How do companies report information about their suppliers in their non-financial reports

In collaboration with:

IÉSEG
School of Management
IÉSEG School of Management – Paris, France

Advisor: Joao Viera Da Cunha

Thesis presented in partial satisfaction of the requirements to obtain the degree of Maestro en Administración by:

CORNEJO FERNÁNDEZ, Héctor Hugo

Master Program at Esan: International MBA

November 5th, 2018

« IÉSEG School of Management and Universidad ESAN do not express approval or disapproval concerning the opinions given in this paper which are the sole responsibility of the author. »
# Table of Content

I. Introduction ......................................................................................................................... 1

II. Literature Review ............................................................................................................... 2
   1. Importance of non-financial Information ...................................................................... 2
   2. Non-financial Reports and Corporate Social Responsibility ....................................... 4
   3. Corporate Social Responsibility and Society .............................................................. 4
   4. CSR Reporting ................................................................................................................. 5
      a. CSR Private Initiatives ............................................................................................. 5
      b. CSR Multilateral initiatives ...................................................................................... 6
      c. Legal CSR Requirements ......................................................................................... 8

III. Research Method .............................................................................................................. 10
   1. Interpretive Research ..................................................................................................... 10
   2. Benefits and Challenges of Interpretive Research ....................................................... 10
   3. Qualitative Analysis ....................................................................................................... 11
   4. Coding ............................................................................................................................ 11
   5. Data Collection ............................................................................................................. 12
   6. Sample .......................................................................................................................... 13

IV. Results ............................................................................................................................... 17

V. Discussion ............................................................................................................................ 23
   1. Reporting about Environment ..................................................................................... 23
   2. Reporting about Ethics ................................................................................................. 24
   3. Reporting about Health and Safety ............................................................................ 24
   4. Reporting about Human Rights and Labor ................................................................. 25
   5. Reporting about Management Systems ...................................................................... 26

VI. Limitations ......................................................................................................................... 27

VII. Conclusions ...................................................................................................................... 28

VIII. Bibliography ................................................................................................................... 29

IX. Appendix: List of Codes ................................................................................................... 33
Summary

This paper describes how companies report information related to the relationship with their suppliers through their non-financial reports. This qualitative research uses the tools of the grounded theory method to code pieces of text from public documents disclosed by companies such as annual reports, sustainability reports and any other document, excluding financial reports, related to their suppliers. The coding process resulted in two types of codes. The first type describes actions and requirements related to environment, ethics, human rights and management systems that companies disclose about their suppliers. The second type of codes describes how this information is presented. After comparing these two types of codes with the help of NVivo software, we were able to identify different reporting strategies and disclosure preferences that companies have. This will be described in the Discussion section of the paper.
I. Introduction

Non-financial disclosure has grown interest over the last years. One of the main reasons is that only using financial tools to assess a firm value is not enough and other methods to evaluate the customers’ perception or sales forecast, for example, are required. Another important driver to the growth of interest is the increase of importance in corporate responsibility reporting, which is an important component of non-financial disclosure and has become a widespread practice by almost all world class companies.

The relationship between companies and society is very delicate and it is important that both parts work together for a sustainable development which will bring benefits for all. One important element of this relationship is how is presented to the world through the Corporate Responsibility Reporting. The main topics that are reported are related to environment, society and corporate governance. However; the present study will focus on the suppliers because the relationship between a company and its suppliers influences companies’ customers’ attitude. Moreover, this relationship may also have an effect in the company’s stock prices. For this reason, the information that companies disclose is very important and should be handled carefully since they need to keep the existing and future investors aware of suppliers and their practices. Hence, understanding how companies discuss their suppliers in their annual reports will help CEOs to affect the stock reports.

The first part of the study will present a literature review about the main components of non-financial disclosure. Then it will define the concept of Corporate Social Responsibility (CSR) and describe the main initiatives for reporting it. These topics are very important to understand to reports to be analyzed later. The second part will describe the research method to be used to conduct the study and to process all the main public documents that companies disclose about the relationship with their suppliers. The research will be an interpretative one and it will use the coding tools from the Grounded Theory.

Finally, to answer the question of “how companies are reporting information about their suppliers?” the documents gathered will be analyzed in order to identify common practices, trends or any other meaningful insights about CSR disclosure related to suppliers. It is important to notice that there has been created a big industry of CSR reporting but there is no a specific framework or guidelines that regulate the disclosure worldwide, here is where lays the relevance of the study.
II. Literature Review

1. Importance of non-financial Information

Non-financial information has gained importance lately because of its importance to assess firm’s value (Zeghal & Maaloul, 2011). Financial information remains important specially but to evaluate the tangible part of the firm. However, customers satisfaction, employees experience or customers perception can’t be grasp by these types of reports. Additionally, some studies support the thesis that stock prices are directly affected by the disclosure of non-financial information (Ellis et al., 2012).

Nowadays, almost all of world class firms disclose information about their performance and about the situation of their social initiatives in their websites. Over 90% of the Global 250 companies voluntarily disclose more environmental, social and governance (ESG) information than required by the law (KPMG Survey, 2013). Also, in many industries more standards that recommend best practices are proliferating and many offer certification frameworks and requirements for third-party auditing (Blair et al., 2007). These voluntary initiatives are adopted and promoted by government’s entities who require companies to be accountable for the effect of their actions related to society and environment.

The relationship between companies and society has also gain interest among academic researchers in the past decades. Specifically, in the topic of corporate responsibility according to Timothy Devinney, professor of International Business at the University of Leeds, who gathered information about how many related articles were written in the last years.
According to Devinney’s research, the growth in the number of articles written about corporate responsibility increased dramatically in the present century, especially in the field on Management. Between 2006 and 2010 more than 1400 articles were written about this subject.

Investors as well have become more interested in recent years to environmental and social risks in portfolio companies, and therefore more concerned with corporate responsibility. Global assets under management with sustainability frameworks have risen 61% since 2012, to US$ 21.4 trillion at the beginning of 2014 (Global Sustainable Investment Alliance, 2014). Institutions managing US$ 45 trillion of invested capital have committed to the U.N. Environment Program’s Principles for Responsible Investment (PRI), which require investors to incorporate ESG into their investment practices (UNEP, F., 2016) and, since 2015, over US$ 92 trillion of the world’s invested capital support the Carbon Disclosure Project (CDP)’s work with more than 2,000 companies around the world to gather data about the greenhouse gas emissions produced. These data are then shared to Bloomberg and with other ESG data it is sold to investors since 2009. For this reason, we can say that corporate responsibility disclosure has become an industry and has placed as a mainstream corporate and investor activity.
2. Non-financial Reports and Corporate Social Responsibility

Despite of the importance of non-financial information, it is not clearly defined. One reason may be that its scope is wide and includes topics like risk management, firm’s strategy, social responsibility or corporate governance (Juntilla et al., 2005). Some example to show the discrepancy of its scope is the earning forecast. While some authors like Amir en Lev (1996) consider this item as part of the financial information because it is built using the financial statements, others, like Upton (2001) defines it like non-financial information.

Nonetheless, some authors make an equivalence of non-financial information to corporate social responsibility information (Dhaliwal et al., 2011). However, this may be wrong considering that CSR could be both financial and non-financial information. Also, non-financial information is associated with quantitative information (IFAC, 2013) but non-financial information can include quantitative information too.

3. Corporate Social Responsibility and Society

The development of companies and society can’t go in separate ways and would be an error if they have very different agendas. There are problems of our society that can’t be addressed to companies directly without evaluating all the considerations (Porter and Kramer, 2006). For example, Nestle has been appointed as the responsible for the scarcity of drinkable water in the world because of their production of bottled water. However, they only used the 0.0001% of the available drinkable water through all their brands. In the other hand, the agricultural industry, which is composed by many companies and members of the society, has low efficient practices regarding the usage of water and are the main source of the deployment of drinkable water. As Porter and Kramer (2006) suggest, for the society is easier to find a guilty that can be identified easily, like a single corporation. Of course, there are other examples that support the idea that companies harm the society but this is not the main point of discussion. What the present study wants to state is that both society and companies need to work together to develop.

One famous example of how companies aid in the development of society is the one that involves Nestle and the production of milk in Moga, India. Nestle entered the Indian market in 1961 and the conditions were not the best. There were many problems with the electricity, roads, communication, water supply and medical care. This lead that the milk produced had low quality and can’t be transported too far because of the lack of refrigerated trucks. Considering the situation, Nestle started building refrigerated points to collect the milk and brought veterinarians, nutritionists, agronomists and quality assurance experts to increase the quality of the dairy. They also begin to train the farmers in ways to improve their production. After that, farmers were able to improve the quality of their cattle, crops, water supply and consequently their life. As a result, Nestle paid them more money for their milk and keep this business model working directly with
the farmers without any intermediary. Consequently, the life standard in Moga was significantly better than its neighbors. Access to health care, electricity, enough schools are some positive outcomes from this collaborations between a company and society.

It is important to notice that the presence of Nestle in Moga was to establish a business and not part of a Corporate Social Responsibility initiative. However, the business model they want to implement there includes the assurance of high quality sources of milk provided by local farmers, as they did in Switzerland. For this reason, they decided to transform the local conditions to continue with their business model. This case supports the idea that aligning corporate social responsibility in a company strategy can result in a source of competitive advantage (Porter and Kramer, 2006). The idea of using CSR as charity or as a cost won’t benefit the company nor the society. If the company’s revenue decrease the CSR budget will be the first item to go. For this reason, it is important to understand the dependence of both company and society in their development. Companies must include the development of the society in their business strategy to sustainable growth and gain a competitive advantage.

4. CSR Reporting
The new trends in corporate reporting of environmental, social and governance (ESG) information reflect how Corporate Social Responsibility if evolving from academic theory to a mainstream business practice. Nowadays, almost all of the ESG reporting is voluntary. However, some entities including governmental ones, are starting to require them. This situation may reveal an intention of companies to fulfill some social expectations through CSR reporting (Feldner, S.B. and Berg, K.T., 2014).

a. CSR Private Initiatives
One of the most reliable sources of CSR data is done by the company KPMG from Netherlands. They have been reporting about CSR since 1993 and their last version is from the year 2017. By 1993, 12% of the top 100 companies in the OECD countries, excluding Japan, published an environmental or social report (Kolk, A., 2004). Then, by 2013, 76% of the top 100 companies in the Americas publish a separate CSR report. In Europe and Asia, 73% and 71% of top 100 companies do so respectively.

Another important reporting framework, which has become an important reference, is the Global Reporting Initiative (GRI). This independent international organization was founded in 1997 and its headquarters are located in Amsterdam, Netherlands, however, they have regional hubs in India, China, South Africa, Brazil, Colombia and the United States. Nowadays, 93% of the world’s largest 250 corporations use the GRI Guidelines to report about their sustainability performance (KPMG,
The purpose of GRI is to help companies and governments worldwide to understand and disclose their impacts on main sustainability issues like human rights, climate change, governance and society. The GRI Sustainability Reporting Standards were developed with multi-stakeholder contributions and rooted in the public interest, this is the main reason for the widespread adoption and reference. Furthermore, following the GRI Standards encourages companies and organizations to protect the environment and improve society, while at the same time it brings economic benefits to them by improving governance, enhancing reputations and building trust among stakeholders.

According to the Global 250, companies are starting to see less risks and more opportunities from social and environmental issues. The development of new products and services that suit the requirements of customers will be a main concern. Eighty-seven percent of the Global 250 identify climate change, material resource scarcity and trends in energy and fuel as “megatrends” that will affect their business (Feldner, S.B. and Berg, K.T., 2014). Additionally, KPMG concludes that most companies associate corporate responsibility with core business risks and opportunities and not just with a moral concern (Kolk, A., 2004). This new perception supports the thesis which argue that the inclusion of corporate responsibility initiatives in business strategies may lead in to a competitive advantage (Porter and Kramer, 2006), as seen previously.

### b. CSR Multilateral initiatives

A significant number of multilateral instruments have also been developed lately and are supported by local governments. While these instruments do not establish mandatory guidelines, they hold governments’ expectations of responsible corporate action. Some of the most important initiatives are the following: the OECD’s Guidelines for Multinational Enterprises; the ISO 26000 Corporate Responsibility standards; the U.N.’s Global Compact; and the U.N.’s more recent “Protect, Respect and Remedy” framework which focus on the respect of the human rights.

The OECD’s Guidelines were initially promulgated in 1976 and most recently revised in 2011. They encourage companies to promote sustainable development, and include standards based on the International Labour Organization (ILO) and U.N. treaty obligations, including standards of transparency, labor protection, human rights protection, responsible supply chain management, environmental protection, antibribery standards and fair tax contributions (Baron, R., 2014). The OECD guidelines has some important features. First, the standards are developed considering the participation of governments, companies and labor though the Business and Industry Advisory Committee to the OECD and the Trade Union Advisory Committee to the OECD. Second, they are developing specific guidance for different industries like agricultural, logistics, financial, textile or mineral. Third, the OECD countries, which include most of the developed economies (excepting Brazil, Russia, India and China), compromised to establish National Contact Points (NCPs) that allow individuals to report challenges or even situations in which feel their OECD rights have been
violated. Labor issues were mainly reported using the NCPs and by doing so a record of global labor rights issues was created with the purpose of future improvement (Evans, J. 2011).

The International Standards Organization (ISO) was established after the World War II and has developed thousands of technical standards since then. In 2010, after five years of consultation among standards bodies, they developed the ISO 26000 standard for corporate responsibility (ISO, 2010). Unlike most of its standards, which seek for a certification to occur, the ISO 26000 is not a standard to provide guidance in a future certification. However, it provides a useful definition of corporate social responsibility: “CSR is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, including health and the welfare of society, takes into account the expectations of stakeholders, is in compliance with applicable laws and with international norms of behavior, and is integrated throughout the organization and practiced in its relationships.”

The ISO 26000 is a global norm of CSR because it was developed with the representation of 90 countries and 40 international organizations. Furthermore, it was drafted with input from consumers, governments, industries, labor organizations, NGOs and academics (ISO, 2010). Hence, it can credibly claim to represent a global consensus about companies’ social responsibilities. Moreover, the ISO 26000 defines general principles of accountability, transparency, ethical behavior, respect for stakeholder interests, for the law, for international norms and has human rights as the framework of corporate responsibility. Its core subjects include governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement. (ISO, 2010).

By the year 2000, under Secretary General Kofi Annan, the United Nations began its work on corporate responsibility with the Global Compact, an initiative in which businesses commit to respect ten principles that cover four areas of concern: international human rights, labor protection, environmental protection, and anti-corruption (Hall, C., 2010). By 2015, 12,000 businesses, academic institutions, and NGOs in 140 countries had signed onto the Global Compact. However, by 2008 almost 15% of companies were de-listed from the Global Compact for failing to report their progress. Also, it is still being criticized for being too general and not setting specific target and guidelines (Knudsen, J.S., 2011).

Among multilateral frameworks, the U.N.’s Guiding Principles on Business and Human Rights, adopted by the U.N. Human Rights Council in 2011, seems to have the greatest potential to build a global legal framework for companies’ social responsibilities considering that the OECD Principles only apply to companies which operate in adhering countries. The U.N. Guiding Principles propose a basic framework of responsibilities for states and companies with respect to human rights. It demands that states have the duty to protect their citizens from violations by third
parties, including companies, by promulgating laws and regulations. Nevertheless, companies have the responsibility to act with respect to citizens’ human rights; and both have the duty to provide access to remedies for victims in case of violations.

It is important to remind that this framework’s development process was inclusive, transparent and well-balanced and had collaboration from companies, labor and NGOs. Furthermore, NGOs made a dedicated work in collecting data and publicizing it. All this including the support of many local governments gives the U.N. Guiding Principles the potential to become an important benchmark for global corporate responsibility disclosure.

c. Legal CSR Requirements

From reporting year 2017, the legal requirements for non-financial disclosure in management reports of large public companies will be stricter. The EU Directive on disclosure of non-financial information and diversity information (2014/95/EU) was published at the end of 2014 and the European Member States were given two years to include this directive into national legislation. With this directive, the largest organizations in Europe will be obliged to disclose non-financial information including environmental, social policies and diversity among their boards of directors. The purpose of implementing this directive is to set basic guidelines regarding non-financial disclosure. Also, the fact of reporting may create a perception of transparency and confidence among investors, consumers and other stakeholders. Furthermore, investors can better assess the risks and opportunities of a future investment if they are provided with information about organizations policies and performance of non-financial aspects. This will also promote the consistency and comparability among the information disclosed by organizations within the EU.

The information disclosed should include environmental, social and personnel matters, respect for human rights and the fight against corruption and bribery in the industry the organization operates. In relation to these topics, the information concrete insight should be given into the:

- Policy pursued
- Results of the policy pursued.
- Principal risks and their management.

Additionally, some insight into the company’s business model is important to set the context and to place the information previously described. Therefore, a description of the company’s business model is one of the requirements. Also, large listed organizations are required to disclose their diversity policy related to their executive board and supervisory board. Besides the policy, the report must provide insight about how the policy was or is being implemented. Furthermore, objectives and results must be described.
The EU directive 2014/95/EU applies to large public interest entities (PIEs) which include companies, banks, insurance companies, and other organizations designated as public interest entities by the EU (Warendorf, H.C. et al., 2009). Large PIEs refers to organizations which have more than 500 employees and a balance sheet total of at least €20 million or a net turnover of more than €40 million.
III. Research Method

1. Interpretive Research
While positivist and deductive methods are design for hypotheses testing, interpretive or inductive methods are intended for theory building. In interpretive methods, the researcher starts analyzing the data and then tries to build a theory about the phenomenon observed from the data. Interpretive research has its roots in anthropology, sociology, psychology, linguistics and semiotics, and has been available since the early 19th century. It is a good complement to positivist techniques because it can offer different and interesting insights (Bhattacherjee, A., 2012).

It is important to remind that an interpretive research is not entirely the same as a qualitative research. Interpretive research is a research paradigm which assumes that social reality is not singular or objective but is shaped by human experiences and social contexts (ontology). For this reason, it is best understood if studied within its socio-historic context considering subjective interpretations of its various participants (epistemology). Also, interpretive researchers interpret the reality though a sense-making process rather than a hypothesis testing process. However, positivist or functionalist researchers assume that the reality is independent from the context and therefore can be separated from it and decomposed using objective techniques such as standardized measures (Bhattacherjee, A., 2012). The choice of one method or another depends on the nature of the phenomenon intended to study.

One important aspect of a research is the type of data available to conduct it. Qualitative and Quantitative researchers have different considerations about the data and have different methods to analyze it. Qualitative data refers more to non-numeric data like interviews, reports and observations. In the other hand, qualitative data is more related with numeric data, scores and metrics. For this reason, a qualitative research is not well suited for conducting statistical analysis like regression analysis. Other techniques like content analysis are better suited. It is also possible to tabulate quantitatively a set of coded qualitative data. It is true that interpretive researches use more qualitative data. However, adding quantitative data into the analysis and combining these two sources may result in a better understanding of the phenomenon of interest. This joint of data is called mixed mode designs.

