has provided valid evidence of one or more sustainable procurement management or Chain-of-Custody certificate(s) issued by an accredited certification body that are specific to your industry or covers a specific sustainable procurement topic like supplier environmental or social practices.

Supplier assessment on environmental and social practices

Information

The company has provided formalized documents that demonstrate evidence of a supplier assessment (e.g. questionnaire) on environmental or social practices.

Guidance

There is evidence of a questionnaire-based review of a supplier's sustainability practices which is remote either done by a third party or directly by the supplier without verification (i.e. self-assessment).

Training of buyers on social and environmental issues within the supply chain

Information

The company has provided formalized documents that demonstrate training of buyers on social and environmental issues within the supply chain.

Guidance

There is evidence of a training materials, programs and additional evidence of training execution such as progress reports, certifications of completion with company name. This demonstrates training of the company's procurement professionals on sustainable purchasing to ensure their understanding of social and environmental issues and their integration into the procurement function.

Integration of social and environmental clauses into supplier contracts

Information

The company has provided formalized documents that demonstrate the integration of social or environmental clauses into supplier contracts.

Guidance

There is evidence of provisions/clauses in business contracts that cover labor practices and human rights and/or environmental issues which are not directly connected to the contract subject matter with the aim to set the expectations on sustainability.

PEFC chain-of-custody certified

Information

The company provides evidence in supporting documentation that it has a PEFC chain-of-custody certification.

Guidance

The Programme for the Endorsement of Forest Certification (PEFC) is an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification. PEFC works throughout the entire forest supply chain to promote good practice in the forest and to ensure that timber and non-timber forest products are produced with respect for the highest ecological, social and ethical standards. By having a PEFC certification, the company provides assurance that their products are sourced and produced in compliance with a globally recognised ecological, social and economic standard.

Results

Reporting on total gross Scope 3 upstream GHG emissions

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

Materiality analysis in sustainability reporting

External assurance or verification of sustainability reporting

Information

The company has provided evidence of external assurance or verification of sustainability reporting by an independent third party in the documents provided.

Guidance

The company has provided valid evidence of external assurance of sustainability reporting through an independent third party such as KPMG or Deloitte (or others) which ensures the quality and credibility of the qualitative and quantitative information reported by the organization.

Company communicates progress towards the Sustainable Development Goals (SDGs)

Standard reporting on sustainable procurement issues

Information

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

Guidance

Reporting items are standard in terms of quality and quantity, do cover the main issues, are meaningful enough, and are regularly updated. KPIs may include (but are not limited to): the percentage of suppliers covered by sustainable procurement measures, and percentage of buyers trained on sustainable procurement issues. Comprehensive reporting on sustainable procurement issues will additionally have KPIs reported in a formal public document available to stakeholders, and will be in compliance with the Global Reporting Initiative guidelines or other external sustainability reporting standards.

Improvement Areas

Policies

Medium

Inconclusive documentation for policies on the purchase of wood and wood-based products from sustainable sources

Corrective Action requested

Information

There is no information within the company's supporting documentation concerning value statements, commitments, operational and/or quantitative objectives on implemented policies regarding sustainable wood and wood products sourcing, or company has provided supporting evidence that was not approved due to quality/acceptance requirements. e.g. company name, recent date (8 years).

Guidance

Companies who handle wood and wood products in their supply chain or manufacturing processes must address the sourcing risks of these products through the definition of a sustainable wood and wood product sourcing policy. A standard policy on sustainable wood and wood products sourcing is formalized as qualitative objectives/commitments in a formal policy document (e.g. Supplier Code of Conduct) and includes organizational elements (e.g. review process, dedicated responsibilities, scope of application).

Medium

Inconclusive documentation for policies on supplier labor and human rights practices

Corrective Action requested

Information

The company has either no supporting documentation on social issues in the supply chain, 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 sustainable procurement policy on social issues on the supply chain includes commitments and/or operational objectives designed to improve performance or mitigate risk. It is communicated to internal and external stakeholders through a formal dedicated document.

