



ecovadis

Assessment Scope Recommendations

2020

General

EcoVadis' general recommendation is to assess the scope that is most directly relevant for your relationship with a trading partner. There are three levels of assessment scopes:

ENTIRE GROUP/COMPANY

COUNTRY/REGION (among others)

SITE (among others)

Scopes must be both **RECOMMENDED** and **ALLOWED**. The majority of this guidance describes which scopes are RECOMMENDED and why.

NOT ALLOWED scopes are also explained. This pertains to scopes not relevant to assess from a sustainability standpoint.

Recommended Scopes: Guidance

When SITE is PRIORITY 1 scope:

When the main activity is based on company owned or operated sites, rather than on, for example, customer sites, off-site projects or public infrastructure. In addition, the main activity of a company must have significant operational sustainability impacts, including on both the environment and labor and human rights.

When COUNTRY/REGION is PRIORITY 1:

When the main activity is not primarily based on company owned or operated sites. In addition, there are less significant sustainability impacts on either the environment or labor and human rights and/or impacts are insufficiently tied to single operational sites.

How about GROUP assessments?

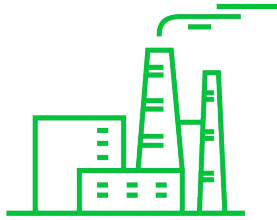
From our methodology perspective, GROUP is often a PRIORITY 2 recommendation because more focused scopes provide a more targeted review of sustainability risks and opportunities. Nevertheless, a group assessment can be recommended for operational reasons (e.g. first assessment of a supplier who is not familiar with EcoVadis, no point of contact at country or site level etc).

Ecovadis - List of categories

Scope Recommended

ISIC Code	Main Activity	Priority 1	Priority 2	Priority 3
A	Agriculture, forestry and fishing	SITE	COUNTRY/REGION	GROUP
B	Mining and quarrying	SITE	COUNTRY/REGION	GROUP
C	Manufacturing	SITE	COUNTRY/REGION	GROUP
D	Electricity, gas, steam and air conditioning supply	SITE	COUNTRY/REGION	GROUP
E	Water supply; sewerage, waste management and remediation activities	COUNTRY/REGION	GROUP	
F	Construction	COUNTRY/REGION	GROUP	
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	COUNTRY/REGION	GROUP	
H	Transportation and storage	COUNTRY/REGION	GROUP	
I	Accommodation and food service activities	COUNTRY/REGION	GROUP	
J	Information and communication	COUNTRY/REGION	GROUP	
K	Financial and insurance activities	COUNTRY/REGION	GROUP	
L	Real estate activities	COUNTRY/REGION	GROUP	
M	Professional, scientific and technical activities	COUNTRY/REGION	GROUP	
N	Administrative and support service activities	COUNTRY/REGION	GROUP	
O	Public administration and defence; compulsory social security	COUNTRY/REGION	GROUP	
Q	Human health and social work activities	SITE	COUNTRY/REGION	GROUP
R	Arts, entertainment and recreation	SITE	COUNTRY/REGION	GROUP
S	Other service activities	COUNTRY/REGION	GROUP	

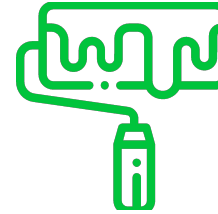
Examples: Site vs. Country assessment



Manufacturing

- main activity based on company owned or operated sites
- Sustainability impacts verified and managed at site level

Recommended scope: site



Construction

- main activity developed at customers' facilities
- Main sustainability impacts not verified at site level and relevant risks managed at country/region level

**Recommended scope:
country/region**

Interactions of scope levels and information credited

Type of document	Document issued by:		
	Assessed company (L0)	Subsidiary sites (L-1)	Parent company (L+1)
Policies	Yes	No	Yes
Action	Yes	Yes	No
Results	Yes	No	No

The underlying logic is that policies express the Group's strategy and are issued top-down. The way those policies will be converted into concrete actions and results needs to be verified at the level of the assessed entity (i.e. country or site).