2. Benefits and Challenges of Interpretive Research
Interpretive Research has many unique advantages over other research methods (Bhattacherjee, A., 2012). First, they are appropriate for analyzing very specific topics or idiosyncratic phenomena. They are also very useful for revealing hidden reasons behind complex social processes like the interrelations between different branches with a multinational corporation. Finally, they may be the right tool for theory construction in matters that have little or none priori theory like the subject of the present thesis document.
This type of research has some challenges to face though. First, the researchers should be able to identify and interpret complex social phenomena without injecting their own personal biases. Second, the data collected may have different measures, biased or may have undisclosed political agenda, which may lead to errors or misunderstanding of the phenomena by the researcher. Then, the researcher must understand the true nature of the research problem to conduct a coherent study. Finally, an interpretive research may be more resource and time consuming than positivist research since they have to build a theory from the raw data available. Also, the data collection and the analysis of it may be a complicated and long-lasting task. Gathering too much data may not be effectively processes while too few may lead to premature or false assumptions.

3. Qualitative Analysis
A qualitative analysis is the analysis of a qualitative data set such as interview transcripts, reports or any other non-quantitative source of data. This analysis is deeply dependent on the researcher’s analytical and integrative skills and previous knowledge about the phenomenon intended to study. On the other hand, a quantitative analysis is far more independent from the researcher and focus on the statistical analysis to predict or explain the reality. A qualitative research pursues to sense making and deep understanding of the reality.

4. Coding
As it was mentioned before, a qualitative data set may be composed by researcher’s observations, interviews, focus groups, narratives or documentation. One technique to analyze a vast text data set like a qualitative one is the Grounded Theory, which is an inductive technique used in the interpretation and theory building of recorded data about social phenomena. This technique was developed by Glaser and Strauss (1967) and upgraded by Strauss and Corbin (1990). It describes coding techniques, which is the process of classifying and categorizing text data segments into codes, categories and relationships. The analysis should be conducted without considering any previous theoretical expectation from the researcher, the first insights should emerge from a first and raw data analysis. The three coding techniques described by Strauss and Corbin will are open coding, axial coding and selective coding.

In the present study we will use the coding tools from this theory to organize the data found in the reports. The first coding tool is Open Coding, which is used to identify concepts, ideas or relationships especially in text data. The researcher will focus on specific events, incidents, ideas, actions, perceptions and relationships that are coded as concepts. Each concept is linked to a specific portion of the text and once a set of concepts is clearly identified, the remaining text should be coded too. Next, concepts with similar ideas should be grouped in categories and subcategories.
After realizing the open coding, the next phase will be axial coding. The categories and subcategories defined previously should be assembled into causal relationships or hypotheses that can explain the phenomenon of interest. The relationships between categories may be shown clearly in the data or may be more subtle and implicit. In the latter instance, researchers may use a coding scheme to understand which categories represent conditions, circumstances, actions/interactions, responses, outcomes and consequences. As these relationships are identified, theoretical propositions will raise, and researchers can start explaining why this phenomenon occurs.

The final phase of grounded theory is selective coding, it involves identifying a central category and logically relating this central category to other categories. The central category can evolve from existing categories or can be a higher order. New data is selectively sampled to validate the central category and its relationships to other categories. Selective coding narrows the analysis and makes it fast.

At the same time, the researcher must identify other categories that may emerge from the new data that may be related to the phenomenon of interest (open coding), which may lead to further refinement of the initial theory. Hence, open, axial, and selective coding may proceed simultaneously. Coding of new data and theory refinement continues until theoretical saturation is reached and data no more yield any change in the core categories or relationships.

5. Data Collection
The data will be composed mainly by annual reports, sustainability reports, reports about the progress of CSR programs and any other publicly disclosed document which contains information about the relationship between the companies and their suppliers, sometimes called business partners. All these documents are publicly disclosed in companies’ websites and are available for any stakeholder.

An annual report is a comprehensive report on a company's activities throughout the preceding year. Annual reports are intended to give shareholders and other interested people information about the company's activities, corporate governance and financial performance. Most jurisdictions require companies to prepare and disclose annual reports, and many require the annual report to be filed at the company's registry. Companies listed on a stock exchange are also required to report at more frequent intervals depending of the rules of the stock exchange they are associated.

The Sustainability or Corporate Social Responsibility Reports usually are a separated from the Annual report and complements it with insights related to the company’s sustainability strategy. According to the GRI (GRI website, 2018) a sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its
everyday activities. It also presents the organization's values and governance model and demonstrates the relationship between its strategy and its commitments to sustainability. Sustainability reporting can help organizations to evaluate their performance and manage change more effectively, if required. Furthermore, sustainability reporting can be considered as equal to non-financial reporting; triple bottom line reporting, corporate social responsibility (CSR) reporting, and more.

Other documents are disclosed such as policies and codes that target specific concerns. For example, many companies disclose a Supplier Code of Ethics or conduct, which present guidelines about the behavior they should maintain while doing business with the company. Finally, reports on the programs to enhance suppliers’ performance related to sustainability are equally disclosed. These reports are very important for the purpose of the present study because provide an insight of how companies disclose public information about their suppliers.

6. Sample
The sample are the reports of 10 companies selected to be analyzed. This study intended to analyze large manufacturer companies from different industries which have an important economical presence and operations in Europe. The companies selected are listed as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AB InBev</td>
</tr>
<tr>
<td>2</td>
<td>Apple Inc.</td>
</tr>
<tr>
<td>3</td>
<td>Groupe Auchan</td>
</tr>
<tr>
<td>4</td>
<td>Henkel AG &amp; Co. KGaA</td>
</tr>
<tr>
<td>5</td>
<td>Inditex S.A.</td>
</tr>
<tr>
<td>6</td>
<td>L’Oréal S.A.</td>
</tr>
<tr>
<td>7</td>
<td>Nestle S.A.</td>
</tr>
<tr>
<td>8</td>
<td>Saint-Gobain Group</td>
</tr>
<tr>
<td>9</td>
<td>Siemens AG</td>
</tr>
<tr>
<td>10</td>
<td>Volvo Group</td>
</tr>
</tbody>
</table>

Table 1: List of companies to be analyzed

The first company in the list is AB InBev, which operates in the brewer industry. They disclose 4 different documents that are directly related to their suppliers. The first document is the “Annual Report 2017” [1] which contains information about the company’s financial performance in the last year, their corporate governance and their sustainability performance. In addition, it was made to satisfy and according to three different frameworks: The United Nations Sustainable Development Goals (SDG); the Global Reporting Initiative G4; and the 2014/95/EU. The second
document is a report that focuses on the sustainability performance and it is called “2016 Better World Report” [2]. In this report they disclose more information about their programs and initiative related to sustainability. The third document is a policy named “Global Responsible Sourcing Policy” [3] which is an outline regarding environment, human rights, health and safety across their global supply chain. It follows the standards of the International Labor Organization (ILO) and the United Nations Global Compact. Finally, the fourth document is the “Code of Business Conduct” [4] which is mandatory for all the suppliers. It complements the company’s policies and presents the company’s commitment to ethics, integrity and compliance with the law.

The second company in the list is Apple Inc. which is a north American technology company that develops and sells computer software, consumer electronics and online services. They disclose their financial information according to the Form 10-K from the Securities and Exchange Commission of the United States. Their “Environmental Responsibility Report” [5] is yearly updated and focuses in three priorities: reduction of their impact in the climate change by using renewable energy sources; conservation of precious resources; and usage of safer materials in their products and processes. To disclose information about their relationship with their suppliers they update and report annually the “Supplier Responsibility - 2017 Progress Report” [6] in which information about their programs, initiatives and requirements is presented. The “Supplier Code of Conduct” [7] set specific guidelines that Apple’s suppliers must met in order to do business with them. To complement this code, Apple Inc. require their suppliers to follow the “Supplier Responsibility Standards” [8]. Finally, the suppliers of fibers and regulated substances must follow the “Sustainable Fiber Specification” [9] and the “Regulated Substances Specification” [10].

The Groupe Auchan, which is a French international retail corporation, presents every year a “2016 Annual Financial Report” [11] that contains information about their financial performance in the year. To share information about their Corporate Social Responsibility they present a yearly report called “CSR Section of 2016 Management Report” [12]. This report contains important information related to the suppliers like programs, initiatives and requirements to maintain a sustainable supply chain. The French Commercial Code and the Global Reporting Initiative (GRI) Index are used as a framework in the elaboration of this report. Additionally, they have a “Charter of Ethics” [13] that aims to provide a common vision for moral, ethical and behavioral standards at the Groupe Auchan. This code considers the OECD Guidelines and the United Nations Global Compact. Suppliers are required to follow this code in their operations.

The fourth company to analyze is Henkel AG & Co. KGaA which operates in three different business areas: Beauty Care; Adhesives Technologies; and Laundry & Home Care. As the Groupe Auchan, they have a financial report “Annual Report 2017” [14] that focuses in the financial performance of the company and in their corporate governance. To disclose information about the company’s sustainability strategy, including information about suppliers, they present every year
the “Sustainability Report 2017” [15]. The Global Reporting Initiative (GRI) G4, the United Nations Global Compact and the Sustainable Development Goals (SDG) are considered in this report. Furthermore, they have a “SHE Standards” [16] to address Safety, Health and Environmental issues in their processes. The “Sustainable Sourcing Policy” [17] set guidelines that the buyers of services and materials must comply in their interaction with suppliers. To complement the previous documents, the “BME Vendor Code of Conduct” [18] is followed as well. This document is a code of conduct related to social responsibility and it was made by the Association of Materials, Purchasing and Logistics (BME) from Germany.

Unlike Henkel AG &Co., Inditex S.A., which is one of the largest fashion retailers in the world, combines the financial, sustainability and corporate governance information in a single report called the “Annual Report 2016” [19]. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and is in line with the principles established in the Integrated Reporting Framework. Additionally, the “Code of Conduct for Manufacturers and Suppliers” [20] set minimum standards of ethical and responsible behavior that must be met by their suppliers and it is based on the respect for human rights and labor rights. This document is complemented with the “Corporate Social Responsibility Policy” [21], which focuses in to human rights issues, and the “Code of Conduct and Responsible Practices” [22], which promotes ethical and responsible conduct among all the stakeholders including the suppliers.

The sixth company to analyze is L’Oréal S.A. which operates in the beauty industry. They present an annual integrated report named “Annual Financial Report - Integrated Report 2017 Registration Document” [23] that combines information about their financial performance, corporate governance and sustainability strategy. As other companies, they focus the information related to sustainability in their “Sharing Beauty With All - The L’oréal Sustainability Commitment” [24]. In these two reports they present relevant information about the programs, initiatives and requirements for their suppliers. In addition, they have a “Code of Ethics - The way we work” [25] which explains the role of the company as a business, employer and as a responsible corporate citizen. Lastly, the “Code of Business Ethics - Suppliers and Child Labour” [26] present guidelines to avoid child labor all along their supply chain.

Nestle S.A. is the world’s largest beverage and food company with more than 2000 brands. The “Annual Review 2017” [27] is Nestle’s tool to disclose information mainly about their corporate governance and financial performance. To address non-financial topics, they prepare every year the “Nestlé in Society: Creating Shared Value” [28]. This report is aimed to all interested parties and present information about the performance of their sustainability strategy. Furthermore, the report contains two important appendixes. The “Nestlé in Society: Creating Shared Value - Appendix: GRI Index” [29] presents the indicators of the Global Reporting Initiative (GRI) and compare the company performance according to the United Nations Sustainable Development
Goals (SDG). The second appendix “Nestlé in Society: Creating Shared Value - Appendix: UN Guiding Principles”[30] is a reporting framework proposed by the United Nations and supplements the original report with information of Nestle’s human rights approach and activities. Another important document disclosed by Nestle is the “Supplier Code” [31] which defines standards that they ask their suppliers to respect and adhere in their business with them. This code is aligned with international standards such as the OECD Guidelines for multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Core Conventions of the International Labour Organization (ILO). This code in complemented by the “Responsible Sourcing Guidelines” [32].

The eighth company to analyze is the Saint-Gobain Group. They design, manufacture and distribute materials for different industries like construction and automotive. They share every year the “Registration Document 2017 - Annual and CSR Reports” [33] that includes the annual financial report and the corporate social responsibility report. In the second report the information about suppliers can be found. Additionally, the “Suppliers Charter” [34] contains the financial, social and environmental requirements of sustainable development that suppliers must met. The “Principles of Conduct and Action” [35] are basic principles that apply to all the companies within the group and suppliers are required to support. Lastly, the “Purchasers Charter” [36] represents an application of the “Principles of Conduct and Action” in the purchasing function and it applies to all workers who deal with one or more external suppliers.

Siemens AG is a German company and one of the largest industrial manufacturing company in Europe. Their principal divisions are healthcare, energy, industry and infrastructure. They present each year an annual report “Annual Report 2017” [37] in which they disclose general information about the company and about their financial performance in the year. However, they focus in the sustainability report “Sustainability Information 2017” [38] the information about their suppliers. As they work with electronic components that require specific minerals they have a policy of “Responsible Minerals Sourcing Policy” [39] to set guidelines and standards that their mineral suppliers must follow. Finally, they have a “Code of Conduct for Siemens Suppliers and Third-Party Intermediaries” [40] that set basic requirements concerning their external stakeholders and the environment.

The last company to analyze is the Volvo Group. They operate in the transportation industry and disclose an annual report, “2016 The Annual and Sustainability Report” [41], that combines information regarding their financial performance, sustainability strategy and corporate governance. Furthermore, they present indicators according to the Global Reporting Initiative in the “GRI Index 2016” [42]. The “Code of Conduct” [43] states how to do business everywhere they operate with the goal to build trust among customers and society. Finally, the Volvo Group
has policies that address issues of quality, safety and environment in their “Quality Policy” [44], “Safety Policy” [45] and in their “Environmental Policy” [46].

IV. Results
The analysis started with Open Coding in all the publicly disclosed reports and documents from the ten companies selected. The documents to be analyzed are described in the “Sample” section.

The first step of the analysis was to identity pieces of data related to suppliers without considering financial information. For this reason, the documents analyzed are mainly Annual Reports and Sustainability Reports which contain information about programs, initiatives and requirement for suppliers. This information will help to understand how companies present to all stakeholders how is their relationship with their suppliers. In this phase, the pieces of data were identified as specific events, actions, ideas, incidents, perceptions and relationships that were coded as concepts. For example, the following piece of data from the Annual Report by AB InBev [1] was coded as “Program for Water”:

> Beyond our plants, we are working across markets and ecosystems to improve water access and security by restoring watersheds and introducing sustainable irrigation and other water-conservation programs in high-water-stress areas across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the US and Zambia. We are currently exploring the use of innovative financing and technology to help make these programs viable for our suppliers. (pp. 33) [1]

The next piece of text from the Environmental Responsibility Report [5] of Apple was coded as “Program for Energy”:

> We launched our supplier clean energy program in October 2015. But between our own clean energy projects to target emissions from upstream suppliers and those our direct suppliers have embarked on, we already have commitments for 2 gigawatts of clean energy in our supply chain. (pp. 4) [5]

The third piece of text comes from Nestle in their Sustainability Report [28] and it is coded as “Program for Agriculture”:

> Encouraging intercropping – growing different crops simultaneously – in Vietnam to improve ecosystems and generate new income streams – in some cases doubling their income. (pp. 53)
These three pieces of text are related with the environment as they present actions that could contribute to preserve it. For this reason, we created a higher category in which the three codes can be included. The category is coded as “Activity for Environment”.

Other higher categories that include actions were identified and are related to Ethics, Health and Safety, Human rights and Management Systems were identified. The code “Activity for Ethics” includes all the pieces of data that express an action of the company to promote the ethics in their operations. To set an example of this code, we will use the Auchan’s CSR Report [12], which contains an excerpt that presents some ethics commitments made after a big meeting organized by Auchan.

A meeting of all the general secretaries of the committees was held on 3 October 2016. It gave them the opportunity to decide upon the key areas to be focused on in 2017, i.e.:

Adapting the ethics charters of each country to the company’s new structure and to the requirements of the “Sapin II” law

Updating the code of business ethics governing Auchan’s relationships with its suppliers. (pp. 41)

The next code we define is “Activity for Health and Safety”. This code targets pieces of text that expresses actions for preserving the Health and safety of the suppliers. The following piece of text, from the Saint-Gobain’s Integrated Report [33], expresses the commitment to improve the health and safety of all the stakeholders, which includes suppliers.

Alignment of the CSR dashboard with the Group’s Challenges: "Improve the health and safety for all stakeholders". (pp. 108)

The fourth code defined is “Activity for Human rights and Labor”, which aims to pieces of text that promote the respect of human rights and fair working conditions. The Inditex’s Integrated Report [19] has an example of the application of this code. The following excerpt describes the company’s strategy for supply chain that includes the respect of human and labor rights.

Our strategy for supply chain sustainability aims to create sustainable production environments in which the Human and Labour Rights of the workers of our suppliers are promoted and respected. (pp. 57)

The last code related to activities is “Activity for Management Systems”. This code refers to quality, supply chain or any other management systems that a company promotes within their suppliers. In the Annual report from Henkel [14] we can find a piece of text data to set an example of the usage of this code. The text mentions activities to improve the purchasing function and interaction with suppliers through digitalization.
We are also continuing to progress the digitalization of our purchasing activities. For example, we optimized collaboration with our strategic suppliers through digital communication platforms and increased transparency along the value chain through new digital applications. (pp. 84)

As a result of this coding process, we identified the following main codes related to actions or activities:

<table>
<thead>
<tr>
<th></th>
<th>Activity for Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Activity for Ethics</td>
</tr>
<tr>
<td>3</td>
<td>Activity for Health and Safety</td>
</tr>
<tr>
<td>4</td>
<td>Activity for Human Rights and Labor</td>
</tr>
<tr>
<td>5</td>
<td>Activity for Management Systems</td>
</tr>
</tbody>
</table>

Table 2: Codes related to Activities

Another group of codes were identified as mandatory requirement that suppliers must follow. They are related to policies and guidelines that they should comply. The first to identify is “Requirement for Environment”. The CSR Report [12] from Auchan has a piece of text that will set a good example of how this code was used in the data analysis. The text mentions that tuna suppliers are required to have fully traceable products.