Medium

Basic sustainable procurement policies: lacks details on specific issues

Corrective Action requested

Information

The company has sustainable procurement policies that may include commitments and operational objectives on the management of its sustainable procurement practices, but lacks details on specific issues.

Guidance

A standard sustainable procurement policy includes commitments and/or operational objectives on all material sourcing risks the company faces in its supply chain. It is communicated to internal and external stakeholders through a formal dedicated document. A standard policy contains qualitative objectives/commitments specific to those issues.

Actions

Medium

No supporting evidence of a risk assessment of adverse sustainability impacts in the supply chain

Corrective Action requested

Information

The company lacks evidence of formalized documents that demonstrate execution of a sustainability risk analysis prior to supplier assessments or audits.

Guidance

There is no conclusive evidence of a process to identify which suppliers, products or purchasing categories expose the company to sustainability risks. This risk analysis should demonstrate evidence of consideration whether further action should be taken on a particular supplier, product or purchasing category in case their sustainability practices are not up to the required standards.

Medium

No supporting evidence of on-site audits of suppliers on environmental and social issues

Corrective Action requested

Information

The company lacks evidence of formalized documents that demonstrate on-site audits of suppliers on environmental or social issues.

Guidance

There is no conclusive evidence of employee instructions or operational process relating to on-site audits of the company's suppliers, unannounced or announced, to identify non-conformances to the mandatory sustainability requirements.

Low

No supporting evidence of capacity building of suppliers on risks of adverse sustainability impacts

Corrective Action requested

Information

The company does not have formalized documents that demonstrate programs to support suppliers in the improvement and the prevention or mitigation of adverse impacts or risks.

Guidance

There is lack of evidence of systematic efforts to support suppliers in improving sustainability performance and to mitigate adverse impacts or risks. Effective programs include in-person training, participation in third-party training programs, upgrading of facilities, strengthening of their management systems, formal sharing of best practices and performance.

Low

No supporting evidence of incentive programs for suppliers based on their environmental and social performances

Corrective Action requested

Information

The company does not have formalized documents that demonstrate a process to reward suppliers for good sustainability performance or to promote improvements in risk prevention and mitigation.

Guidance

There is lack of evidence showing that performing suppliers are given access to unique incentives based on their sustainability efforts. These incentives may include awards, preferred supplier program, or access to Requests for Proposals. Demonstrating such mechanisms would help ensure that suppliers are encouraged to maintain or enhance their social and environmental performance over time.

Low

No supporting evidence of sustainable procurement objectives integrated into buyer performance reviews

Corrective Action requested

Information

The company lacks evidence of formalized documents that demonstrate the integration of sustainable procurement objectives into buyer performance reviews.

Guidance

There is no conclusive evidence of a process to integrate sustainable procurement objectives into buyer performance reviews through a mechanism that integrates the sustainability performance of suppliers into the performance appraisal of buyers.

Results

Low

Declares reporting on the percentage of recycled wood or wood-based products/materials , but no supporting documentation available

Corrective Action requested

Low

Declares reporting on the percentage of certified wood or wood-based products/materials, but no supporting documentation available

Corrective Action requested

Low

Total gross Scope 3 upstream GHG emissions value not confirmed in supporting documentation







Corrective Action requested

Low

No supporting evidence of reporting aligned with a sustainability reporting standard (such as GRI, ESRS, IFRS)