Examples: Interactions of scope levels and information credited

- ✓ Document provided by the Group with evidence of actions implemented at site A will be credited if the assessment scope is the Group but not if the assessment scope is site B.
- ✓ Same for certifications - an ISO 14001 certificate belonging to site A will be credited if the assessment scope is the Group but not if the assessment scope is site B.
- ✓ Reporting consolidated at Group level can only be partially credited - we expect scope-specific KPI to fully credit the reporting information provided (e.g. accident frequency rate)
- ✓ Controversies identified by our 360 tool specific to the group or to a sister company/site will not impact the site's assessment unless it's a severe case* (NB: the information will still be visible in the scorecard). On the other hand, cases detected at site level will impact the parent company/group.

*Repeated major violations of internationally recognized standards with sanctions or fines. For examples of cases that are considered as severe, please refer to our guiding brochure available on our [website](#).

Value of more specific scopes

More targeted risk and performance management:

1. **Risk:** Many sustainability impacts are tied operationally to specific sites or groups of sites in a country or region. In particular related to the environmental, labor and human rights. Thus, COUNTRY/REGION or SITE assessments are able to “zero in” on potential improvement areas or best practices on these topics.

- *Example of **under-calculation** of risk:*

A GROUP may have 80% of sites certified ISO 14001 globally, but a COUNTRY within that Group may only have 50% of sites certified.

- *Example of **over-calculation** of risk:*

A GROUP may not have global sustainability reporting, but KPIs may be tracked at the level of some SITES or COUNTRIES.

2. **Performance:** Local contacts of a COUNTRY or SITE scope are able to coordinate with local teams on specific corrective actions when needed. If there is sustainability management at GROUP level, COUNTRY and SITE assessments allow for clearer visibility and management of sustainability implementation throughout the organization.

NOT ALLOWED Scopes

There are certain types of organizational and operational structure which are NOT allowed:

x Conglomerates with a commercial legal entity are not evaluated, i.e. groups offering a variety of divisions which differ in terms of activity, because of the dilution of sustainability issues in such superstructures (it is so advisable to select a second-tier scope instead, e.g. a subsidiary or a division with a commercial legal entity) ;

x Business Units or Divisions without a commercial legal entity are not evaluated ;

x Pure commercial entities in manufacturing groups (a) (e.g. sales offices, trading agents, marketing entities) with a commercial legal entity are not evaluated;


x Pure "Financial investment" holdings (b) i.e. investment funds with a commercial legal entity are not evaluated.

x Other entities not allowed for evaluation:

x Product names, commercial brands and brand names (c);

x Unless several local operational sites form a single commercial legal entity, it is not possible to assess them together (it is so advisable to make separate site assessments or evaluate the parent company) ;

x NGOs, academia/universities or state-owned/governmental organizations (d) without a commercial legal entity are not evaluated.



**Tips for Getting
Started with Multiple
Assessments**

Guidance When Completing Multiple Sites or Entities

- Prioritize path within your own CSR/EH&S needs or customer requests (Build a plan to collaborate and establish timelines accordingly).
- Do not complete each site survey the same – Aim to complete the information with as much local information and facility information as you have
- Follow guidance in the questionnaire bubbles regarding which questions can have “parent level” documentation support and which should be site specific
- You can review this guidance in advance to see what types of documents from parents can be used for sites (Review [“what type of supporting documents you can provide”](#))
- Collaborate with local site contacts (Legal, CSR, Operations) to include the most entity specific documentation around actions, processes, certifications, reporting, etc.
- Multiple people can collaborate on the survey at one day – be sure to include them to collaborate with you (Review [“What to do before I Start”](#) to learn how)
- Consider which subscription model is right for you. A [corporate plan](#) may enable you more features to support completing and managing assessments for multiple entities as well as managing the results and deployment.
- Without local information, you may find certain topics flagged in your scorecard results as needing improvement area for local strength of management systems around sustainability. This specific outline should help each site improve with a more targeted approach around what is needed.