It (Auchan Retail) notably requires that the tuna it purchases be fully traceable (fishing zone, species, method of capture and fishing fleet) and undertakes to support and promote the scientific evidence relied upon by RFMOs54 to manage tuna stocks and their ecosystem. (pp.53)

The second code we identified is “Requirement for Ethics”. We will use a piece of text from the Siemens’ Sustainability Information [38] to explain the application of this code. The following piece of text states that Siemens’ suppliers should meet their standard of conduct. We believe it is related to ethics.

We require suppliers and business partners to meet our standards of conduct, including those for anti-corruption and fair competition. (pp. 37)

“Requirement for Health and Safety” is the next code proposed. The Annual and Sustainability report from Volvo [41] has a piece of text that will show how this code was applied. This report mentions a requirement from the European Union called REACH which is deeply related to Health and Safety issues. This EU requirement is mandatory for the management of harmful substances by all Volvo suppliers.

Both Volvo Group and its suppliers must comply with the EU requirements on chemicals and harmful substances, REACH (Registration, Evaluation, Authorization and Restriction
of Chemicals) legislation. Suppliers must also meet additional requirements on chemicals from the Volvo Group. (pp. 48)

The fourth code from this group is the “Requirement for Human Rights and Labor”. A piece of text from the AB InBev’s Annual Report [1] was coded with this code because it presents a requirement to suppliers related to a policy of human rights.

Our commitment to upholding human rights extends to our supply chain. We require our suppliers to commit to our Global Responsible Sourcing Policy through our contracting process. (pp. 39)

“Requirement for Management Systems” is the last code identified from this group. This code refers to quality, supply chain or any other management systems that suppliers must follow or adopt. In the Inditex’s Integrated Report [19] we can find an example of the usage of this code.

In 2016, the pre-assessment audit system, which constitutes the first evaluation of the conditions of each factory, was fully integrated into our corporate systems. This ensures traceability from the start and guarantees that both supplier and purchasing teams are aware of the result and the access, or non-access- to our supply chain. (pp. 60)

As a result, we added five more codes that are related to requirements. The list of them is presented as follows:

<table>
<thead>
<tr>
<th></th>
<th>Requirement for Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Requirement for Ethics</td>
</tr>
<tr>
<td>8</td>
<td>Requirement for Health and Safety</td>
</tr>
<tr>
<td>9</td>
<td>Requirement for Human Rights and Labor</td>
</tr>
<tr>
<td>10</td>
<td>Requirement for Management Systems</td>
</tr>
</tbody>
</table>

Table 3: Codes related to Requirements

After coding the activities and requirements related to suppliers, we added an additional set of codes that describes how this information is presented. Hence, each piece of text was coded minimum twice.

The first code we were able to identify is “Goals and Expectations”. To set an example of its scope we will use a piece of text from the Apple’s Environmental Responsibility Report [5] that describes an expectation to conserve water and prevent its pollution through a “Program for Water” called “Supplier Clean Water Program”.

The vast majority of our product water footprint is found in manufacturing, so in 2013 we established the supplier Clean Water Program to help our partners conserve water and prevent water pollution. (pp. 22)
The second code related to how the information is presented is “Audits and Assessments”. This code focuses on audits conducted to evaluate the compliance of the programs or requirements, especially if they are mandatory for the suppliers. It also includes the qualifications processes and certifications by the same company or by third parties. The following piece of text from the Nestle’s Creating Shared Value Report [28] describes a program to assess labor rights respect in their palm oil supply chain.

Building on our experience of conducting human rights impact assessments across our global operations, in August 2017 we undertook our first upstream supply chain assessment focused on labour rights in our palm oil supply chain. (pp.48)

The next code is “Qualitative Outcomes”. This code was used when the piece of text expressed a non-quantifiable result. In the Sustainability Information Report [38] from Siemens we can find an example of its application. A program related to CO2 emissions has some results like environmental protection and gain of experience. This information is presented without indicators.

Our CO2-neutral Program not only enables us to protect the environment and reduce costs, but also to gain experience and strengthen our expertise in environmentally-friendly technologies that may well be useful for our suppliers and customers. (pp. 29)

The last code is “Quantitative Outcomes” and it refers to the results of a program or requirement but presented with quantifiable evidence, like indicators. In the L’Oréal’s Sustainability Report [24] we have an example that presents the number of suppliers benefited by a Sourcing Program.

The Solidarity Sourcing programme: In 2017, it enabled 48,692 people from communities facing social or financial challenges to gain access to or retain a job and a decent income. This result represents an increase of 15%, or 6,192 more beneficiaries than in 2016. (pp. 23)

The list of these four new codes is presented.

<table>
<thead>
<tr>
<th></th>
<th>Goals and Expectations</th>
<th>Audits and Assessments</th>
<th>Qualitative Outcomes</th>
<th>Quantitative Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Codes related to “How” the activities and requirement are presented

The complete list of all the pieces of data classified by code can be seen in the Appendix: “List of Codes”. With this list we were able to build a matrix that presents the quantity of pieces of text that has been coded as Activity (table 2) or Requirement (table 3) and as one of the codes of “How”
(table 4) the information is being reported. This organization was done with the usage of the NVivo Software.

<table>
<thead>
<tr>
<th></th>
<th>A: Audits and Assessments</th>
<th>B: Goals and Expectations</th>
<th>C: Qualitative Outcomes</th>
<th>D: Quantitative Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Activity for Environment</td>
<td>7</td>
<td>30</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>2: Activity for Ethics</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>3: Activity for Health and Safety</td>
<td>4</td>
<td>9</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>4: Activity for Human Rights and Labor</td>
<td>7</td>
<td>18</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>5: Activity for Management Systems</td>
<td>7</td>
<td>25</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>6: Requirement for Environment</td>
<td>6</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>7: Requirement for Ethics</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>8: Requirement for Health and Safety</td>
<td>2</td>
<td>7</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>9: Requirement for Human Rights and Labor</td>
<td>7</td>
<td>17</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>10: Requirement for Management Systems</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 5: Matrix of Results
V. Discussion

The codes of activities and requirements can be grouped into 5 different groups according to the topic. This classification would organize the findings of how the information is being disclosed in each one of the groups.

1. Reporting about Environment

The first group to present is the activities and requirements about environment that companies publicly report in their annual documents.

<table>
<thead>
<tr>
<th>Activity for Environment</th>
<th>A: Audits and Assessments</th>
<th>B: Goals and Expectations</th>
<th>C: Qualitative Outcomes</th>
<th>D: Quantitative Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
<td>30</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>6: Requirement for Environment</td>
<td>6</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 6: Reporting about Environment

In the results we can see that many companies report expectations about their programs or initiatives. For example, AB InBev has the goal of improving water access and for that they have a program running in different countries.

"Water Health Centers": Beyond our plants, we are working across markets and ecosystems to improve water access and security by restoring watersheds and introducing sustainable irrigation and other water-conservation programs in high-water-stress areas across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the US and Zambia. We are currently exploring the use of innovative financing and technology to help make these programs viable for our suppliers. (pp. 33) [1]

In addition, most companies report requirements for their suppliers and present them linked to evaluations or audits they perform to evaluate their performance. For example, the Volvo Group require their suppliers to have a certification related to environmental management.

Our suppliers of automotive components are required to have a third-party certified environmental and quality management system. Around 73% of the Volvo Group spending on automotive products comes from suppliers that are certified in accordance with ISO 14001 or its equivalent. (pp. 48) [41]
2. Reporting about Ethics

The next reporting group targets the reporting about Ethics.

<table>
<thead>
<tr>
<th>2: Activity for Ethics</th>
<th>7: Requirement for Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Audits and Assessments</td>
<td>2</td>
</tr>
<tr>
<td>B: Goals and Expectations</td>
<td>4</td>
</tr>
<tr>
<td>C: Qualitative Outcomes</td>
<td>1</td>
</tr>
<tr>
<td>D: Quantitative Outcomes</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 7: Reporting about Ethics

Business Ethics is a very important reporting topic for companies and many companies present results about their program’s progress. For example, Siemens report figures about the compliance by their supplier regarding the Code of Conduct, which is related to Ethics.

*Compliance figures of the Code of conduct for suppliers and business partners. (pp. 40) [38]*

Furthermore, it is noticed that companies disclose their goals about the fulfillment of their requirements. Nestle requests their suppliers to respect the codes and ethical standards available. Additionally, they have the expectation that the suppliers will report any problem related to ethics according to their reporting system.

*We request all our suppliers respect and comply with our ethical standards and codes, and to report any instances of non-compliance through our internal and external grievance mechanism: the Nestlé Integrity Reporting System and ‘Tell us’ system. (pp. 100) [28]*

3. Reporting about Health and Safety

The third reporting group focuses on information about Health and Safety.

<table>
<thead>
<tr>
<th>3: Activity for Health and Safety</th>
<th>8: Requirement for Health and Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Audits and Assessments</td>
<td>4</td>
</tr>
<tr>
<td>B: Goals and Expectations</td>
<td>9</td>
</tr>
<tr>
<td>C: Qualitative Outcomes</td>
<td>1</td>
</tr>
<tr>
<td>D: Quantitative Outcomes</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 8: Reporting about Health and Safety

This important subject is mainly reported by companies as the goals related to their initiatives or programs. For example, the Saint-Gobain Group has the goal to improve the health and safety
conditions for all their stakeholder including suppliers. To do this, they established this concern into the Group’s challenges.

Alignment of the CSR dashboard with the Group’s Challenges: "Improve the health and safety for all stakeholders". (pp. 108) [33]

Moreover, companies focus on disclosing information about the audits they conduct and the following actions such as training. To illustrate this reporting trend, we will explain an example from Apple. They perform audits to evaluate the industrial hygiene and chemicals management of their suppliers.

We lead audits that inventory chemical purchasing and map chemicals across our supply chain. During these audits, we also review our suppliers’ hazard assessments, industrial hygiene monitoring, risk controls, hazard communication, worker training, medical surveillance records, and chemical spill prevention plans. (pp. 30) [5]

In this reporting group we can notice that most companies prefer to report quantitative outcomes than qualitative outcomes. None disclose information related the to qualitative outcomes from the requirements but Apple and Volvo disclosed information about the quantitative outcomes from the activities done to promote Health and Safety among their suppliers.

4. Reporting about Human Rights and Labor

The next group assess the reporting about Human Rights and Labor.

<table>
<thead>
<tr>
<th>A: Audits and Assessments</th>
<th>B: Goals and Expectations</th>
<th>C: Qualitative Outcomes</th>
<th>D: Quantitative Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4: Activity for Human Rights and Labor</td>
<td>7</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>9: Requirement for Human Rights and Labor</td>
<td>7</td>
<td>17</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 9: Reporting about Human Rights and Labor

Goals and Expectations are very often disclosed in this group. Companies like Inditex report their strategies to respect the human and labor rights within their supply chain.

Our strategy for supply chain sustainability aims to create sustainable production environments in which the Human and Labour Rights of the workers of our suppliers are promoted and respected. (pp. 57) [19]
Besides, all the companies disclosed at least one piece of information about the expectations and requirement towards human rights. We have found 17 pieces of text related to this subject, like the one from Auchan that expresses a requirement for their suppliers to respect standards and declaration related to human rights.

*The company’s policy and the action it has undertaken comply with the principles of the 1948 Universal Declaration of Human Rights, the ILO’s34 1988 Declaration on Fundamental Principles and Rights and the OECD’s35 guiding principles. It requires suppliers to respect its principles, as well as the local laws in force in the countries in which they manufacture. (pp. 40) [12]*

Lastly, few companies disclose information about the outcomes of the requirement they have regarding human rights and labor. And the ones that do it prefer to report quantitative results instead of qualitative ones.

5. **Reporting about Management Systems**

The fifth group reporting group emphasis on Management Systems that suppliers must adhere or follow to do business with the companies.

<table>
<thead>
<tr>
<th>A: Audits and Assessments</th>
<th>B: Goals and Expectations</th>
<th>C: Qualitative Outcomes</th>
<th>D: Quantitative Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5: Activity for Management Systems</td>
<td>7</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>10: Requirement for Management Systems</td>
<td>6</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 10: Reporting about Management Systems

Some companies, like Henkel, report the outcomes of their programs related to improve the performance of their suppliers. For example, they are digitalizing their purchasing processes with the help of their suppliers and as a result the collaboration with them and the transparency of the entire value chain have been improved.

*We are also continuing to progress the digitalization of our purchasing activities. For example, we optimized collaboration with our strategic suppliers through digital communication platforms and increased transparency along the value chain through new digital applications. (pp. 84) [14]*
Another important issue to disclose by companies is the audits conducted related to evaluate the suppliers’ management systems. As an example, Inditex communicate traceability audits which results would serve to accept or not a new supplier.

In 2016, the pre-assessment audit system, which constitutes the first evaluation of the conditions of each factory, was fully integrated into our corporate systems. This ensures traceability from the start and guarantees that both supplier and purchasing teams are aware of the result and the access, or non-access- to our supply chain. (pp. 60) [19]

Finally, no company report information about the results of their requirements. Additionally, the reporting of goals and expectation about this topic is very high.

VI. Limitations
The present study focuses on annual reports publicly disclosed by the companies in their websites. However, they usually disclosed information about new projects through articles or press releases also available in their websites. It is possible that some of this information may be omitted in their annual reports.

Another important consideration is the release date of the reports. For example, to cover the year the previous year some companies release the annual or sustainability reports on January from the next year, others on February and others even later. As a deadline to review the latest reports the present study search reports until the second week of March from the current year.

The variety of reporting frameworks should be noticed as well. The companies analyzed are subscribed to different reporting initiatives like the Global Reporting Initiative, the OECD Guidelines for multinational companies, the United Nations Global Compact or the International Integrated Reporting Council. There is not an official reporting framework to follow. However, companies that operates in Europe are supposed to follow the 2014/95/EU directive. The only company, from the ten companies analyzed, that made their annual report according to this directive is AB InBev.
VII. Conclusions

The companies analyzed presented up to three non-financial disclosure strategies. The first strategy consists in reporting an Annual Report, which mainly contains information about their corporate governance and financial performance; a Sustainability Report; and Complementary documents such as Code and Policies. This strategy is used by companies such as AB InBev, Auchan, Henkel, Nestle and Siemens. The second strategy consists in reporting an Integrated Report which contains the annual report and the sustainability report. This single report is complemented with policies and codes as well. Inditex, L’Oréal, Saint-Gobain and Volvo use this reporting strategy. The third reporting strategy is the one used by Apple. They don’t disclose a single annual report; however, they disclose quarter result to disclose their financial information and specific report related to their corporate governance. To report their sustainability performance, they disclose specific report related to the environment or suppliers, for example. Additionally, they complement their reporting strategy with codes and policies as the other companies. Since there is not an explicit reporting framework or regulation about the disclosure of non-financial information, it depends on each company to report the best information they believe it will benefit them.

After coding of the documents, we were able to identify five reporting topics which are Environment, Ethics, Health and Safety, Human Rights and Labor, and Management Systems. Topics like environment has different subtopics including renewable energies, reduction of carbon footprint and preservation of the biodiversity among others. For this reason, the five topics are higher categories that allow us to organize the analysis. Also, how this information is presented was very important for the analysis. After reviewing the codes, we were able to establish four dimensions that describe how the information about suppliers is being presented by this 10 companies. The four dimensions are: Audits and Assessments; Goals and Expectations; qualitative Outcomes; and Quantitative Outcomes. The combinations of this codes distribute the Results Section into five reporting topics.

Moreover, the main topic discussed in the non-financial reports is the environment followed by the Human rights. Most companies present different programs and initiatives related to renewable energy, reduction of carbon footprint, sustainable agriculture and resources preservation among others. This information is usually presented as expectations they have about their actions to this topic and they use as a complement the disclosure of quantitative outcomes like indicators.

Finally, one of the main conclusions of the study is that companies prefer to disclose information about their goals and expectations about their suppliers in their annual reports. They complement this information with outcomes and assessments results. This strategy may help them to manage the expectations of the stakeholder in a positive way and to built on their public image.
VIII. Bibliography


Company Reports


IX. Appendix: List of Codes

Code: Activity for Environment

· "Water Health Centers": Beyond our plants, we are working across markets and ecosystems to improve water access and security by restoring watersheds and introducing sustainable irrigation and other water-conservation programs in high-water-stress areas across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the US and Zambia. We are currently exploring the use of innovative financing and technology to help make these programs viable for our suppliers. (pp. 33) [1]

· We are on a journey to embed sustainability throughout our business and across our supply chain, enabling growth and opportunity for our company and communities in our markets. By working together with local communities, NGOs, suppliers, governments, consumers and beyond, we’re working to create value for all. (pp.3) [2]

· SmartBarley enables farmers to benchmark their barley practices and performance across our global grower network, exchanging best practices that drive improved productivity and environmental practices. By the end of 2016, over 4,500 growers had participated in the program. (pp.9) [2]

· Minimizing our packaging and waste Packaging is one of the most significant components of our beer’s carbon footprint. We are constantly looking for ways to increase the recycled material in our packaging, support recovery and re-use of bottles and reduce the amount of material in our packaging through actions such as light-weighting our containers. (pp. 19) [2]

· "88% of direct material purchasing spend from suppliers having made a CSR self-assessment" (pp. 1) [41]

· We’re pushing our manufacturing partners to join us in the fight against climate change. Seven major suppliers have now pledged to power their Apple production entirely with renewable energy by the end of next year. And we’re making strides toward our commitment to bring 4 gigawatts of renewable power online by 2020, a key step in reducing our manufacturing footprint. (pp. 4) [5]

· We launched our supplier clean energy program in October 2015. But between our own clean energy projects to target emissions from upstream suppliers and those our direct suppliers have embarked on, we already have commitments for 2 gigawatts of clean energy in our supply chain. (pp. 4) [5]

· We’re sourcing lower-carbon materials to make our devices, we’re partnering with suppliers to add clean energy to their facilities, and we produce and procure clean, renewable energy for 96 percent of the electricity used at our global facilities. (pp. 5) [5]

· Manufacturing makes up 77 percent of our carbon footprint. Most of it is due to carbon emissions from the electricity used to make our products—over 60 percent of our manufacturing emissions. So we’re sourcing lower-carbon materials, partnering with our suppliers around the world to reduce their current energy use, and helping them switch to renewable energy. (pp. 6) [5]