Corrective Action requested

10. 360° WATCH FINDINGS

<p>20 Aug 2025 https://www.furnituremaker...</p> <p>Impact on Score Neutral → valid from 31 Jul 2025 to 31 Aug 2030</p> <p>Impacted themes </p> <p>Hypnos's Verified Carbon Emission Reduction</p> <p>The British bedmaker Hypnos has significantly advanced its sustainability goals, achieving a 23% reduction in absolute measured carbon emissions over the last year, as certified by PlanetMark. This achievement, reducing their carbon footprint to 17,808.1 tCO2e, stemmed from integrating operations, investing in new systems and people, and improving efficiencies in distribution and travel. A key factor was the investment in a solely electric and biodiesel distribution fleet with partners, which slashed heavy goods vehicle emissions by 69.2%. Hypnos remains focused on further reducing emissions across its value chain through strategic partnerships and by using certified, natural materials.</p>	<p>4 Apr 2024 https://gender-pay-gap.ser...</p> <p>Impact on Score Neutral → valid from 31 Mar 2024 to 30 Apr 2029</p> <p>Impacted themes </p> <p>2024/25 Gender pay gap report for HYPNOS LIMITED</p> <p>In this organisation women's median hourly pay was 9.0% higher than men's – this means they earned £1.09 for every £1 that men earn when comparing median hourly pay. Women's mean (average) hourly pay was 0.5% higher than men's.</p>	<p>24 Nov 2025 </p> <p>Impact on Score Neutral → valid from 10 Feb 2026 to 24 Nov 2030</p> <p>No records found for this company on Compliance Database</p>
<p> Environment  Labor & Human Rights  Ethics  Sustainable Procurement</p>		

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






EcoVadis is connected to the following international sources:

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

11. SPECIFIC COMMENTS

Additional comments from our analysts pertaining to the assessment.

Specific comments

-  No records found in third party risk and compliance database.
-  The company demonstrates an advanced management system on environmental issues.
-  There is a lack of reporting on KPIs regarding ethics issues.
-  Since the last assessment, the overall score has increased thanks to the implementation of additional measures.
-  Since the last assessment the overall score has increased thanks to the provision of new sustainability certifications.
-  Despite the company implementing measures regarding sustainable procurement issues, policies are not formalized or are only basic.

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.

Environment

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

Labor & Human Rights

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

Ethics 

- Medium Corruption
- Non-activated Anticompetitive Practices
- Medium Responsible Information Management

Sustainable Procurement 

- High Supplier Environmental Practices
- Medium Supplier Social Practices

KEY SUSTAINABILITY ISSUES

Find qualitative explanations of the key sustainability issues and risk associated with Manufacture of furniture



Environment

Importance

Sustainability issue

Medium

Energy consumption & GHGs

Definition

Energy consumption (e.g. electricity, fuel, renewable energies) used during operations and transport. Greenhouse gases direct and indirect emissions including CO₂, CH₄, N₂O, HFC, PFC and SF₆. Also includes production of renewable energy by the company.

Industry issues

Furniture Manufacturing involves a variety of heavy machinery, such as the operation of air compressors and air dryers, kiln-drying and hydraulic pressing (1) that can consume large amounts of energy that can be a significant source of operating costs. For manufacturers that maintain internal transport fleets, a significant amount of energy is required, which combined with customer and employee commuting can create a significant share of companies' carbon footprint (2). According to the World Business Council for Sustainable Development, the forest products industry as a whole accounts for nearly 2% of global final energy use, but half of total energy needs are met by self-generation of biomass energy (3). Companies in this industry have the opportunity to take advantage of production by-products such as bark, wood chips, and other wood residues to produce electricity, heat, or gas via bio-energy. In fact, the forest products industry is among the leading users of co-generation via biomass-driven combined heat and power (CHP) systems (2). More general means to reduce energy consumption and GHG emissions are simple housekeeping efforts, such as implementing switch-off programs and sensors for lighting equipment, improving of insulation, or improving maintenance of the equipment. Industry efforts to reduce energy consumption also include air leak audits performed on all compressors and technology upgrades to assist in proactively identifying leaks that increase energy demand. Furniture manufacturers should also optimize space in shipments, including rail transport, reduce or eliminate distribution centers (delivering directly from suppliers to stores), and integrate eco-friendly vehicles in order to limit scope 3 emissions. Finally, companies should consider replacing energy sources with more environmentally friendly options, such as natural gas or renewable energy. Replacing fuel energy use with cleaner sources also has a direct impact on the reduction of greenhouse gas emissions.