· By the end of 2016, we conducted 34 energy audits at supplier facilities. These audits identified over $55 million in annual savings opportunities, with an average payback period of about 1.4 years.
| · In 2016, the energy efficiency improvements made by suppliers avoided more than 150,000 metric tons of carbon dioxide equivalents (CO₂e). (pp. 6) [5] |
| · In 2016, we implemented an energy training program and conducted training for 19 supplier sites. Trainees from these supplier sites applied their skills and identified and implemented additional energy efficiency projects. (pp. 6) [5] |
| · We’re investing in renewable energy projects to address upstream emissions that are beyond the influence of our direct suppliers. To date, Apple has installed 485 megawatts of wind and solar projects across six provinces of China. (pp. 7) [5] |
| · Apple and our suppliers will generate and procure more than 4 gigawatts of new clean power worldwide by 2020, including 2 gigawatts in China alone, and use it to reduce emissions associated with manufacturing. Already, commitments made as of April 2017 represent a total of 2 gigawatts. Once completed, the 4 gigawatts of clean power will represent 30 percent of our current manufacturing carbon footprint. (pp. 7) [5] |
| · Ibiden will be our first supplier in Japan to make the switch. Its floatovoltaic project will be one of the largest floating solar projects in the country. (pp. 8) [5] |
| · Biel Crystal Manufactory Ltd. is another great example of leadership—it has already contracted 50 percent of its Apple energy load to come from wind and solar and will increase this to 100 percent in 2018. (pp. 8) [5] |
| · And most recently, 17 of our 18 final assembly sites—including all 14 sites in China—have received UL’s Zero Waste to Landfill validation, diverting more than 240,000 metric tons of waste from landfills since January 2015. We’ve recently expanded this initiative to 25 more suppliers. (pp. 19) [5] |
| · The vast majority of our product water footprint is found in manufacturing, so in 2013 we established the supplier Clean Water Program to help our partners conserve water and prevent water pollution. (pp. 22) [5] |
| · Through employee training, baseline assessments, performance evaluations, and technical support, we helped our suppliers conserve more than 3 billion gallons of water in 2016 alone, increasing average water reuse to 36 percent across 86 sites. (pp. 22) [5] |
| · When we use virgin paper in our packaging, our suppliers must source it from sustainably managed forests or controlled wood sources. And we conduct regular audits to ensure that they adhere to our specifications. (pp. 24) [5] |
| · Our Subject Matter Expert (SME) program covered 138 suppliers in 2016. On average, the facilities that were reassessed saw their year-over-year Labor and Human Rights scores increase from 79 to 87, Health and Safety scores increase from 79 to 91, and Environment scores increase from 67 to 87, on a scale of 100. (pp. 5) [6] |
| · Apple Environmental Health and Safety Academy ("EHS Academy"): By teaching the talent in our supply chain important environment, health, and safety skills, we also help them find opportunities to advance. (pp. 18) [6] |
| · To date, EHS Academy participants have launched over 3300 of these projects at 270 supplier sites, creating real impact outside the classroom. (pp. 18) [6] |
| · Each assessed supplier site is ranked on a 100-point scale based on its performance relative to our Code of Conduct. A score of 90 to 100 is representative of a high performer. A score less than or equal to 59 is representative of a low performer. A score of 60 to 89 is representative of a medium performer. (pp. 27) [6] |
When we assess a supplier’s Code of Conduct performance, we uncover areas for improvement of varying degrees. We categorize our non-compliance findings in three degrees of severity: administrative non-compliance, violations, and core violations. (pp. 28) [6]

Auchan Retail and Alinéa defined their forest policy in 2011 as part of an initiative to protect ancient woodland and forests with high carbon concentrations, with the help of international non-profit organisation The Forest Trust (TFT). (pp. 37) [12]

The Auchan Production teams implemented a rigorous method for the sourcing of palm oil. (pp. 37) [12]

Through its participation in the GSCP since 2009, and its involvement in the work carried out by this programme, Auchan Retail has been able to implement a comprehensive framework of best practices for suppliers in relation to labour and environmental issues. (pp. 43) [12]

Shortening the distances to be covered first calls for lorry loads to be optimised. In China, this led to a 20% increase between 2015 and 2016 in the load ratio of the fleet used by Auchan Retail’s suppliers. (pp. 47) [12]

In Italy, the positions of the depots, transporters and suppliers are triangulated to cut down on fuel, generating a monthly saving on fuel costs of roughly €10,000, passed on by the transporters. (pp. 47) [12]

A multipick system is used in France, Spain, Poland, Romania, Ukraine, Italy and Russia. With this technique, a single lorry is used to collect and transport products from small suppliers within the same geographical region, optimising the routes between these suppliers and ensuring full-load trips. (pp. 47) [12]

As part of the effort to reduce the environmental impact of goods transportation, transporters in most of the countries in which Auchan Retail operates are encouraged to modernise their fleets and to adopt driving behaviours that are more eco-friendly, notably by increasing the use of Euro 5 or even Euro 6 certified vehicles. (pp. 47) [12]

During 2016, the teams at Auchan Production sought to determine Auchan Retail’s “palm oil footprint”. This entailed measuring the palm oil volumes used in the composition of own-brand products and mapping its origin and breakdown by importer and by producer. (pp. 54) [12]

Auchan Retail’s quality engineers have been working with product and packaging suppliers for a number of years to cut down on the use of virgin raw materials in the packaging of own-brand products. (pp. 55) [12]

Reduction of packaging and Eco designing: quality engineers working with product and packaging suppliers. (pp. 55) [12]

The first is to continuously improve, in collaboration with our suppliers, the sustainability profile of the raw materials we use. (pp. 89) [14]

The raw materials we purchase also have a decisive impact on our carbon footprint along the value chain. For this reason, we expect our suppliers and contract partners to set efficiency targets that are as ambitious as our own – and contribute to the reduction of CO2 along the value chain. (pp. 19) [15]

Our six-stage “Sustainable Sourcing Process” is a core element of our supplier assessment approach. This focuses on two main challenges: First, ensuring that all of our suppliers comply with our defined sustainability standards. Second, we aim to purposefully work with our strategic suppliers to continuously improve sustainability standards in our value chain. (pp. 34) [15]
At the Suppliers’ Day in Düsseldorf in June 2017, Henkel entered into a targeted dialog with its most important strategic partners on the subject of sustainable supply chains. The dialog centered on the definition and implementation of a common plan for the sustainability goals through 2020. (pp. 34) [15]

Zero Waste: We drive progress by systematically identifying waste streams and creating closed-loop systems where possible. Our focus lies on increased recycling within our plants, and on collaboration with our packaging suppliers. Our initiatives are centered around four key areas: Reducing material consumption and waste generation, reusing materials, recycling materials, and recovering energy. (pp. 44) [15]

We strive to ensure that all of the materials related to palm oil and palm kernel oil that we buy and use in our products are produced through sustainable practices. (pp. 71) [15]

Our goals for 2020 include ensuring that these oils do not contribute to the deforestation of primary or secondary rainforests with significant ecological value and make a positive impact on both the environment and the people affected by the industry. (pp. 71) [15]

Henkel began to reduce the use of PVC in its packaging back in the 1990s. Our packaging engineers continue to work in close collaboration with our packaging suppliers to find alternative materials. Our goal has always been to find replacements for PVC in all of our packaging material. (pp. 77) [15]

SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development: Cooperation with each and every player of the supply chain is the cornerstone of Inditex’s sustainability strategy. In this sense, we collaborate and maintain strategic alliances not only with our suppliers and manufacturers, but also with stakeholders such as unions, governments, NGOs and relevant international platforms such as the International Labour Organization (ILO), the United Nations Global Compact and the Ethical Trading Initiative, among others. (pp. 58) [19]

Publication of wet process factories. We publish the list of direct and indirect wet process plants (dyeing, tanning, washing, printing) declared by our suppliers, in line with the Right to Know Principle to provide the public with access to information on environmental protection. [Available at www.wateractionplan.com] (pp. 64) [19]

In partnership with its suppliers, NGOs or local experts, the Group develops projects designed to improve producers’ lives, preserve biodiversity and capture or avoid carbon emissions in three ways: improving energy efficiency; promoting low-carbon farming practices, including agro-forestry; managing forests sustainably. (pp. 6) [24]

In 2017, L’Oréal launched a four-year peatland restoration project in Borneo, Indonesia, with one of its palm oil derivative suppliers. (pp. 14) [24]

Since 2013, L’Oréal has encouraged its packaging and raw materials suppliers to participate in CDP’s Water Disclosure Project, a programme whose mission is to engage companies in publishing their water management strategy and performance annually. (pp. 17) [24]

Another strategy in place is “wall-to-wall” production, whereby a packaging production unit managed by a supplier is established on site. This allows the plant to reduce the transport of packaging and the generation of waste linked to transport packaging. (pp. 18) [24]

L’Oréal evaluates and selects its suppliers based on five key elements: quality, CR, innovation, supply chain and service, and competitiveness. These elements form a global assessment framework for all types of purchase. (pp. 24) [24]
· CR policy assessment by Ecovadis - By the end of 2017, more than 480 suppliers, including 153 strategic suppliers were assessed (compared to 303 suppliers, including 137 strategic suppliers in 2016). This represents 87% of the Group’s strategic suppliers. (pp. 24) [24]

· CDP Supply Chain programme: In 2017, 355 L’Oréal suppliers undertook an initiative of this kind (compared to 291 in 2016). By the end of 2017, the suppliers participating in the CDP Supply Chain programme represented 60% of the Group’s direct purchases (compared to 57% in 2016). L’Oréal’s goal is to expand this share to 80% by 2020. (pp. 24) [24]

· Our 2020 commitments: caring for water - engage suppliers, especially in agriculture. (pp. 37) [27]

· Our Integrity Reporting System and our ‘Tell Us’ system allow us to address complaints from employees and external stakeholders. 1725 complaints from employees and 613 complaints from suppliers and other third parties were investigated and remedial action taken this year. (pp. 60) [27]

· Rural development and enhancing livelihoods: 63% of the volume of raw materials were fully traceable and 57% were Responsibly Sourced. (pp. 45) [28]

· Our approach consists of sourcing our most important raw materials and paper in compliance with our Supplier Code and Responsible Sourcing Guideline (RSG) criteria, with traceability and transparency throughout our supply chains. (pp. 51) [28]

· Our results: We have developed proposed interventions and implementation will begin in 2018. 431 000 farmers trained in good agricultural practices. (pp. 53) [28]

· Encouraging intercropping – growing different crops simultaneously – in Vietnam to improve ecosystems and generate new income streams – in some cases doubling their income. (pp. 53) [28]

· The Nescafé Plan: The world’s largest coffee sustainability programme, active in 17 countries, makes Nestlé the largest buyer, by volume, of Responsibly Sourced coffee. (pp. 56) [28]

· The Nespresso AAA Sustainable Quality™ Program: Reaching more than 75 000 farmers in 12 countries, the programme aims to secure supplies of the highest-quality coffee, protect the environment in which it is cultivated and build long-term stability in coffee communities. (pp. 56) [28]

· Entitled The Positive Cup, it details the progress made through Nespresso’s approach to Creating Shared Value. In particular, it focuses on supporting coffee farmers and production, recycling and addressing climate change. (pp. 56) [28]

· Nestlé Cocoa Plan: Nestlé is already committed to eliminating deforestation from our supply chains by 2020. In November, we signed the Cocoa & Forests Initiative Framework of Action. (pp. 57) [28]

· Dairy 4 You: To help continuously improve our milk sourcing operations, with special focus on traceability, trusted milk quality, responsible sourcing and agripreneurship. (pp. 58) [28]

· ‘Tell us’ is our communication channel for external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. ‘Tell us’ was made available to an additional 2900 suppliers in 2017. (pp. 73) [28]

· Through the Sustainable Agriculture Initiative at Nestlé (SAIN), we address water issues and promote remediation measures. Our regional workshops train farmers on key water management challenges, including drought and flooding resilience, wastewater and organic waste treatment, and sustainable agricultural intensification methods. (pp. 84) [28]
Acting on Climate Change: Adaptation: In partnership with several NGOs, we are helping our suppliers adapt to a changing climate by, for example, providing farmers with drought-resistant, high-yield coffee and cocoa plantlets. (pp. 87) [28]

We seek to recover packaging, to prevent it from contaminating natural habitats. Our initiatives involve engaging partners along the value chain – from raw material suppliers to consumers – to improve collection, sorting and recycling infrastructure. (pp. 94) [28]

Protecting natural capital: We also help our suppliers to improve biodiversity through the planting of different species of tree, hedge and shrub. (pp. 98) [28]

The Group involves its supply chain in its approach to reducing environmental impact and commits its suppliers to specifically reducing their air emissions and water footprint. (pp. 11) [33]

We continue to work closely with our suppliers to help them improve energy efficiency and reduce their CO2 footprints. (pp. 29) [38]

Our CO2-neutral Program not only enables us to protect the environment and reduce costs, but also to gain experience and strengthen our expertise in environmentally-friendly technologies that may well be useful for our suppliers and customers. (pp. 29) [38]

Sustainability Self-Assessments are part of the Siemens Supplier Qualification Process, which is regularly reviewed and, if necessary, updated to incorporate new norms and regulations. New potential suppliers go through the qualification process while existing ones are reevaluated every three years. (pp. 42) [38]

Our strongest detection module, the External Sustainability Audit, has proven especially effective. Such audits are conducted by one of our external audit partners, and are used as control mechanisms for high-risk suppliers. In fiscal 2017, we increased the number of conducted external sustainability audits from 320 to 402 – a 26 % increase. (pp. 43) [38]

We have begun to evaluate our CO2 emissions more seriously as they relate to key commodities and specific suppliers; this will help us choose suppliers who can help us decrease CO2 emissions. (pp. 43) [38]

Code: Activity for Ethics

88% of direct material purchasing spend from suppliers having made a CSR self-assessment. (pp. 1) [41]

Supplier Employee Education and Development (“SEED”): In 2016, Apple enrolled 2500 workers in SEED’s higher education degree programs, bringing the total number of participants receiving associate and bachelor’s degrees to more than 10,600 for the program’s history. To date, over 2.1 million workers have participated in SEED, with over 700,000 participants in 2016 alone. (pp. 17) [6]

Each assessed supplier site is ranked on a 100-point scale based on its performance relative to our Code of Conduct. A score of 90 to 100 is representative of a high performer. A score less than or equal to 59 is representative of a low performer. A score of 60 to 89 is representative of a medium performer. (pp. 27) [6]

When we assess a supplier’s Code of Conduct performance, we uncover areas for improvement of varying degrees. We categorize our non-compliance findings in three degrees of severity: administrative non-compliance, violations, and core violations. (pp. 28) [6]
A meeting of all the general secretaries of the committees was held on 3 October 2016. It gave them the opportunity to decide upon the key areas to be focused on in 2017, i.e.:

- Adapting the ethics charters of each country to the company’s new structure and to the requirements of the “Sapin II” law
- Updating the code of business ethics governing Auchan’s relationships with its suppliers. (pp. 41) [12]

- L’Oréal evaluates and selects its suppliers based on five key elements: quality, CR, innovation, supply chain and service, and competitiveness. These elements form a global assessment framework for all types of purchase. (pp. 24) [24]

- We continually strive to meet the highest ethical standards, and insist that our partners and suppliers uphold the same high criteria. (pp. 33) [27]

- Our Integrity Reporting System and our ‘Tell Us’ system allow us to address complaints from employees and external stakeholders. 1725 complaints from employees and 613 complaints from suppliers and other third parties were investigated and remedial action taken this year. (pp. 60) [27]

- Rural development and enhancing livelihoods: 685,000 farmers supplying directly to Nestlé. (pp. 45) [28]

- The Nescafé Plan: The world’s largest coffee sustainability programme, active in 17 countries, makes Nestlé the largest buyer, by volume, of Responsibly Sourced coffee. (pp. 56) [28]

- ‘Tell us’ is our communication channel for external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. ‘Tell us’ was made available to an additional 2900 suppliers in 2017. (pp. 73) [28]

Code: Activity for Health and Safety

- 88% of direct material purchasing spend from suppliers having made a CSR self-assessment (pp. 1) [41]

- We lead audits that inventory chemical purchasing and map chemicals across our supply chain. During these audits, we also review our suppliers’ hazard assessments, industrial hygiene monitoring, risk controls, hazard communication, worker training, medical surveillance records, and chemical spill prevention plans. (pp. 30) [5]

- Our Subject Matter Expert (SME) program covered 138 suppliers in 2016. On average, the facilities that were reassessed saw their year-over-year Labor and Human Rights scores increase from 79 to 87, Health and Safety scores increase from 79 to 91, and Environment scores increase from 67 to 87, on a scale of 100. (pp. 5) [6]

- Since 2008, our suppliers have trained over 11.7 million workers to understand their rights as employees, local laws, health and safety regulations, and the Apple Code of Conduct. (pp. 15) [6]

- Apple Environmental Health and Safety Academy (“EHS Academy”): By teaching the talent in our supply chain important environment, health, and safety skills, we also help them find opportunities to advance. (pp. 18) [6]

- To date, EHS Academy participants have launched over 3300 of these projects at 270 supplier sites, creating real impact outside the classroom. (pp. 18) [6]

- Each assessed supplier site is ranked on a 100-point scale based on its performance relative to our Code of Conduct. A score of 90 to 100 is representative of a high performer. A score less than or equal
to 59 is representative of a low performer. A score of 60 to 89 is representative of a medium performer. (pp. 27) [6]

- When we assess a supplier’s Code of Conduct performance, we uncover areas for improvement of varying degrees. We categorize our non-compliance findings in three degrees of severity: administrative non-compliance, violations, and core violations. (pp. 28) [6]

- As part of a drive to support global improvements in working and safety conditions by forging closer links between suppliers, Auchan Retail has also taken part since 1999 in the work of the Social Clause Initiative (ICS – Initiative Clause Sociale). It is, in fact, a founding member. (pp. 43) [12]

- From the outset, Auchan created a full-time position to follow-up corrective action plans. Through on-site visits, this person provides support to suppliers and ensures that they keep to the commitments made (Accord on Fire & Building Safety). (pp. 43) [12]

- Henkel has been honoring sustainable innovations by its suppliers for five years. In 2017, the Adhesive Technologies business unit awarded the Sustainability Award to BASF for its intensive cooperation in the development of adhesives technologies for improved health protection and safety. (pp. 33) [15]

- Our six-stage “Sustainable Sourcing Process” is a core element of our supplier assessment approach. This focuses on two main challenges: First, ensuring that all of our suppliers comply with our defined sustainability standards. Second, we aim to purposefully work with our strategic suppliers to continuously improve sustainability standards in our value chain. (pp. 34) [15]

- At the Suppliers’ Day in Düsseldorf in June 2017, Henkel entered into a targeted dialog with its most important strategic partners on the subject of sustainable supply chains. The dialog centered on the definition and implementation of a common plan for the sustainability goals through 2020. (pp. 34) [15]

- “Together for Sustainability – The Chemical Initiative for Sustainable Supply Chains” (TfS). It is based on the principles of the United Nations Global Compact and the Responsible Care Initiative of the International Council of Chemical Associations (ICCA). The TfS initiative aims to harmonize the increasingly complex supply chain management processes with regard to sustainability and to optimize the dialog among worldwide business partners. (pp. 36) [15]

- In partnership with its suppliers, NGOs or local experts, the Group develops projects designed to improve producers’ lives, preserve biodiversity and capture or avoid carbon emissions in three ways: improving energy efficiency; promoting low-carbon farming practices, including agro-forestry; managing forests sustainably. (pp. 6) [24]

- Our agripreneurship programme supports the next generation of farmers by providing essential skills training. We offer training to improve agricultural practices, develop alternative income streams and improve dietary diversity. (pp. 32) [27]

- By 2018: Improve food availability and dietary diversity in five priority sourcing locations based upon the results of the Rural Development Framework (RDF) baselines. (pp. 54) [28]

- ‘Tell us’ is our communication channel for external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. ‘Tell us’ was made available to an additional 2900 suppliers in 2017. (pp. 73) [28]

- Alignment of the CSR dashboard with the Group’s Challenges: "Improve the health and safety for all stakeholders". (pp. 108) [33]
We are on a journey to embed sustainability throughout our business and across our supply chain, enabling growth and opportunity for our company and communities in our markets. By working together with local communities, NGOs, suppliers, governments, consumers and beyond, we’re working to create value for all. (pp.3) [2]

88% of direct material purchasing spend from suppliers having made a CSR self-assessment (pp. 1) [41]

Our Subject Matter Expert (SME) program covered 138 suppliers in 2016. On average, the facilities that were reassessed saw their year-over-year Labor and Human Rights scores increase from 79 to 87, Health and Safety scores increase from 79 to 91, and Environment scores increase from 67 to 87, on a scale of 100. (pp. 5) [6]

In 2016, we tracked working hours on a weekly basis at supplier sites that employed nearly 1.2 million workers in our supply chain. We improved upon our previous year’s results by achieving 98 percent working hours compliance across all workweeks. (pp. 9) [6]

Since 2008, our suppliers have trained over 11.7 million workers to understand their rights as employees, local laws, health and safety regulations, and the Apple Code of Conduct. (pp. 15) [6]

With a goal of giving workers a platform to speak up if they believe their rights have been violated, Apple provided survey access at supplier sites allowing workers a way to anonymously report grievances. (pp. 20) [6]

The program began with three facilities in 2014, and has now grown to 29 locations, including final assembly sites and component manufacturing locations. In 2016, we received more than 22,000 survey responses. (pp. 20) [6]

Each assessed supplier site is ranked on a 100-point scale based on its performance relative to our Code of Conduct. A score of 90 to 100 is representative of a high performer. A score less than or equal to 59 is representative of a low performer. A score of 60 to 89 is representative of a medium performer. (pp. 27) [6]

When we assess a supplier’s Code of Conduct performance, we uncover areas for improvement of varying degrees. We categorize our non-compliance findings in three degrees of severity: administrative non-compliance, violations, and core violations. (pp. 28) [6]

Through its participation in the GSCP since 2009, and its involvement in the work carried out by this programme, Auchan Retail has been able to implement a comprehensive framework of best practices for suppliers in relation to labour and environmental issues. (pp. 43) [12]

The hypermarkets and supermarkets in all the Auchan Retail countries are building an offer of local products, grown and/or manufactured near the stores, via direct partnerships with small producers. (pp. 45) [12]

The first is to continuously improve, in collaboration with our suppliers, the sustainability profile of the raw materials we use. (pp. 89) [14]

Our six-stage “Sustainable Sourcing Process” is a core element of our supplier assessment approach. This focuses on two main challenges: First, ensuring that all of our suppliers comply with our defined sustainability standards. Second, we aim to purposefully work with our strategic suppliers to continuously improve sustainability standards in our value chain. (pp. 34) [15]
· At the Suppliers’ Day in Düsseldorf in June 2017, Henkel entered into a targeted dialog with its most important strategic partners on the subject of sustainable supply chains. The dialog centered on the definition and implementation of a common plan for the sustainability goals through 2020. (pp. 34) [15]

· We strive to ensure that all of the materials related to palm oil and palm kernel oil that we buy and use in our products are produced through sustainable practices. (pp. 71) [15]

· Our goals for 2020 include ensuring that these oils do not contribute to the deforestation of primary or secondary rainforests with significant ecological value and make a positive impact on both the environment and the people affected by the industry. (pp. 71) [15]

· Our strategy for supply chain sustainability aims to create sustainable production environments in which the Human and Labour Rights of the workers of our suppliers are promoted and respected. (pp. 57) [19]

· In 2016, the Inditex Group worked with 1,805 suppliers in 53 countries; these suppliers used 6,959 factories for our production. Each of these countries has different social, cultural, and developmental circumstances. And although Inditex’s ability to influence them is, in most cases, very limited, our involvement in contributing positively is absolute. (pp. 58) [19]

· SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development: Cooperation with each and every player of the supply chain is the cornerstone of Inditex’s sustainability strategy. In this sense, we collaborate and maintain strategic alliances not only with our suppliers and manufacturers, but also with stakeholders such as unions, governments, NGOs and relevant international platforms such as the International Labour Organization (ILO), the United Nations Global Compact and the Ethical Trading Initiative, among others. (pp. 58) [19]

· Promotion of initiatives that favour decent wages. At Inditex, we work with IndustriALL and other brands on initiatives such as ACT (Action, Collaboration, Transformation) whose objective is to address the issue of living wages in the textile and clothing sector by improving the conditions for dialogue and collective bargaining. (pp. 64) [19]

· The relationship between inditex’s local teams and industriALL’s delegations is continuous, which allows us to approach the workers and learn their needs and expectations. (pp. 64) [19]

· Sustainability Indicators – Sustainable Management of the Supply Chain: Number of pre-assessment audits; number of social audits; number of special audits; and number of traceability audits (pp. 208) [19]

· In partnership with its suppliers, NGOs or local experts, the Group develops projects designed to improve producers’ lives, preserve biodiversity and capture or avoid carbon emissions in three ways: improving energy efficiency; promoting low-carbon farming practices, including agro-forestry; managing forests sustainably. (pp. 6) [24]

· L’Oréal evaluates and selects its suppliers based on five key elements: quality, CR, innovation, supply chain and service, and competitiveness. These elements form a global assessment framework for all types of purchase. (pp. 24) [24]

· Responsible sourcing in pet food: in partnership with the Thai Government and a supplier, we have developed a showcase vessel. It is used in trainings to address labour rights abuses in the seafood industry. (pp. 33) [27]

· Our Integrity Reporting System and our ‘Tell Us’ system allow us to address complaints from employees and external stakeholders. 1725 complaints from employees and 613 complaints from suppliers and other third parties were investigated and remedial action taken this year. (pp. 60) [27]
- Rural development and enhancing livelihoods: 685,000 farmers supplying directly to Nestlé. (pp. 45) [28]

- Building on our experience of conducting human rights impact assessments across our global operations, in August 2017 we undertook our first upstream supply chain assessment focused on labour rights in our palm oil supply chain. (pp. 48) [28]

- In 2015, Nestlé launched an action plan detailing our commitment to eliminating labour and human rights abuses in the Thai seafood supply chain. (pp. 49) [28]

- The Nescafé Plan: The world’s largest coffee sustainability programme, active in 17 countries, makes Nestlé the largest buyer, by volume, of Responsibly Sourced coffee. (pp. 56) [28]

- Nestlé Cocoa Plan: We work closely with the International Cocoa Initiative (ICI) to identify the challenges of, and solutions for, child labour. Our Child Labour Monitoring and Remediation System (CLMRS) grew further in Côte d’Ivoire and Ghana in 2017, and now includes 65,486 farmers in 95 cooperatives. (pp. 57) [28]

- Taking action with our partners: We continue to work with our global and local partners and have intensified our investment and activities with the ILO, the Turkish Ministry of Labour, local suppliers Olam and Balsu, trade association CAOBISCO, and international and local NGOs. (pp. 61) [28]

- ‘Tell us’ is our communication channel for external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. ‘Tell us’ was made available to an additional 2,900 suppliers in 2017. (pp. 73) [28]

- We request all our suppliers respect and comply with our ethical standards and codes, and to report any instances of non-compliance through our internal and external grievance mechanism: the Nestlé Integrity Reporting System and ‘Tell us’ system. (pp. 100) [28]

- Responsible Purchasing: Proportion of suppliers per CSR performance level (evaluation includes in particular human rights, working conditions, fight against corruption, against forced labor, against child labor, etc.). (pp. 121) [33]

- SDG 4 medium impact: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. “In addition, training of customers and suppliers is high on our agenda.” (pp. 8) [38]

- The “Tell us” whistleblowing system and the company ombudsman offer two secure reporting channels for employees and external stakeholders to report violations of external and internal rules. (pp. 40) [38]

- In fiscal 2017, 667 compliance cases requiring further inquiries or investigations came through them. We believe that the decrease from the 675 in fiscal 2016 lies within the normal range of variation. (pp. 40) [38]

- Sustainability Self-Assessments are part of the Siemens Supplier Qualification Process, which is regularly reviewed and, if necessary, updated to incorporate new norms and regulations. New potential suppliers go through the qualification process while existing ones are reevaluated every three years. (pp. 42) [38]

- Our strongest detection module, the External Sustainability Audit, has proven especially effective. Such audits are conducted by one of our external audit partners, and are used as control mechanisms for high-risk suppliers. In fiscal 2017, we increased the number of conducted external sustainability audits from 320 to 402 – a 26 % increase. (pp. 43) [38]
"Developing Sustainability with Suppliers": 2017 Results and targets for 2020. Our dedicated online training platform was launched at the end of October 2016. It will firstly be made available to strategic suppliers, before being gradually implemented more broadly. (pp. 9) [24]

"Growing for a dream": focus on SME to improve their business in South America. (pp. 35) [1]

"Producción Controlada" in Spain to increase the quality of SMEs suppliers. (pp. 46) [12]

"Romania Accelerates" program to facilitate the exportation of romanians products. (pp. 46) [12]

"SDG 9 high impact: build resilient infrastructure; promote inclusive and sustainable industrialization and foster innovation. A large part of our customers and suppliers are small and medium-sized enterprises (SMEs). We believe in international partnerships as key to innovations that make real what matters. (pp. 7) [38]

A word from the President: “Our DNA is to be “Customer focus”, for professionals and individuals alike. To do so, digital is a big opportunity to reach all customers in a most efficient way while improving the sector internal efficiency and transforming our relationship with our suppliers.” (pp. 45) [33]

All purchasing activities are being executed within the boundaries of our Sustainability principles. They are the guiding principles for our supply chain management and an integral part of all relevant supplier management processes – such as supplier selection, supplier qualification and evaluation, and supplier development. (pp. 41) [38]

Another strategy in place is “wall-to-wall” production, whereby a packaging production unit managed by a supplier is established on site. This allows the plant to reduce the transport of packaging and the generation of waste linked to transport packaging. (pp. 18) [24]

As part of our commitment to help communities thrive, we have a responsibility to help the small businesses in our supply chain. From the suppliers that help power our production to the retailers that connect with our consumers every day, small businesses play a vital role as an engine of economic growth and employment. (pp. 35) [1]

Auchan Retail France has signed up to the Ubizz supplier listing platform created by the Pas@pas association, which encourages integrated sector procurement. (pp. 40) [12]

Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Traceability of the Supply Chain. GRI 103 and 308 (pp. 342) [19]

Building long-term partnerships with our suppliers supports cost efficiency, high quality and secures delivery of our products and services. Volvo Group expects its suppliers to be competitive and responsible all the way from project planning to production and delivery to our plants as well as supporting our service offer for the complete product life cycle. (pp. 48) [41]

By 2018: Improve farm economics in seven priority sourcing locations based on the results of the RDF baselines. Farm economics comprises the following four factors on which Nestlé will focus: productivity, quality, costs and price premiums. (pp. 53) [28]

Communication to IndustriALL Global Union of the Inditex supply chain. We regularly share the complete list of our supply chain at all levels and processes with IndustriALL, including purchasing volumes and sustainability compliance levels. (pp. 61) [19]

Dairy 4 You: To help continuously improve our milk sourcing operations, with special focus on traceability, trusted milk quality, responsible sourcing and agripreneurship. (pp. 58) [28]

Digitizing supplier processes means centralizing and automating the Purchasing Department. Standard tasks have been automated by means of electronic auctions, with the use of online tools.
Campaigns to monitor suppliers’ e-reputation have also been undertaken, with significant outcomes, to identify potential problems and promote a policy of responsible purchasing. (pp. 57) [33]

| · | During onsite facility audits, a supplier’s operations and management systems are thoroughly evaluated on more than 500 data points corresponding to our Code of Conduct. (pp. 4) [6] |
| · | Each assessed supplier site is ranked on a 100-point scale based on its performance relative to our Code of Conduct. A score of 90 to 100 is representative of a high performer. A score less than or equal to 59 is representative of a low performer. A score of 60 to 89 is representative of a medium performer. (pp. 27) [6] |
| · | Encouraging intercropping – growing different crops simultaneously – in Vietnam to improve ecosystems and generate new income streams – in some cases doubling their income. (pp. 53) [28] |
| · | Entitled The Positive Cup, it details the progress made through Nespresso’s approach to Creating Shared Value. In particular, it focuses on supporting coffee farmers and production, recycling and addressing climate change. (pp. 56) [28] |
| · | Improving production site traceability is one of the key objectives of Auchan Retail’s responsible sourcing policies. The company endeavours to obtain the fullest picture possible of its suppliers’ production sites so that it can implement appropriate evaluation processes. (pp. 42) [12] |
| · | In 2016, nearly 30 percent of our assessments involved new suppliers. Our discussions with these supplier partners begin with a new supplier onboarding process, where we visit their facilities in person to review our Code of Conduct, share best practices across our supplier base, and give them a head start on developing successful management systems. (pp. 4) [6] |
| · | In 2016, Volvo Group recognized 11 companies who received the Volvo Group Purchasing Supplier Award for their commitment to performance excellence and continuous improvement. (pp. 49) [41] |
| · | In 2017, we further digitized our interactions with customers, consumers, business partners and suppliers along the entire value chain. Digitally driven sales increased double-digit across all our business units. We also focused on leveraging the full potential of Industry 4.0 for Henkel and progressed the digitalization of our integrated Global Supply Chain. (pp. 4) [14] |
| · | In Italy, more than 1,200 products sourced from 145 SMEs have been listed by the export office. A special website was launched during the year to render the products more visible and to facilitate a connection between producers and Auchan Retail. (pp. 46) [12] |
| · | In partnership with its suppliers, NGOs or local experts, the Group develops projects designed to improve producers’ lives, preserve biodiversity and capture or avoid carbon emissions in three ways: improving energy efficiency; promoting low-carbon farming practices, including agro-forestry; managing forests sustainably. (pp. 6) [24] |
| · | In Vietnam, we have been monitoring coffee farmers’ adoption of the Nescafé Better Farming Practices and assessing the impact on their income and livelihoods. Through adopting these tools, coffee farmers have increased their incomes by up to 24% over five years. (pp. 53) [28] |
| · | Innovation partnerships with suppliers to accelerate product and technology development. (pp. 40) [28] |
| · | L’Oréal evaluates and selects its suppliers based on five key elements: quality, CR, innovation, supply chain and service, and competitiveness. These elements form a global assessment framework for all types of purchase. (pp. 24) [24] |
| · | Likewise, we have a number of innovation partnerships with ingredient suppliers and equipment manufacturing companies to accelerate product and technology development. (pp. 11) [27] |
· List of tools for dialogue with suppliers including: frequency, goals, main commitment and example of Supplier. (pp. 28) [19]

· Managing Supply Chain Quality: By conducting research and collaborating with suppliers, we are reducing food safety risks. In 2017, we rolled out our global Nestlé Food Fraud Prevention Programme, built on the pillars of awareness, our prevention system and prevention plans. (pp. 103) [28]

· Nestlé Cocoa Plan: As the programme becomes established, we are evolving training methods to include coaching, business training and a differentiated approach for the best farmers. (pp. 57) [28]

· One of the most successful examples of SmartBarley in action comes from Mexico, where, in 2015, we announced that all barley required to meet our local malt house capacity would be sourced locally by 2017. We’ve gone from sourcing 70% of barley locally in 2014 to 86% in 2016 and we’re on track to achieve 100% local sourcing by 2017. (pp. 10) [2]

· Purchasing Department: Completion of more than 12,000 individual purchaser actions in 2017. 15 internal audit assignments on local and technical purchases. (pp. 194) [33]

· Purchasing Department: Manage the World-Class Purchasing program, an approach focusing on purchasing performance, department professionalization and supplier innovation. (pp. 194) [33]

· Reduction of packaging and Eco designing: quality engineers working with product and packaging suppliers. (pp. 55) [12]

· Rural development and enhancing livelihoods: 118,426 coffee farmers were provided with technical assistance. (pp. 45) [28]

· Saint-Gobain participates to economic and industrial dynamics in regions where the Group has established sites, as well as in suppliers’ labor pools. Saint-Gobain’s employment footprint can thus be calculated at three levels: 170,500 direct jobs, 549,200 indirect jobs and 190,870 induced jobs. (pp. 89) [33]

· SmartBarley enables farmers to benchmark their barley practices and performance across our global grower network, exchanging best practices that drive improved productivity and environmental practices. By the end of 2016, over 4,500 growers had participated in the program. (pp. 9) [2]

· Supplier quality audits include questions about sustainability that cover all aspects and requirements of the Code. In fiscal 2017, we conducted 941 on-site audits worldwide and almost reached our performance from last year. (pp. 42) [38]

· The Auchan Retail hypermarkets in Russia hold “local supplier” conventions in the cities in which they operate with a view to expanding their range of locally-sourced products. (pp. 45) [12]

· The clusters offer spaces for cooperation and are designed to promote a sustainable and productive environment in geographic areas that are strategic to the development of Inditex’s business model. We currently have twelve supplier clusters: Spain, Portugal, Morocco, Turkey, India, Bangladesh, Vietnam, China, Cambodia, Brazil, Argentina and, since 2016, Pakistan. (pp. 58) [19]

· The Escuela Nescafé (Nescafé School) in Mexico, a one-week training programme for farmers to develop business and planning skills, and the Aula Virtual Nescafé, an online e-learning platform. (pp. 53) [28]

· The hypermarkets in Ukraine have developed a special type of partnership arrangement that goes further than simply listing local producers’ products. They have set up a training programme with the IFC44 to help producers acquire their own quality management and food safety systems. (pp. 45) [12]

· The Nespresso AAA Sustainable Quality™ Program: Reaching more than 75,000 farmers in 12 countries, the programme aims to secure supplies of the highest-quality coffee, protect the environment in which it is cultivated and build long-term stability in coffee communities. (pp. 56) [28]
The Solidarity Sourcing programme: In 2017, it enabled 48,692 people from communities facing social or financial challenges to gain access to or retain a job and a decent income. This result represents an increase of 15%, or 6,192 more beneficiaries than in 2016. (pp. 23) [24]