Medium

Water

Definition

Water consumption during operations. Pollutants discharged into water.

Industry issues

The primary issue related to water in the furniture manufacturing industry is wastewater management. Wastewater consisting of solvents, oils and material dyes is emitted during the boiler blowdown process, air compressor condensate, equipment and machinery cleansing and coating booths. The use of solvents and hazardous chemicals requires intensive water treatment infrastructure to prevent these substances from entering public water sources, which when doing business in the US should be a priority in the sector in order to prevent litigation for violation of the Clean Water Act and public safety hazards (4). Companies can address wastewater issues by installing on-site wastewater treatment plants or infrastructure to recycle wastewater, using filtration mechanisms to prevent pollutants from entering the water streams. Reducing initial water consumption by substituting water consuming processes with more environmentally friendly alternatives is a second issue that companies should consider to lower their environmental impact and costs of production. A good way to start is by conducting initial audits in order to determine how much water is currently being used and wasted, and to identify improvement areas. Water consumption reduction strategies can include equipment or technological upgrades, but also a readjustment of existing processes. In some cases wet processes can be replaced by dry methods, by using compressed air instead of water, or by using high pressure rather than high volumes for cleaning surfaces. Raising awareness among employees is another crucial aspect, as meaningful quantities of water can be saved by implementing basic water-saving measures (e.g. closing valves).

Non-activated

Biodiversity

Non-activated

Air Pollution

High

Materials, Chemicals & Waste

Definition

Management of raw materials, chemicals, non-hazardous and hazardous waste generated from operations.

Industry issues

Furniture manufacturers consume a significant amount of chemicals and produce considerable volumes of emissions. Chemicals of concern and hazardous substances, such as urea-formaldehyde, chlorinated solvents, and mercury compounds, are often used in the manufacturing processes of companies in this industry. A second issue is handling solid wastes which originates from wood processing residuals. In regards to waste generated from operations, one of the largest types of landfill waste are generally leftover wood, sawdust and ash. Lastly, the emission of volatile organic compounds (VOCs) during the manufacturing process, particularly emitted from heated wood during the drying process, is an issue of concern that requires appropriate preventive management. Companies should implement a chemicals and toxic substances management system to prevent adverse impacts on the environment. Such management systems may include work processes for proper labeling, storing, handling, and transporting of such chemicals and hazardous substances, as well as maintaining a list of products for restricted use only, for instance. Companies in this sector can divert waste formerly destined to landfill into reuse or wood waste recycling as well as thermal processes such as incineration/combustion, notably by returning those materials into the company's own manufacturing process (5). Landfill waste can be significantly reduced by using residuals such as bark, sawdust, planer shavings, ply trim and sander dust as fuel to produce steam and dry wood.

Non-activated

Product Use

Medium

Product End-of-Life

Definition

Manufacturer action to minimize environmental impacts generated from products and primary product packaging (in direct contact with product) at the end-of-life.

Industry issues

Consumers increasingly aspire towards healthier and more environmentally friendly product consumption. The persistence of some packaging products in the environment, and increasing resource scarcity, elevate the importance of product end of life impact. These trends are driving innovation in the industry, with a focus on alternative, safer materials, enhanced recyclability, and sustainably sourced raw materials. Developing closed-loop recycling systems will ensure the sustainability of the furniture manufacturing industry. Initiatives to collect and recycle old furniture and production of easily recyclable products, as well as the facilitation of customer recycling are important. Furthermore, companies should focus on reduction of packaging weight or use renewable raw materials substitution in packaging, as well as offering take back programs for customers (6).

Medium

Customer Health & Safety

Definition

Negative health and safety impacts of products and services on customers or consumers.

Non-activated

Environmental Services & Advocacy



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 substances.

Industry issues

There are a wide range of occupational safety hazards in the chemical sector—notably biological impacts caused by toxic chemicals and physical injuries occurring during the production process. Health and safety incidents, most notably chemical explosions, have been heavily publicized around the world due to the number of injuries that occur when system failures occur. Impacts to individual employees—notably noise and vibration exposures caused by heavy production equipment—are also common in any manufacturing setting. A robust and effective occupational health and safety management system is necessary to prevent exposure to toxic chemicals and to prevent physical injuries in the production of plastics products. Companies must perform occupational health and safety risk assessments that include not only production process impacts, but also toxic chemical exposures. Biological impact monitoring of employees should be periodically administered as well as employee training programs designed not only around safe machine use, but also around identifying biological impacts (7). Manufacturers should establish internal controls to prevent substance abuse in order to minimize human error. Lastly, an effective emergency response procedure that includes emergency eye wash/showers, fire suppression equipment should be accessible to all plant employees. Companies should refer to OSHA health and safety guidelines (8) to better understand general occupational health and safety systems management and Responsible Care's occupational management resources.

Medium

Working Conditions

Definition

Deals with working hours, overtime, remuneration 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. 79% of The International Trade Union Confederation's 2017 Global Poll respondents believe that national minimum wages are insufficient, and 87% of respondents believe that the social protections provided in their respective countries are inadequate (9). 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. As highlighted by the above figures, it is in the corporate sector's interest to invest in their human capital by providing adequate wages, social benefits and fair work hours to employees. Companies operating in less developed countries where minimum wage laws are deemed inadequate, including in China where 76% of ITUC respondents believe the national minimum wage is inadequate, companies should default to wage standards established by the ILO. When operating in countries where state provided social protections are minimal or absent, companies should provide employees with healthcare and retirement pensions that are consistent with international standards. Employee satisfaction surveys and collective bargaining through worker representative groups, including unions and work councils can assist companies with identifying human capital management needs. Fair pay and social protections, and sector appropriate working conditions are essential for companies to reduce labor costs without sacrificing ethics or production efficiency.

Medium

Social Dialogue

Definition

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

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. 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 and career development. A vast majority of ITUC respondents disapprove of their working conditions, including wages, benefits and job security - a figure that provides tremendous risks for companies that neglect worker engagement (9). 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 operational location. 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.

Medium

Career Management & Training

Definition

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

Industry issues

In addition to fair pay, social benefits, and safe and stimulating working conditions, companies in the plastics production 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 (10) 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, manufacturers 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 in the plastics production industry 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.

Medium

Child Labor, Forced Labor & Human Trafficking

Definition

Deals with child, forced or compulsory labor issues within the company owned operations.