We also avoid becoming dependent on individual suppliers to better secure the constant supply of the goods and services that we require. Finally, close collaboration with our strategic suppliers plays an exceptionally important role in our risk management. (pp. 98) [14]

We are also continuing to progress the digitalization of our purchasing activities. For example, we optimized collaboration with our strategic suppliers through digital communication platforms and increased transparency along the value chain through new digital applications. (pp. 84) [14]

When we assess a supplier’s Code of Conduct performance, we uncover areas for improvement of varying degrees. We categorize our non-compliance findings in three degrees of severity: administrative non-compliance, violations, and core violations. (pp. 28) [6]

Conserving energy and lowering our carbon footprint: We also require suppliers to measure and commit to reducing their energy use in manufacturing and transportation. (pp. 34) [1]

When it comes to the Volvo Group’s expectations on suppliers the principles and minimum standards of responsible behavior are set out in our Code of Conduct. Since 1996, our responsible purchasing program has consistently increased supplier requirements related to environmental issues, business ethics and human rights. (pp. 48) [41]

Our suppliers of automotive components are required to have a third-party certified environmental and quality management system. Around 73% of the Volvo Group spending on automotive products comes from suppliers that are certified in accordance with ISO 14001 or its equivalent. (pp. 48) [41]

Number of CSR Supplier Assessment since 2012 to 2016. (pp. 48) [41]

Our Supplier Code of Conduct outlines our standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. We demand that all suppliers doing business with Apple affirmatively agree to adhere to our Code of Conduct and supporting standards. (pp. 3) [6]

In 2010, we were the first to map our supply chain to the smelter level for tin, tantalum, tungsten, and gold (3TG). In 2015, we added cobalt. For the second year in a row, 100 percent of our 3TG smelters and refiners are participating in an independent third-party audit. We now require our cobalt smelter and refiner partners to assess and manage risks in their own operations, and 100 percent of our cobalt suppliers are participating in independent third-party audits as well. (pp. 22) [6]

It (Auchan Retail) notably requires that the tuna it purchases be fully traceable (fishing zone, species, method of capture and fishing fleet) and undertakes to support and promote the scientific evidence relied upon by RFMOs to manage tuna stocks and their eco-system. (pp. 53) [12]

Binding supplier code: Compliance with the cross-sector Code of Conduct of the German Association of Materials Management, Purchasing, and Logistics (BME) is mandatory for all of Henkel’s suppliers worldwide. Henkel joined the BME in 2009, as its code is based on the 10 principles of the United Nations Global Compact and can therefore be used internationally. (pp. 33) [15]
We also follow a Code of Conduct and Responsible Practices and a Code of Conduct for manufacturers and Suppliers, all of which bring together the values and principles that guide our activities and ensure accountability for our supply chain. (pp. 28) [19]

Global Environmental Sustainability Strategy, including Water, Energy and Biodiversity strategies. (pp. 60) [19]

"Developing Sustainability with Suppliers": 2017 Results and targets for 2020. 82% of the Group’s strategic suppliers have been assessed and selected to date on the basis of their environmental and social performance (pp. 9) [24]

L’Oréal uses the deforestation risk evaluation tool devised by the NGO Global Forest Watch. All the Group’s direct suppliers are also assessed in line with the Sustainable Palm Index, which was established in 2016 and made available to all industry players in 2017. (pp. 14) [24]

100% of supplies of palm oil, palm oil derivatives and palm kernel oil derivatives have been certified sustainable as per RSPO criteria since 2012. (pp. 14) [24]

The same is true for the Group’s Responsible Purchasing policy, the purpose of which is to control and reduce the environmental, social and societal risks to its supply chain. It is built on two pillars, the Purchasers Charter and the Suppliers Charter. (pp. 70) [33]

Responsible use of water forms an integral part of the Code of Conduct of Siemens Suppliers Compliance with the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries. (pp. 41) [38]

According to our Sustainability principles, all suppliers must adhere to the Code. Among other things, they agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and establish zero-tolerance policies for corruption and bribery. (pp. 42) [38]

United Nations Water mandate. The environmental requirements that our suppliers must fulfill are defined in our Code of Conduct for Siemens Suppliers. The responsible use of water forms an integral part of this code. (pp. 59) [38]

Code: Requirement for Ethics

When it comes to the Volvo Group’s expectations on suppliers the principles and minimum standards of responsible behavior are set out in our Code of Conduct. Since 1996, our responsible purchasing program has consistently increased supplier requirements related to environmental issues, business ethics and human rights. (pp. 48) [41]

Number of CSR Supplier Assessment since 2012 to 2016. (pp. 48) [41]

Our Supplier Code of Conduct outlines our standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. We demand that all suppliers doing business with Apple affirmatively agree to adhere to our Code of Conduct and supporting standards. (pp. 3) [6]

We request all our suppliers respect and comply with our ethical standards and codes, and to report any instances of non-compliance through our internal and external grievance mechanism: the Nestlé Integrity Reporting System and ‘Tell us’ system. (pp. 100)

We require suppliers and business partners to meet our standards of conduct, including those for anti-corruption and fair competition. (pp. 37) [38]

Compliance figures of the Code of conduct for suppliers and business partners. (pp. 40) [38]
According to our Sustainability principles, all suppliers must adhere to the Code. Among other things, they agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and establish zero-tolerance policies for corruption and bribery. (pp. 42) [38]

Code: Requirements for Health and Safety

- Both Volvo Group and its suppliers must comply with the EU requirements on chemicals and harmful substances, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) legislation. Suppliers must also meet additional requirements on chemicals from the Volvo Group. (pp. 48) [41]

- Number of CSR Supplier Assessment since 2012 to 2016. (pp. 48) [41]

- We also work to protect the health and safety of the people who work in our supply chain. The standards we set for our suppliers go far beyond what’s required by law, like our Regulated Substances Specification (RSS) list, which identifies the toxic chemicals we limit or prohibit in our manufacturing processes and products. (pp. 30) [5]

- Our Supplier Code of Conduct outlines our standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. We demand that all suppliers doing business with Apple affirmatively agree to adhere to our Code of Conduct and supporting standards. (pp. 3) [6]

- Inditex product health and safety standards Clear to Wear (CtW) and Safe to Wear (StW) (pp. 60) [19]

- Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Health and Safety at suppliers and Manufactures. GRI 103 and 414 (pp. 341) [19]

- The Group informs its suppliers of its uses of substances, for them to be taken into account in their registration files. It also systematically incorporates the REACH clause, reviewed in 2017, into all the purchase contracts in order to ensure the regulatory compliance of its suppliers. (pp. 82) [33]

- "During their qualification process, suppliers must reveal whether their product parts, components, and/or compositions contain substances on the Siemens global List of Declarable Substances (LoDS), (pp. 35) [38]

- According to our Sustainability principles, all suppliers must adhere to the Code. Among other things, they agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and establish zero-tolerance policies for corruption and bribery. (pp. 42) [38]

Code: Requirement for Human Rights

- Our commitment to upholding human rights extends to our supply chain. We require our suppliers to commit to our Global Responsible Sourcing Policy through our contracting process. (pp. 39) [1]

- During 2017, we established a supplier prequalification process that assesses suppliers’ performance against this policy and triggers third-party audits if a supplier is identified as high risk. (pp. 39) [1]
To support this process, we developed tools leveraging data from the International Trade Union Confederation’s Global Rights Index, the Trafficking of Persons Index, UNICEF and other sources. Based on these audits, we provide suppliers with a corrective action plan that we monitor over time. (pp. 39) [1]

When it comes to the Volvo Group’s expectations on suppliers the principles and minimum standards of responsible behavior are set out in our Code of Conduct. Since 1996, our responsible purchasing program has consistently increased supplier requirements related to environmental issues, business ethics and human rights. (pp. 48) [41]

Number of CSR Supplier Assessment since 2012 to 2016. (pp. 48) [41]

Our Supplier Code of Conduct outlines our standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. We demand that all suppliers doing business with Apple affirmatively agree to adhere to our Code of Conduct and supporting standards. (pp. 3) [6]

Bonded labor is a core violation of Apple’s Code of Conduct and we have zero tolerance for it. If a case is found, we require the supplier to repay all recruitment fees back to the worker. In 2016, uncovered violations resulted in US$2.6 million being repaid to over 1000 supplier employees. To date, a total of US$28.4 million has been repaid to over 34,000 workers. (pp. 7) [6]

In 2016, we assessed 705 facilities that employ nearly 1.2 million people and found one underage worker, a 15½-year-old who had been working in a manufacturing facility in China, where the legal working age is 16. We required the supplier to provide safe passage home for the underage worker, and to continue paying their wages. (pp. 9) [6]

The company’s policy and the action it has undertaken comply with the principles of the 1948 Universal Declaration of Human Rights, the ILO’s 1988 Declaration on Fundamental Principles and Rights and the OECD’s 35 guiding principles. It requires suppliers to respect its principles, as well as the local laws in force in the countries in which they manufacture. (pp. 40) [12]

Number of internal labour audits carried out in 2016 & Number of internal quality audits carried out in 2016. (pp. 42) [12]

Binding supplier code: Compliance with the cross-sector Code of Conduct of the German Association of Materials Management, Purchasing, and Logistics (BME) is mandatory for all of Henkel’s suppliers worldwide. Henkel joined the BME in 2009, as its code is based on the 10 principles of the United Nations Global Compact and can therefore be used internationally. (pp. 33) [15]

In some countries, the mining of cassiterite (the main source of tin) is associated with military conflicts and human rights violations. For this reason, in recent years, we have repeatedly reviewed our direct suppliers of metals and requested them to supply documentary evidence that they do not purchase or process metals from critical regions. (pp. 36) [15]

We also follow a Code of Conduct and Responsible Practices and a Code of Conduct for manufacturers and Suppliers, all of which bring together the values and principles that guide our activities and ensure accountability for our supply chain. (pp. 28) [19]

Our work in the supply chain seeks to create a sustainable production environment in the countries where we operate, one that stands for the promotion and respect of human rights, as established by the UN Guiding Principles on Business and Human Rights. Thus, at Inditex, we work to contribute to the Sustainable Development Agenda, especially in those Development Goals (SDGs) that most affect our supply chain. (pp. 58) [19]
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all: Inditex’s supply chain comprises over 6,900 factories which employ over 1.5 million people. Inditex’s positive impact on promoting decent work for them is highly relevant. On the one hand, Inditex has a Code of Conduct for Manufacturers and Suppliers that is binding for its entire supply chain, which establishes standards such as the prohibition of child labour, prohibition of forced labour or freedom of association, among others. On the other hand, all the programmes and projects are developed by and for the workers. (pp. 58) [19]

- Each and every one of the suppliers in the Inditex supply chain is subject to policies and standards such as: Inditex Policy on Human Rights (pp. 60) [19]

- Inditex Code of Conduct for Manufacturers and Suppliers (pp. 60) [19]

- Sustainability Indicators – Sustainable Management of the Supply chain: Number of supplier A, B, C, CAP and PR according to their compliance with the Code of Conduct. (pp. 208) [19]

- Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Human Rights and industrial relations in the supply chain. GRI 103, 408, 409 and 412 (pp. 341) [19]

- Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Responsible Purchasing Practices. GRI 103 (pp. 342) [19]

- "Developing Sustainability with Suppliers": 2017 Results and targets for 2020. 82% of the Group’s strategic suppliers have been assessed and selected to date on the basis of their environmental and social performance (pp. 9) [24]

- 100% of supplies of palm oil, palm oil derivatives and palm kernel oil derivatives have been certified sustainable as per RSPO criteria since 2012. (pp. 14) [24]

- We request all our suppliers respect and comply with our ethical standards and codes, and to report any instances of non-compliance through our internal and external grievance mechanism: the Nestlé Integrity Reporting System and ‘Tell us’ system. (pp. 100) [28]

- Specific reporting has been introduced to measure the results of the actions undertaken to promote the respect for fundamental human rights and to demonstrate to operational managers the Group’s determination to ensure that its fundamental values are applied and respected. This measure is extended to Saint-Gobain suppliers by the observance of its Responsible Purchasing policy. (pp. 65) [33]

- The same is true for the Group’s Responsible Purchasing policy, the purpose of which is to control and reduce the environmental, social and societal risks to its supply chain. It is built on two pillars, the Purchasers Charter and the Suppliers Charter. (pp. 70) [33]

- Integration of the United Nations Sustainable Development Goals (SDG): “Act according to ethical and responsible practices”. Connect our suppliers in a responsible supply chain (pp. 111) [33]

- According to our Sustainability principles, all suppliers must adhere to the Code. Among other things, they agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and establish zero-tolerance policies for corruption and bribery. (pp. 42) [38]
Our suppliers of automotive components are required to have a third-party certified environmental and quality management system. Around 73% of the Volvo Group spending on automotive products comes from suppliers that are certified in accordance with ISO 14001 or its equivalent. (pp. 48) [41]

The Code of Conduct assessment includes a requirement for an action plan if a supplier does not fulfill critical aspects. (pp. 49) [41]

Our Supplier Code of Conduct outlines our standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. We demand that all suppliers doing business with Apple affirmatively agree to adhere to our Code of Conduct and supporting standards. (pp. 3) [6]

With the help of a special web portal, each supplier is required to report its production sites and whether it is using a subcontractor, for every order fulfilled. Random checks are carried out to verify the truthfulness of these reports. A supplier is immediately delisted if they are found to have used a subcontractor and not reported it. (pp. 42) [12]

In 2016, the pre-assessment audit system, which constitutes the first evaluation of the conditions of each factory, was fully integrated into our corporate systems. This ensures traceability from the start and guarantees that both supplier and purchasing teams are aware of the result and the access, or non-access, to our supply chain. (pp. 60) [19]

This risk-based analysis includes data obtained from supplier self-assessments, risk evaluations conducted by our purchasing departments, supplier quality audits by internal quality auditors, and sustainability audits by external auditors. (pp. 42) [38]

During 2017, we established a supplier prequalification process that assesses suppliers’ performance against this policy and triggers third-party audits if a supplier is identified as high risk. (pp. 39) [1]

To support this process, we developed tools leveraging data from the International Trade Union Confederation’s Global Rights Index, the Trafficking of Persons Index, UNICEF and other sources. Based on these audits, we provide suppliers with a corrective action plan that we monitor over time. (pp. 39) [1]

Our suppliers of automotive components are required to have a third-party certified environmental and quality management system. Around 73% of the Volvo Group spending on automotive products comes from suppliers that are certified in accordance with ISO 14001 or its equivalent. (pp. 48) [41]

Number of CSR Supplier Assessment since 2012 to 2016. (pp. 48) [41]

The Code of Conduct assessment includes a requirement for an action plan if a supplier does not fulfill critical aspects. (pp. 49) [41]
By the end of 2016, we conducted 34 energy audits at supplier facilities. These audits identified over $55 million in annual savings opportunities, with an average payback period of about 1.4 years.

When we use virgin paper in our packaging, our suppliers must source it from sustainably managed forests or controlled wood sources. And we conduct regular audits to ensure that they adhere to our specifications. (pp. 24) [5]

We lead audits that inventory chemical purchasing and map chemicals across our supply chain. During these audits, we also review our suppliers’ hazard assessments, industrial hygiene monitoring, risk controls, hazard communication, worker training, medical surveillance records, and chemical spill prevention plans. (pp. 30) [5]

During onsite facility audits, a supplier’s operations and management systems are thoroughly evaluated on more than 500 data points corresponding to our Code of Conduct. (pp. 4) [6]

In 2016, nearly 30 percent of our assessments involved new suppliers. Our discussions with these supplier partners begin with a new supplier onboarding process, where we visit their facilities in person to review our Code of Conduct, share best practices across our supplier base, and give them a head start on developing successful management systems. (pp. 4) [6]

In 2016, we assessed 705 facilities that employ nearly 1.2 million people and found one underage worker, a 15½-year-old who had been working in a manufacturing facility in China, where the legal working age is 16. We required the supplier to provide safe passage home for the underage worker, and to continue paying their wages. (pp. 9) [6]

In 2010, we were the first to map our supply chain to the smelter level for tin, tantalum, tungsten, and gold (3TG). In 2015, we added cobalt. For the second year in a row, 100 percent of our 3TG smelters and refiners are participating in an independent third-party audit. We now require our cobalt smelter and refiner partners to assess and manage risks in their own operations, and 100 percent of our cobalt suppliers are participating in independent third-party audits as well. (pp. 22) [6]

Each assessed supplier site is ranked on a 100-point scale based on its performance relative to our Code of Conduct. A score of 90 to 100 is representative of a high performer. A score less than or equal to 59 is representative of a low performer. A score of 60 to 89 is representative of a medium performer. (pp. 27) [6]

When we assess a supplier’s Code of Conduct performance, we uncover areas for improvement of varying degrees. We categorize our non-compliance findings in three degrees of severity: administrative non-compliance, violations, and core violations. (pp. 28) [6]

With the help of a special web portal, each supplier is required to report its production sites and whether it is using a subcontractor, for every order fulfilled. Random checks are carried out to verify the truthfulness of these reports. A supplier is immediately delisted if they are found to have used a subcontractor and not reported it. (pp. 42) [12]

Number of internal labour audits carried out in 2016 & Number of internal quality audits carried out in 2016. (pp. 42) [12]

From the outset, Auchan created a full-time position to follow-up corrective action plans. Through on-site visits, this person provides support to suppliers and ensures that they keep to the commitments made (Accord on Fire & Building Safety). (pp. 43) [12]

In order to minimize the risk of supplier default, we stipulate supplier default clauses and perform detailed risk assessments of suppliers to determine their financial stability. (pp. 85) [14]

Our six-stage “Sustainable Sourcing Process” is a core element of our supplier assessment approach. This focuses on two main challenges: First, ensuring that all of our suppliers comply with
our defined sustainability standards. Second, we aim to purposefully work with our strategic suppliers to continuously improve sustainability standards in our value chain. (pp. 34) [15]

- In some countries, the mining of cassiterite (the main source of tin) is associated with military conflicts and human rights violations. For this reason, in recent years, we have repeatedly reviewed our direct suppliers of metals and requested them to supply documentary evidence that they do not purchase or process metals from critical regions. (pp. 36) [15]

- In 2016, the pre-assessment audit system, which constitutes the first evaluation of the conditions of each factory, was fully integrated into our corporate systems. This ensures traceability from the start and guarantees that both supplier and purchasing teams are aware of the result and the access, or non-access to our supply chain. (pp. 60) [19]

- Communication to IndustriALL Global Union of the Inditex supply chain. We regularly share the complete list of our supply chain at all levels and processes with IndustriALL, including purchasing volumes and sustainability compliance levels. (pp. 61) [19]