Industry issues

According to the International Labor Organisation (ILO), child labor, forced labor and human trafficking encompasses all work or service which is exacted from any child or adult under the threat of a penalty and for which the person has not offered himself or herself voluntarily (11). Forced labor is observed in all types of economic activity in every country including the Manufacture of furniture. An estimated 24.9 million people are reported to be trapped in forced labor comprising 16 million in the private economy and 4.1 million in state authorities (12) The manufacturing sector itself is reported as one of the most relevant for child labor (13). Furniture is also reported as one of the goods produced by child or forced labor (14). According to the U.S. Department of Labor, furniture is produced by means of child labor in geographies as diverse as Vietnam, Turkey and Bangladesh. Among the 24,377 reported child laborers engaged in the production of furniture globally, 13,670 children worked in furniture production for more than 42 hours per week. In addition, 21,873 of the total number of child laborers working in the production of furniture were involved in work that could be considered hazardous according to national legislation (14). Manufacturing of furniture enterprises often has toxic substances present, such as organic solvents used in furniture work. A cross-sectional study found that working children exposed to solvents performed significantly worse than control groups on neurobehavioural tests, complained of more headaches, performed worse on memory tests, showed loss of concentration and memory deficits and were overall more irritable, angry and confused (15,16). Furthermore, children working in furniture manufacturing are required to work with dangerous machinery, equipment, and tools, or are involved in the manual handling or transporting heavy loads; and work in an unhealthy environment which may expose children to hazardous substances or vibrations damaging their health (13). Overall, recruitment agents and labor contractors are heavily involved in the supply of labor to the furniture manufacturing sector, which increases workers' risk of being trafficked and substantiates reported cases of forced labor and human trafficking (20). In an attempt to eradicate this issue, manufacturers can sign International Framework Agreements (or Global Framework Agreements) through which they commit to respect the same labor rights standards in all the countries where the company operates, including with respect to child labor (17). They can control safety risks identified through risk assessment so that young employees of legal working age can perform the tasks safer or transfer them to locations where work is more suitable. Companies can invest in mechanising the tasks to remove the need for child labor and also increase efficiency (18). Companies can implement whistleblower systems for employees to report modern slavery violations confidentially and without retaliation (19).

Medium

Discrimination and 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

Developing an inclusive workforce is not only a socially responsible business practice, but also beneficial for business. Inclusive workforces unlock business innovation and drive market growth due to the knowledge that workers from different genders, sexual orientations, races, and ethnicities bring to their functions. More inclusive companies are better able to win top talent and improve customer orientation, employee satisfaction, and decision making, each of which leads to increasing financial returns. A 2015 report by McKinsey found that companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians, and companies in the top quartile for gender diversity are 15% 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% increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8% (21). 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 same-sex partners of their employees (22). Given the higher returns associated with a diverse workforce, it is important that companies take steps to promote diversity in their operations. 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 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. Awareness training on discrimination and harassment should be provided to all employees and managers. Human resources personnel should perform regular internal salary audits to ensure equal pay for equal work. Lastly, an effective grievance mechanism should be available to all employees to report concerns related to, or violations of, the anti-discrimination policy.

Non-activated

External Stakeholder Human Rights



Ethics

Importance

Sustainability issue

Medium

Corruption

Definition

Abuse of entrusted power in the workplace for private gain, taking the form of bribery, conflict of interest, fraud and/or money laundering.

Industry issues

Corruption distorts fair markets and increases business costs. Global anti-corruption laws are becoming more stringent in their expectations that companies establish effective controls to prevent all types of corruption. Business exposures to corruption vary 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. 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. 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.

Non-activated

Anticompetitive Practices

Medium

Responsible Information Management

Definition

Securing of third-party information collected, process or stored by companies for business purposes

Industry issues

Companies collect, process and share confidential information belonging to third-parties in order to operate their business. Third-party confidential information includes employee and consumer personal identification information, third parties' intellectual property, and business partner trade secrets. Companies are legally mandated in several jurisdictions to manage third party data responsibly. Breaches of third-party data, including proprietary intellectual property, trade secrets and employee and consumer PII expose companies to operational seizures, financial and reputational impacts caused by stakeholder lawsuits and regulatory penalties. The financial impacts of information security breaches can be both immediate and drawn out over several years, due to possible litigation action by parties who lost confidentiality of their information entrusted to the breached company. The costs of regulatory violations remain severe, and proposed changes to major regulatory frameworks in major countries are likely to impose greater fines. Ponemon Institute estimates the global average cost of a cyber-attack to be US\$3.86 million (23). Beyond direct regulatory and financial penalties, breaches in a company's information management system can cause long term distrust in the company's 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 (24). 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 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 are necessary to meet legal requirements in key jurisdictions.



Sustainable Procurement

Importance

Sustainability issue

High

Supplier Environmental Practices

Definition

Integration of environmental issues in supply chain management alongside conventional procurement considerations (e.g. price, quality, reliability).