- Sustainability Indicators – Sustainable Management of the Supply Chain: Number of pre-assessment audits; number of social audits; number of special audits; and number of traceability audits (pp. 208) [19]

- "Developing Sustainability with Suppliers": 2017 Results and targets for 2020. 82% of the Group’s strategic suppliers have been assessed and selected to date on the basis of their environmental and social performance (pp. 9) [24]

- L’Oréal uses the deforestation risk evaluation tool devised by the NGO Global Forest Watch. All the Group’s direct suppliers are also assessed in line with the Sustainable Palm Index, which was established in 2016 and made available to all industry players in 2017. (pp. 14) [24]

- L’Oréal evaluates and selects its suppliers based on five key elements: quality, CR, innovation, supply chain and service, and competitiveness. These elements form a global assessment framework for all types of purchase. (pp. 24) [24]

- CR policy assessment by Ecovadis - By the end of 2017, more than 480 suppliers, including 153 strategic suppliers were assessed (compared to 303 suppliers, including 137 strategic suppliers in 2016). This represents 87% of the Group’s strategic suppliers. (pp. 24) [24]

- Building on our experience of conducting human rights impact assessments across our global operations, in August 2017 we undertook our first upstream supply chain assessment focused on labour rights in our palm oil supply chain. (pp.48) [28]

- Responsible Purchasing: Proportion of suppliers per CSR performance level (evaluation includes in particular human rights, working conditions, fight against corruption, against forced labor, against child labor, etc.). (pp. 121) [33]

- Purchasing Department: Completion of more than 12,000 individual purchaser actions in 2017. 15 internal audit assignments on local and technical purchases. (pp. 194) [33]

- "During their qualification process, suppliers must reveal whether their product parts, components, and/or compositions contain substances on the Siemens global List of Declarable Substances (LoDS). (pp. 35) [38]

- All purchasing activities are being executed within the boundaries of our Sustainability principles. They are the guiding principles for our supply chain management and an integral part of all relevant supplier management processes – such as supplier selection, supplier qualification and evaluation, and supplier development. (pp. 41) [38]
This risk-based analysis includes data obtained from supplier self-assessments, risk evaluations conducted by our purchasing departments, supplier quality audits by internal quality auditors, and sustainability audits by external auditors. (pp. 42) [38]

Supplier quality audits include questions about sustainability that cover all aspects and requirements of the Code. In fiscal 2017, we conducted 941 on-site audits worldwide and almost reached our performance from last year. (pp. 42) [38]

Our strongest detection module, the External Sustainability Audit, has proven especially effective. Such audits are conducted by one of our external audit partners, and are used as control mechanisms for high-risk suppliers. In fiscal 2017, we increased the number of conducted external sustainability audits from 320 to 402 – a 26 % increase. (pp. 43) [38]

**Code: Goals and Expectations**

- "Water Health Centers": Beyond our plants, we are working across markets and ecosystems to improve water access and security by restoring watersheds and introducing sustainable irrigation and other water-conservation programs in high-water-stress areas across Argentina, Bolivia, Brazil, China, Colombia, Mexico, Peru, South Africa, the US and Zambia. We are currently exploring the use of innovative financing and technology to help make these programs viable for our suppliers. (pp. 33) [1]

- Conserving energy and lowering our carbon footprint: We also require suppliers to measure and commit to reducing their energy use in manufacturing and transportation. (pp. 34) [1]

- As part of our commitment to help communities thrive, we have a responsibility to help the small businesses in our supply chain. From the suppliers that help power our production to the retailers that connect with our consumers every day, small businesses play a vital role as an engine of economic growth and employment. (pp. 35) [1]

- "Growing for a dream": focus on SME to improve their business in South America. (pp. 35)[1]

- Our commitment to upholding human rights extends to our supply chain. We require our suppliers to commit to our Global Responsible Sourcing Policy through our contracting process. (pp. 39) [1]

- We are on a journey to embed sustainability throughout our business and across our supply chain, enabling growth and opportunity for our company and communities in our markets. By working together with local communities, NGOs, suppliers, governments, consumers and beyond, we’re working to create value for all. (pp.3) [2]

- One of the most successful examples of SmartBarley in action comes from Mexico, where, in 2015, we announced that all barley required to meet our local malt house capacity would be sourced locally by 2017. We’ve gone from sourcing 70% of barley locally in 2014 to 86% in 2016 and we’re on track to achieve 100% local sourcing by 2017. (pp. 10) [2]

- Minimizing our packaging and waste Packaging is one of the most significant components of our beer’s carbon footprint. We are constantly looking for ways to increase the recycled material in our packaging, support recovery and re-use of bottles and reduce the amount of material in our packaging through actions such as light-weighting our containers. (pp. 19) [2]

- Building long-term partnerships with our suppliers supports cost efficiency, high quality and secures delivery of our products and services. Volvo Group expects its suppliers to be competitive and responsible all the way from project planning to production and delivery to our plants as well as supporting our service offer for the complete product life cycle. (pp. 48) [41]
<p>| · When it comes to the Volvo Group’s expectations on suppliers the principles and minimum standards of responsible behavior are set out in our Code of Conduct. Since 1996, our responsible purchasing program has consistently increased supplier requirements related to environmental issues, business ethics and human rights. (pp. 48) [41] |
| · Both Volvo Group and its suppliers must comply with the EU requirements on chemicals and harmful substances, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) legislation. Suppliers must also meet additional requirements on chemicals from the Volvo Group. (pp. 48) [41] |
| · We’re pushing our manufacturing partners to join us in the fight against climate change. Seven major suppliers have now pledged to power their Apple production entirely with renewable energy by the end of next year. And we’re making strides toward our commitment to bring 4 gigawatts of renewable power online by 2020, a key step in reducing our manufacturing footprint. (pp. 4) [5] |
| · We launched our supplier clean energy program in October 2015. But between our own clean energy projects to target emissions from upstream suppliers and those our direct suppliers have embarked on, we already have commitments for 2 gigawatts of clean energy in our supply chain. (pp. 4) [5] |
| · Manufacturing makes up 77 percent of our carbon footprint. Most of it is due to carbon emissions from the electricity used to make our products—over 60 percent of our manufacturing emissions. So we’re sourcing lower-carbon materials, partnering with our suppliers around the world to reduce their current energy use, and helping them switch to renewable energy. (pp. 6) [5] |
| · Apple and our suppliers will generate and procure more than 4 gigawatts of new clean power worldwide by 2020, including 2 gigawatts in China alone, and use it to reduce emissions associated with manufacturing. Already, commitments made as of April 2017 represent a total of 2 gigawatts. Once completed, the 4 gigawatts of clean power will represent 30 percent of our current manufacturing carbon footprint. (pp. 7) [5] |
| · Ibiden will be our first supplier in Japan to make the switch. Its floatovoltaic project will be one of the largest floating solar projects in the country. (pp. 8) [5] |
| · The vast majority of our product water footprint is found in manufacturing, so in 2013 we established the supplier Clean Water Program to help our partners conserve water and prevent water pollution. (pp. 22) [5] |
| · We also work to protect the health and safety of the people who work in our supply chain. The standards we set for our suppliers go far beyond what’s required by law, like our Regulated Substances Specification (RSS) list, which identifies the toxic chemicals we limit or prohibit in our manufacturing processes and products. (pp. 30) [5] |
| · Our Supplier Code of Conduct outlines our standards for creating safer working conditions, treating workers fairly, and using environmentally responsible practices in our supply chain. We demand that all suppliers doing business with Apple affirmatively agree to adhere to our Code of Conduct and supporting standards. (pp. 3) [6] |
| · Apple Environmental Health and Safety Academy (“EHS Academy”): By teaching the talent in our supply chain important environment, health, and safety skills, we also help them find opportunities to advance. (pp. 18) [6] |
| · With a goal of giving workers a platform to speak up if they believe their rights have been violated, Apple provided survey access at supplier sites allowing workers a way to anonymously report grievances. (pp. 20) [6] |</p>
<table>
<thead>
<tr>
<th>· Auchan Retail and Alinéa defined their forest policy in 2011 as part of an initiative to protect ancient woodland and forests with high carbon concentrations, with the help of international non-profit organisation The Forest Trust (TFT). (pp. 37) [12]</th>
</tr>
</thead>
<tbody>
<tr>
<td>· The Auchan Production teams implemented a rigorous method for the sourcing of palm oil. (pp. 37) [12]</td>
</tr>
<tr>
<td>· The company’s policy and the action it has undertaken comply with the principles of the 1948 Universal Declaration of Human Rights, the ILO’s 1988 Declaration on Fundamental Principles and Rights and the OECD’s 35 guiding principles. It requires suppliers to respect its principles, as well as the local laws in force in the countries in which they manufacture. (pp. 40) [12]</td>
</tr>
<tr>
<td>· Auchan Retail France has signed up to the Ubizz supplier listing platform created by the Pas@pas association, which encourages integrated sector procurement. (pp. 40) [12]</td>
</tr>
<tr>
<td>· A meeting of all the general secretaries of the committees was held on 3 October 2016. It gave them the opportunity to decide upon the key areas to be focused on in 2017, i.e.:</td>
</tr>
<tr>
<td>o Adapting the ethics charters of each country to the company’s new structure and to the requirements of the “Sapin II” law</td>
</tr>
<tr>
<td>o Updating the code of business ethics governing Auchan’s relationships with its suppliers. (pp. 41) [12]</td>
</tr>
<tr>
<td>· Improving production site traceability is one of the key objectives of Auchan Retail’s responsible sourcing policies. The company endeavours to obtain the fullest picture possible of its suppliers’ production sites so that it can implement appropriate evaluation processes. (pp. 42) [12]</td>
</tr>
<tr>
<td>· As part of a drive to support global improvements in working and safety conditions by forging closer links between suppliers, Auchan Retail has also taken part since 1999 in the work of the Social Clause Initiative (ICS – Initiative Clause Sociale). It is, in fact, a founding member. (pp.43) [12]</td>
</tr>
<tr>
<td>· The Auchan Retail hypermarkets in Russia hold “local supplier” conventions in the cities in which they operate with a view to expanding their range of locally-sourced products. (pp. 45) [12]</td>
</tr>
<tr>
<td>· The hypermarkets in Ukraine have developed a special type of partnership arrangement that goes further than simply listing local producers’ products. They have set up a training programme with the IFC44 to help producers acquire their own quality management and food safety systems. (pp. 45) [12]</td>
</tr>
<tr>
<td>· “Producción Controlada” in Spain to increase the quality of SMEs suppliers. (pp. 46) [12]</td>
</tr>
<tr>
<td>· “Romania Accelerates” program to facilitate the exportation of romanians products. (pp. 46)[12]</td>
</tr>
<tr>
<td>· As part of the effort to reduce the environmental impact of goods transportation, transporters in most of the countries in which Auchan Retail operates are encouraged to modernise their fleets and to adopt driving behaviours that are more eco-friendly, notably by increasing the use of Euro 5 or even Euro 6 certified vehicles. (pp. 47) [12]</td>
</tr>
<tr>
<td>· It (Auchan Retail) notably requires that the tuna it purchases be fully traceable (fishing zone, species, method of capture and fishing fleet) and undertakes to support and promote the scientific evidence relied upon by RFMOs to manage tuna stocks and their eco-system. (pp.53) [12]</td>
</tr>
<tr>
<td>· During 2016, the teams at Auchan Production sought to determine Auchan Retail’s “palm oil footprint”. This entailed measuring the palm oil volumes used in the composition of own-brand products and mapping its origin and breakdown by importer and by producer. (pp. 54) [12]</td>
</tr>
<tr>
<td>· Auchan Retail’s quality engineers have been working with product and packaging suppliers for a number of years to cut down on the use of virgin raw materials in the packaging of own-brand products. (pp. 55) [12]</td>
</tr>
</tbody>
</table>
- Reduction of packaging and Eco designing: quality engineers working with product and packaging suppliers. (pp. 55) [12]

- We enter into long-term business relationships with selected suppliers to encourage the development of innovations, and to optimize manufacturing costs and logistics processes. (pp. 84) [14]

- The first is to continuously improve, in collaboration with our suppliers, the sustainability profile of the raw materials we use. (pp. 89) [14]

- We also avoid becoming dependent on individual suppliers to better secure the constant supply of the goods and services that we require. Finally, close collaboration with our strategic suppliers plays an exceptionally important role in our risk management. (pp. 98) [14]

- The raw materials we purchase also have a decisive impact on our carbon footprint along the value chain. For this reason, we expect our suppliers and contract partners to set efficiency targets that are as ambitious as our own – and contribute to the reduction of CO2 along the value chain. (pp. 98) [14]

- Binding supplier code: Compliance with the cross-sector Code of Conduct of the German Association of Materials Management, Purchasing, and Logistics (BME) is mandatory for all of Henkel’s suppliers worldwide. Henkel joined the BME in 2009, as its code is based on the 10 principles of the United Nations Global Compact and can therefore be used internationally. (pp. 33) [15]

- At the Suppliers’ Day in Düsseldorf in June 2017, Henkel entered into a targeted dialog with its most important strategic partners on the subject of sustainable supply chains. The dialog centered on the definition and implementation of a common plan for the sustainability goals through 2020. (pp. 34) [15]

- “Together for Sustainability – The Chemical Initiative for Sustainable Supply Chains” (TfS). It is based on the principles of the United Nations Global Compact and the Responsible Care Initiative of the International Council of Chemical Associations (ICCA). The TfS initiative aims to harmonize the increasingly complex supply chain management processes with regard to sustainability and to optimize the dialog among worldwide business partners. (pp. 36) [15]

- Zero Waste: We drive progress by systematically identifying waste streams and creating closed-loop systems where possible. Our focus lies on increased recycling within our plants, and on collaboration with our packaging suppliers. Our initiatives are centered around four key areas: Reducing material consumption and waste generation, reusing materials, recycling materials, and recovering energy. (pp. 44) [15]

- We strive to ensure that all of the materials related to palm oil and palm kernel oil that we buy and use in our products are produced through sustainable practices. (pp. 71) [15]

- Our goals for 2020 include ensuring that these oils do not contribute to the deforestation of primary or secondary rainforests with significant ecological value and make a positive impact on both the environment and the people affected by the industry. (pp. 71) [15]

- Henkel began to reduce the use of PVC in its packaging back in the 1990s. Our packaging engineers continue to work in close collaboration with our packaging suppliers to find alternative materials. Our goal has always been to find replacements for PVC in all of our packaging material. (pp. 77) [15]

- We also follow a Code of Conduct and Responsible Practices and a Code of Conduct for manufacturers and Suppliers, all of which bring together the values and principles that guide our activities and ensure accountability for our supply chain. (pp. 28) [19]

- List of tools for dialogue with suppliers including: frequency, goals, main commitment and example of Supplier. (pp. 28) [19]
Our strategy for supply chain sustainability aims to create sustainable production environments in which the Human and Labour Rights of the workers of our suppliers are promoted and respected. (pp. 57) [19]

Our work in the supply chain seeks to create a sustainable production environment in the countries where we operate, one that stands for the promotion and respect of human rights, as established by the UN Guiding Principles on Business and Human Rights. Thus, at Inditex, we work to contribute to the Sustainable Development Agenda, especially in those Development Goals (SDGs) that most affect our supply chain. (pp. 58) [19]

In 2016, the Inditex Group worked with 1,805 suppliers in 53 countries; these suppliers used 6,959 factories for our production. Each of these countries has different social, cultural, and developmental circumstances. And although Inditex's ability to influence them is, in most cases, very limited, our involvement in contributing positively is absolute. (pp. 58) [19]

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all: Inditex’s supply chain comprises over 6,900 factories which employ over 1.5 million people. Inditex’s positive impact on promoting decent work for them is highly relevant. On the one hand, Inditex has a Code of Conduct for Manufacturers and Suppliers that is binding for its entire supply chain, which establishes standards such as the prohibition of child labour, prohibition of forced labour or freedom of association, among others. On the other hand, all the programmes and projects are developed by and for the workers. (pp. 58) [19]

SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development: Cooperation with each and every player of the supply chain is the cornerstone of Inditex’s sustainability strategy. In this sense, we collaborate and maintain strategic alliances not only with our suppliers and manufacturers, but also with stakeholders such as unions, governments, NGOs and relevant international platforms such as the International Labour Organization (ILO), the United Nations Global Compact and the Ethical Trading Initiative, among others. (pp. 58) [19]

Each and every one of the suppliers in the Inditex supply chain is subject to policies and standards such as: Inditex Policy on Human Rights (pp. 60) [19]

; Inditex Code of Conduct for Manufacturers and Suppliers (pp. 60)[19]

; Inditex product health and safety standards Clear to Wear (CtW) and Safe to Wear (StW) (pp. 60) [19]

; Global Environmental Sustainability Strategy, including Water, Energy and Biodiversity strategies. (pp. 60) [19]

Publication of wet process factories. We publish the list of direct and indirect wet process plants (dyeing, tanning, washing, printing) declared by our suppliers, in line with the Right to Know Principle to provide the public with access to information on environmental protection. [Available at www.wateractionplan.com] (pp. 64) [19]

Promotion of initiatives that favour decent wages. At Inditex, we work with IndustriALL and other brands on initiatives such as ACT (Action, Collaboration, Transformation) whose objective is to address the issue of living wages in the textile and clothing sector by improving the conditions for dialogue and collective bargaining. (pp. 64) [19]

Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Health and Safety at suppliers and Manufactures. GRI 103 and 414 (pp. 341) [19]
- Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Human Rights and industrial relations in the supply chain. GRI 103, 408, 409 and 412 (pp. 341) [19]

- Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Traceability of the Supply Chain. GRI 103 and 308 (pp. 342) [19]

- Balance of Material Issues according to GRI standards – Sustainable Management of the Supply Chain: Responsible Purchasing Practices. GRI 103 (pp. 342) [19]

- In partnership with its suppliers, NGOs or local experts, the Group develops projects designed to improve producers’ lives, preserve biodiversity and capture or avoid carbon emissions in three ways: improving energy efficiency; promoting low-carbon farming practices, including agro-forestry; managing forests sustainably. (pp. 6) [24]

- "Developing Sustainability with Suppliers": 2017 Results and targets for 2020. Our dedicated online training platform was launched at the end of October 2016. It will firstly be made available to strategic suppliers, before being gradually implemented more broadly. (pp. 9) [24]

- In 2017, L’Oréal launched a four-year peatland restoration project in Borneo, Indonesia, with one of its palm oil derivative suppliers. (pp. 14) [24]

- Since 2013, L’Oréal has encouraged its packaging and raw materials suppliers to participate in CDP’s Water Disclosure Project, a programme whose mission is to engage companies in publishing their water management strategy and performance annually. (pp. 17) [24]

- Likewise, we have a number of innovation partnerships with ingredient suppliers and equipment manufacturing companies to accelerate product and technology development. (pp. 11) [27]

- Our agripreneurship programme supports the next generation of farmers by providing essential skills training. We offer training to improve agricultural practices, develop alternative income streams and improve dietary diversity. (pp. 32) [27]

- We continually strive to meet the highest ethical standards, and insist that our partners and suppliers uphold the same high criteria. (pp. 33) [27]

- Responsible sourcing in pet food: in partnership with the Thai Government and a supplier, we have developed a showcase vessel. It is used in trainings to address labour rights abuses in the seafood industry. (pp. 33) [27]

- Our 2020 commitments: caring for water - engage suppliers, especially in agriculture. (pp. 37) [27]

- Our Integrity Reporting System and our ‘Tell Us’ system allow us to address complaints from employees and external stakeholders. 1725 complaints from employees and 613 complaints from suppliers and other third parties were investigated and remedial action taken this year. (pp. 60) [27]

- Innovation partnerships with suppliers to accelerate product and technology development. (pp. 40) [28]

- In 2015, Nestlé launched an action plan detailing our commitment to eliminating labour and human rights abuses in the Thai seafood supply chain. (pp. 49) [28]

- Our approach consists of sourcing our most important raw materials and paper in compliance with our Supplier Code and Responsible Sourcing Guideline (RSG) criteria, with traceability and transparency throughout our supply chains. (pp. 51) [28]

- By 2018: Improve farm economics in seven priority sourcing locations based on the results of the RDF baselines. Farm economics comprises the following four factors on which Nestlé will focus: productivity, quality, costs and price premiums. (pp. 53) [28]
The Escuela Nescafé (Nescafé School) in Mexico, a one-week training programme for farmers to develop business and planning skills, and the Aula Virtual Nescafé, an online e-learning platform. (pp. 53) [28]

By 2018: Improve food availability and dietary diversity in five priority sourcing locations based upon the results of the Rural Development Framework (RDF) baselines. (pp. 54) [28]

The Nespresso AAA Sustainable Quality™ Program: Reaching more than 75,000 farmers in 12 countries, the programme aims to secure supplies of the highest-quality coffee, protect the environment in which it is cultivated and build long-term stability in coffee communities. (pp. 56) [28]

Entitled The Positive Cup, it details the progress made through Nespresso’s approach to Creating Shared Value. In particular, it focuses on supporting coffee farmers and production, recycling and addressing climate change. (pp. 56) [28]

Nestlé Cocoa Plan: As the programme becomes established, we are evolving training methods to include coaching, business training and a differentiated approach for the best farmers. (pp. 57) [28]

Nestlé Cocoa Plan: Nestlé is already committed to eliminating deforestation from our supply chains by 2020. In November, we signed the Cocoa & Forests Initiative Framework of Action. (pp. 57) [28]

Nestlé Cocoa Plan: We work closely with the International Cocoa Initiative (ICI) to identify the challenges of, and solutions for, child labour. Our Child Labour Monitoring and Remediation System (CLMRS) grew further in Côte d’Ivoire and Ghana in 2017, and now includes 65,486 farmers in 95 cooperatives. (pp. 57) [28]

Dairy 4 You: To help continuously improve our milk sourcing operations, with special focus on traceability, trusted milk quality, responsible sourcing and agripreneurship. (pp. 58) [28]

Taking action with our partners: We continue to work with our global and local partners and have intensified our investment and activities with the ILO, the Turkish Ministry of Labour, local suppliers Olam and Balsu, trade association CAOBISCO, and international and local NGOs. (pp. 61) [28]

‘Tell us’ is our communication channel for external stakeholders to report possible compliance and non-compliance issues against our Corporate Business Principles, applicable laws and all issues relating to our business operations, such as community and environmental impacts. ‘Tell us’ was made available to an additional 2,900 suppliers in 2017. (pp. 73) [28]

Through the Sustainable Agriculture Initiative at Nestlé (SAIN), we address water issues and promote remediation measures. Our regional workshops train farmers on key water management challenges, including drought and flooding resilience, wastewater and organic waste treatment, and sustainable agricultural intensification methods. (pp. 84) [28]

Acting on Climate Change: Adaptation: In partnership with several NGOs, we are helping our suppliers adapt to a changing climate by, for example, providing farmers with drought-resistant, high-yield coffee and cocoa plantlets. (pp. 87) [28]

We seek to recover packaging, to prevent it from contaminating natural habitats. Our initiatives involve engaging partners along the value chain – from raw material suppliers to consumers – to improve collection, sorting and recycling infrastructure. (pp. 94) [28]

We request all our suppliers respect and comply with our ethical standards and codes, and to report any instances of non-compliance through our internal and external grievance mechanism: the Nestlé Integrity Reporting System and ‘Tell us’ system. (pp. 100) [28]

Managing Supply Chain Quality: By conducting research and collaborating with suppliers, we are reducing food safety risks. In 2017, we rolled out our global Nestlé Food Fraud Prevention Programme, built on the pillars of awareness, our prevention system and prevention plans. (pp. 103) [28]
The Group involves its supply chain in its approach to reducing environmental impact and commits its suppliers to specifically reducing their air emissions and water footprint. (pp. 11) [33]

A word from the President: “Our DNA is to be “Customer focus”, for professionals and individuals alike. To do so, digital is a big opportunity to reach all customers in a most efficient way while improving the sector internal efficiency and transforming our relationship with our suppliers.” (pp. 45) [33]

Specific reporting has been introduced to measure the results of the actions undertaken to promote the respect for fundamental human rights and to demonstrate to operational managers the Group’s determination to ensure that its fundamental values are applied and respected. This measure is extended to Saint-Gobain suppliers by the observance of its Responsible Purchasing policy. (pp. 65) [33]

The same is true for the Group’s Responsible Purchasing policy, the purpose of which is to control and reduce the environmental, social and societal risks to its supply chain. It is built on two pillars, the Purchasers Charter and the Suppliers Charter. (pp. 70) [33]

The Group informs its suppliers of its uses of substances, for them to be taken into account in their registration files. It also systematically incorporates the REACH clause, reviewed in 2017, into all the purchase contracts in order to ensure the regulatory compliance of its suppliers. (pp. 82) [33]

Alignment of the CSR dashboard with the Group’s Challenges: "Improve the health and safety for all stakeholders". (pp. 108) [33]

Integration of the United Nations Sustainable Development Goals (SDG): “Act according to ethical and responsible practices”. Connect our suppliers in a responsible supply chain (pp. 111) [33]

Purchasing Department: Manage the World-Class Purchasing program, an approach focusing on purchasing performance, department professionalization and supplier innovation. (pp. 194) [33]

“SDG 9 high impact: build resilient infrastructure; promote inclusive and sustainable industrialization and foster innovation. A large part of our customers and suppliers are small and medium-sized enterprises (SMEs). We believe in international partnerships as key to innovations that make real what matters. (pp. 7) [38]

SDG 4 medium impact: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. “In addition, training of customers and suppliers is high on our agenda.” (pp. 8) [38]

We continue to work closely with our suppliers to help them improve energy efficiency and reduce their CO2 footprints. (pp. 29) [38]

We require suppliers and business partners to meet our standards of conduct, including those for anti-corruption and fair competition. (pp. 37) [38]

The “Tell us” whistleblowing system and the company ombudsman offer two secure reporting channels for employees and external stakeholders to report violations of external and internal rules. (pp. 40) [38]

Responsible use of water forms an integral part of the Code of Conduct of Siemens Suppliers Compliance with the Code of Conduct for Siemens Suppliers and Third-Party Intermediaries. (pp. 41) [38]

According to our Sustainability principles, all suppliers must adhere to the Code. Among other things, they agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and establish zero-tolerance policies for corruption and bribery. (pp. 42) [38]
We have begun to evaluate our CO2 emissions more seriously as they relate to key commodities and specific suppliers; this will help us choose suppliers who can help us decrease CO2 emissions. (pp. 43) [38]

United Nations Water mandate. The environmental requirements that our suppliers must fulfill are defined in our Code of Conduct for Siemens Suppliers. The responsible use of water forms an integral part of this code. (pp. 59) [38]

Code: Qualitative Outcomes

- In 2016, Volvo Group recognized 11 companies who received the Volvo Group Purchasing Supplier Award for their commitment to performance excellence and continuous improvement. (pp. 49) [41]

- In 2016, we implemented an energy training program and conducted training for 19 supplier sites. Trainees from these supplier sites applied their skills and identified and implemented additional energy efficiency projects. (pp. 6) [5]

- Through its participation in the GSCP since 2009, and its involvement in the work carried out by this programme, Auchan Retail has been able to implement a comprehensive framework of best practices for suppliers in relation to labour and environmental issues. (pp. 43) [12]

- The hypermarkets and supermarkets in all the Auchan Retail countries are building an offer of local products, grown and/or manufactured near the stores, via direct partnerships with small producers. (pp. 45) [12]

- A multipick system is used in France, Spain, Poland, Romania, Ukraine, Italy and Russia. With this technique, a single lorry is used to collect and transport products from small suppliers within the same geographical region, optimising the routes between these suppliers and ensuring full-load trips. (pp. 47) [12]

- In 2017, we further digitized our interactions with customers, consumers, business partners and suppliers along the entire value chain. Digitally driven sales increased double-digit across all our business units. We also focused on leveraging the full potential of Industry 4.0 for Henkel and progressed the digitalization of our integrated Global Supply Chain. (pp. 4) [14]

- We are also continuing to progress the digitalization of our purchasing activities. For example, we optimized collaboration with our strategic suppliers through digital communication platforms and increased transparency along the value chain through new digital applications. (pp. 84) [14]

- Henkel has been honoring sustainable innovations by its suppliers for five years. In 2017, the Adhesive Technologies business unit awarded the Sustainability Award to BASF for its intensive cooperation in the development of adhesives technologies for improved health protection and safety. (pp. 33) [15]

- The clusters offer spaces for cooperation and are designed to promote a sustainable and productive environment in geographic areas that are strategic to the development of Inditex’s business model. We currently have twelve supplier clusters: Spain, Portugal, Morocco, Turkey, India, Bangladesh, Vietnam, China, Cambodia, Brazil, Argentina and, since 2016, Pakistan. (pp. 58) [19]

- The relationship between Inditex’s local teams and IndustriALL’s delegations is continuous, which allows us to approach the workers and learn their needs and expectations. (pp. 64) [19]

- 100% of supplies of palm oil, palm oil derivatives and palm kernel oil derivatives have been certified sustainable as per RSPO criteria since 2012. (pp. 14) [24]
Another strategy in place is “wall-to-wall” production, whereby a packaging production unit managed by a supplier is established on site. This allows the plant to reduce the transport of packaging and the generation of waste linked to transport packaging. (pp. 18) [24]

Encouraging intercropping – growing different crops simultaneously – in Vietnam to improve ecosystems and generate new income streams – in some cases doubling their income. (pp. 53) [28]

The Nescafé Plan: The world’s largest coffee sustainability programme, active in 17 countries, makes Nestlé the largest buyer, by volume, of Responsibly Sourced coffee. (pp. 56) [28]

Protecting natural capital: We also help our suppliers to improve biodiversity through the planting of different species of tree, hedge and shrub. (pp. 98) [28]

Digitizing supplier processes means centralizing and automating the Purchasing Department. Standard tasks have been automated by means of electronic auctions, with the use of online tools. Campaigns to monitor suppliers’ e-reputation have also been undertaken, with significant outcomes, to identify potential problems and promote a policy of responsible purchasing. (pp. 57) [33]

Our CO2-neutral Program not only enables us to protect the environment and reduce costs, but also to gain experience and strengthen our expertise in environmentally-friendly technologies that may well be useful for our suppliers and customers. (pp. 29) [38]

Code: Quantitative Outcomes

- SmartBarley enables farmers to benchmark their barley practices and performance across our global grower network, exchanging best practices that drive improved productivity and environmental practices. By the end of 2016, over 4,500 growers had participated in the program. (pp.9) [2]

- One of the most successful examples of SmartBarley in action comes from Mexico, where, in 2015, we announced that all barley required to meet our local malt house capacity would be sourced locally by 2017. We’ve gone from sourcing 70% of barley locally in 2014 to 86% in 2016 and we’re on track to achieve 100% local sourcing by 2017. (pp. 10) [2]

- 88% of direct material purchasing spend from suppliers having made a CSR self-assessment (pp. 1) [41]

- Number of CSR Supplier Assessment since 2012 to 2016. (pp. 48) [41]

- We’re sourcing lower-carbon materials to make our devices, we’re partnering with suppliers to add clean energy to their facilities, and we produce and procure clean, renewable energy for 96 percent of the electricity used at our global facilities. (pp. 5) [5]

- In 2016, the energy efficiency improvements made by suppliers avoided more than 150,000 metric tons of carbon dioxide equivalents (CO₂e). (pp. 6) [5]

- We’re investing in renewable energy projects to address upstream emissions that are beyond the influence of our direct suppliers. To date, Apple has installed 485 megawatts of wind and solar projects across six provinces of China. (pp. 7) [5]

- Biel Crystal Manufactory Ltd. is another great example of leadership—it has already contracted 50 percent of its Apple energy load to come from wind and solar and will increase this to 100 percent in 2018. (pp. 8) [5]
· And most recently, 17 of our 18 final assembly sites—including all 14 sites in China—have received UL’s Zero Waste to Landfill validation, diverting more than 240,000 metric tons of waste from landfills since January 2015. We’ve recently expanded this initiative to 25 more suppliers. (pp. 19) [5]

· Through employee training, baseline assessments, performance evaluations, and technical support, we helped our suppliers conserve more than 3 billion gallons of water in 2016 alone, increasing average water reuse to 36 percent across 86 sites. (pp. 22) [5]

· Our Subject Matter Expert (SME) program covered 138 suppliers in 2016. On average, the facilities that were reassessed saw their year-over-year Labor and Human Rights scores increase from 79 to 87, Health and Safety scores increase from 79 to 91, and Environment scores increase from 67 to 87, on a scale of 100. (pp. 5) [6]

· Bonded labor is a core violation of Apple’s Code of Conduct and we have zero tolerance for it. If a case is found, we require the supplier to repay all recruitment fees back to the worker. In 2016, uncovered violations resulted in US$2.6 million being repaid to over 1000 supplier employees. To date, a total of US$28.4 million has been repaid to over 34,000 workers. (pp. 7) [6]

· In 2016, we tracked working hours on a weekly basis at supplier sites that employed nearly 1.2 million workers in our supply chain. We improved upon our previous year’s results by achieving 98 percent working hours compliance across all workweeks. (pp. 9) [6]

· Since 2008, our suppliers have trained over 11.7 million workers to understand their rights as employees, local laws, health and safety regulations, and the Apple Code of Conduct. (pp. 15) [6]

· Supplier Employee Education and Development (“SEED”): In 2016, Apple enrolled 2500 workers in SEED’s higher education degree programs, bringing the total number of participants receiving associate and bachelor’s degrees to more than 10,600 for the program’s history. To date, over 2.1 million workers have participated in SEED, with over 700,000 participants in 2016 alone. (pp. 17) [6]

· To date, EHS Academy participants have launched over 3300 of these projects at 270 supplier sites, creating real impact outside the classroom. (pp. 18) [6]

· The program began with three facilities in 2014, and has now grown to 29 locations, including final assembly sites and component manufacturing locations. In 2016, we received more than 22,000 survey responses. (pp. 20) [6]

· In Italy, more than 1,200 products sourced from 145 SMEs have been listed by the export office. A special website was launched during the year to render the products more visible and to facilitate a connection between producers and Auchan Retail. (pp. 46) [12]

· Shortening the distances to be covered first calls for lorry loads to be optimised. In China, this led to a 20% increase between 2015 and 2016 in the load ratio of the fleet used by Auchan Retail’s suppliers. (pp. 47) [12]

· In Italy, the positions of the depots, transporters and suppliers are triangulated to cut down on fuel, generating a monthly saving on fuel costs of roughly €10,000, passed on by the transporters. (pp. 47) [12]

· Sustainability Indicators – Sustainable Management of the Supply chain: Number of supplier A, B, C, CAP and PR according to their compliance with the Code of Conduct. (pp. 208) [19]

· The Solidarity Sourcing programme: In 2017, it enabled 48,692 people from communities facing social or financial challenges to gain access to or retain a job and a decent income. This result represents an increase of 15%, or 6,192 more beneficiaries than in 2016. (pp. 23) [24]
· CR policy assessment by Ecovadis: By the end of 2017, more than 480 suppliers, including 153 strategic suppliers were assessed (compared to 303 suppliers, including 137 strategic suppliers in 2016). This represents 87% of the Group’s strategic suppliers. (pp. 24) [24]

· CDP Supply Chain programme: In 2017, 355 L’Oréal suppliers undertook an initiative of this kind (compared to 291 in 2016). By the end of 2017, the suppliers participating in the CDP Supply Chain programme represented 60% of the Group’s direct purchases (compared to 57% in 2016). L’Oréal’s goal is to expand this share to 80% by 2020. (pp. 24) [24]

· Rural development and enhancing livelihoods: 685,000 farmers supplying directly to Nestlé. (pp. 45) [28]

· Rural development and enhancing livelihoods: 63% of the volume of raw materials were fully traceable and 57% were Responsibly Sourced. (pp. 45) [28]

· Rural development and enhancing livelihoods: 118,426 coffee farmers were provided with technical assistance. (pp. 45) [28]

· Our results: We have developed proposed interventions and implementation will begin in 2018. 431,000 farmers trained in good agricultural practices. (pp. 53) [28]

· Nestlé Cocoa Plan: We work closely with the International Cocoa Initiative (ICI) to identify the challenges of, and solutions for, child labour. Our Child Labour Monitoring and Remediation System (CLMRS) grew further in Côte d’Ivoire and Ghana in 2017, and now includes 65,486 farmers in 95 cooperatives. (pp. 57) [28]

· Saint-Gobain participates to economic and industrial dynamics in regions where the Group has established sites, as well as in suppliers’ labor pools. Saint-Gobain’s employment footprint can thus be calculated at three levels: 170,500 direct jobs, 549,200 indirect jobs and 190,870 induced jobs. (pp. 89) [33]

· Compliance figures of the Code of conduct for suppliers and business partners. (pp. 40) [38]

· In fiscal 2017, 667 compliance cases requiring further inquiries or investigations came through them. We believe that the decrease from the 675 in fiscal 2016 lies within the normal range of variation. (pp. 40) [38]

· Our strongest detection module, the External Sustainability Audit, has proven especially effective. Such audits are conducted by one of our external audit partners and are used as control mechanisms for high-risk suppliers. In fiscal 2017, we increased the number of conducted external sustainability audits from 320 to 402 – a 26% increase. (pp. 43) [38]