Industry issues

Some of the key supply chain risks faced by companies in this category derive from environmental issues linked to their wood procurement. Companies face risks when purchasing wood from suppliers that do not follow sustainable forest management practices. Adverse environmental consequences of unsustainable forestry practices include biodiversity loss and GHG emissions from land-use change, forest degradation, and deforestation. In the face of increasing scrutiny on environmental impacts of global supply chains, companies in this sector can avoid supply chain disruptions and risk of sanctions by ensuring that the entities they source from are practicing responsible and sustainable operations. To face this challenge, companies are growingly engaged in chain-of-custody programs for their wood procurement, such as the Program for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC) certification program. According to the UN Food and Agriculture Organization, the global annual growth of certified forests is at about 10% (2)(3). Additionally, to ensure that wood based resources comply with a company's environmental objectives, an important first step is to communicate and enforce the rules set in a company's Supplier Code of Conduct or a CSR contract clause. A next step could be to carry out a risk analysis of the supplier base. Companies can also follow up with on-site audits and continuous monitoring schemes, capacity building and long-term partnerships with suppliers to address major environmental concerns along the value chain.

Medium

Supplier Social Practices

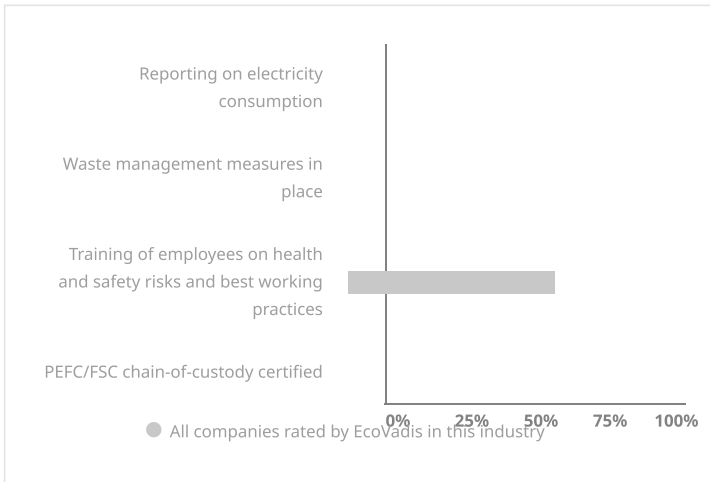
Definition

Integration of labor and human rights issues (e.g. working hours, wages) in supply chain management alongside conventional procurement considerations (e.g. price, quality, reliability).

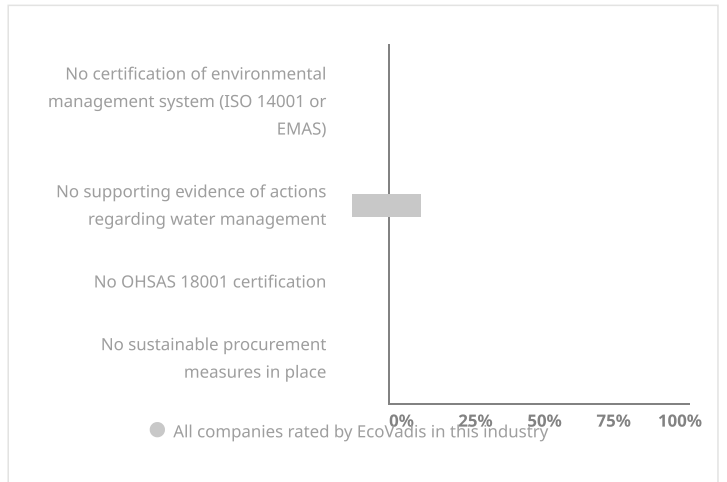
Industry issues

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. 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
Audit or assessment of suppliers on CSR issues	38%
Carbon disclosure project (CDP) respondent	10%
Global Compact Signatory	13%
Grievance mechanism or whistleblowing procedure in place	55%
ISO 14001 certified (at least one operational site)	37%
ISO 45001 certification or equivalent (at least one operational site)	24%
Policy on sustainable procurement issues	44%
Reporting on energy consumption & GHGs	55%
Reporting on health & safety indicators	41%

Main Regulations and Initiatives

GREENGUARD Certification

<http://www.greenguard.org/Default.aspx?tabid=110>

The GREENGUARD Environmental Institute aims to protect human health and improve quality of life by enhancing indoor air quality and reducing people's exposure to chemicals and other pollutants. The GREENGUARD Environmental Institute (GEI) certifies products and materials for low chemical emissions and provides a resource for choosing healthier products and materials for indoor environments. The GREENGUARD Certification Program is an industry-independent, third-party testing program for low-emitting products and materials.

 Environment

Label PEFC (Programme for the Endorsement of Forest Certification schemes)

<http://www.pefc.org>

The PEFC Council is an independent, non-profit, non-governmental organization, founded in 1999 which promotes sustainably managed forests through independent third party certification.

 Sustainable Procurement

Furniture Industry Sustainability Programme

<http://www.furnishingreport.com/pdf-downloads/FISP-Leaflet.pdf>

Launched in 2006 to support and improve the furniture industry's sustainability credentials, FISP has rapidly become established as the industry forum on all environmental and sustainable issues.

 Environment

Standard ISO 14000 (International Standard Organisation)

http://www.iso.org/iso/iso_14000_essentials

The ISO 14000 family addresses various aspects of environmental management

 Environment

Label FSC (Forest Stewardship Council)

<http://www.fsc.org/about-fsc.html>

The FSC is an international non-profit organization established in 1993 to promote responsible management of the world's forests. Its main tools for achieving this are standard setting, independent certification and labeling of forest products.

 Sustainable Procurement

BIFMA Sustainability guidelines for office furniture manufacturers and suppliers

<http://www.bifma.org/documents/SusGdlines.pdf>

BIFMA is a not-for-profit organization that provides a forum for Members to cooperate and collaborate on industry issues. As an ANSI accredited standards developer, BIFMA develops voluntary product and industry standards that support safe, healthy and sustainable work environments, publishes key industry statistics and advocates for legislation and government regulation that have direct impact on the health of the industry. The BIFMA Sustainability Guidelines have been developed to provide a roadmap for office furniture manufacturers and suppliers of all sizes beginning their journey to establish and/or expand their environmental management system (EMS), such as ISO14001, to include sustainable business practices.

 Environment

The Blue Angel Certification (Low-Emission Wood Products and Wood-Base Products)

http://www.blauer-engel.de/en/products_brands/vergabegrundlage.php?id=55

The Blue Angel (Blauer Engel) is a German certification for products and services that have environmentally friendly aspects.

 Environment

Universal Declaration of Human Rights

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

 Regulatory

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

 Labor & Human Rights

International Labor Organization's Fundamental Conventions

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_095895.pdf

 Regulatory

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

 **Labor & Human Rights**

Foreign Corrupt Practices Act of 1977

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

 Regulatory

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

 **Ethics**

United Nations Global Compact (10 principles)

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

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

 **All themes**

Standard ISO 26000 (International Standard Organisation)

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

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

 **All themes**

Better Cotton Initiative

<http://bettercotton.org/about-better-cotton/better-cotton-standard-system/>

The Better Cotton Standard System is a holistic approach to sustainable cotton production which covers all three pillars of sustainability: environmental, social and economic.

 **Sustainable Procurement**

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.

 **Labor & Human Rights**

United Nations Convention against Corruption (UNCAC)

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

 Regulatory

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

 **Ethics**

Standard Global Reporting Initiative's (GRI)

<http://www.globalreporting.org/Home>

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

 **All themes**

Carbon disclosure project

<https://www.cdp.net>

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

 **Environment**

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