



TOGETHER FOR  
SUSTAINABILITY

The Chemical Initiative for Sustainable Supply Chains

*Together for Sustainability*

# Presentation at Federchimica Logistics Conference

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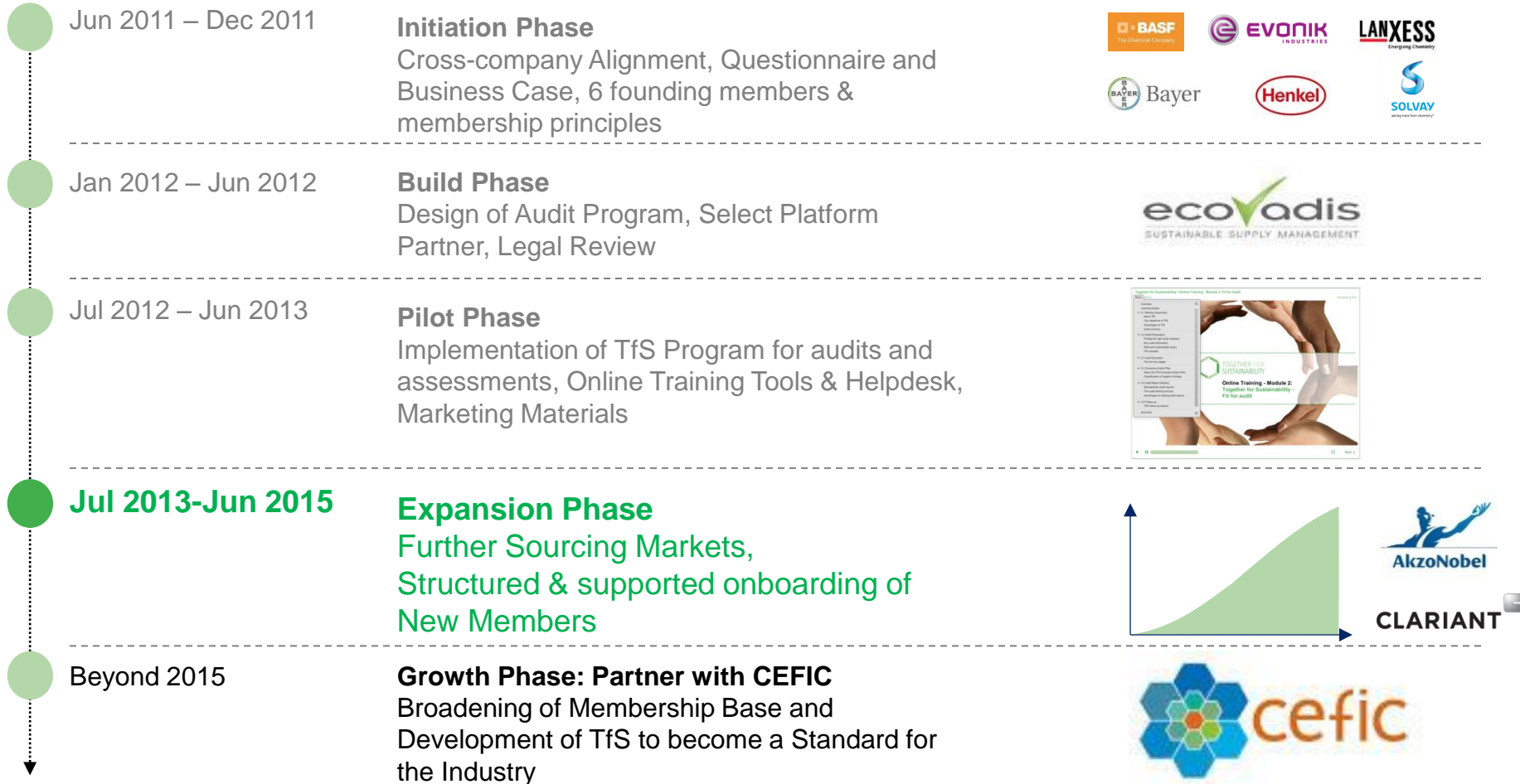


# Together for Sustainability

## A dynamic and collaborative initiative



### Stages of development:





TfS is to drive and foster **resilience, efficiency, and sustainability of global supply chains** in the chemical industry.

Such supply chains build upon **strong partnerships and commitment of its participants** to protect the environment and the safety and health of workers, provide fair working conditions, contribute positively to the livelihoods of workers and communities, and operate in full compliance with applicable laws.

- ◆ *Founded in 2011 by six multinational chemical companies*
- ◆ *TfS members have since been engaging with more than 7000 suppliers in this program*
- ◆ *With currently thirteen members, onboarding candidates are Brenntag, DuPont, Syngenta; TfS plans to grow a global membership base over time*
- ◆ *TfS is a CEFIC partner and builds up cooperation with stakeholders like CPCIF and VCI*

## *founding members*



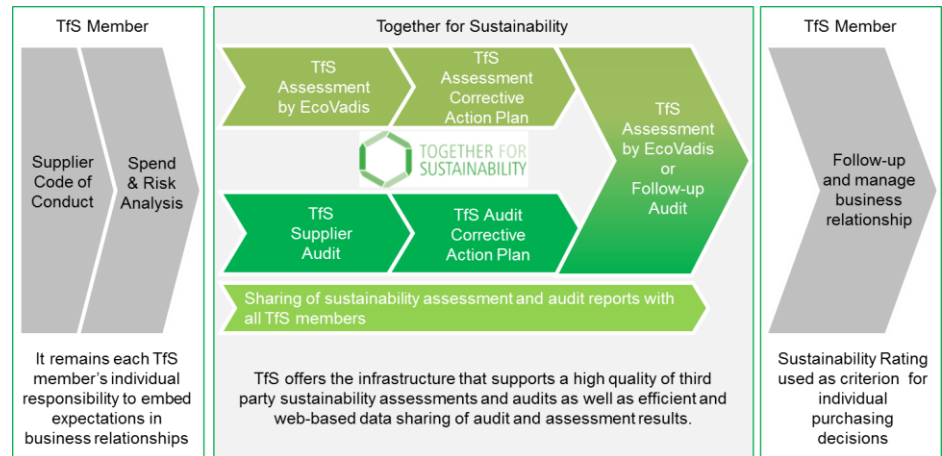
## *new members*



# Together for Sustainability Purpose and Objectives



The purpose of the TFS Initiative is to develop and implement a global supplier engagement program to assess and improve sustainability practices within the supply chains of the Chemical Industry



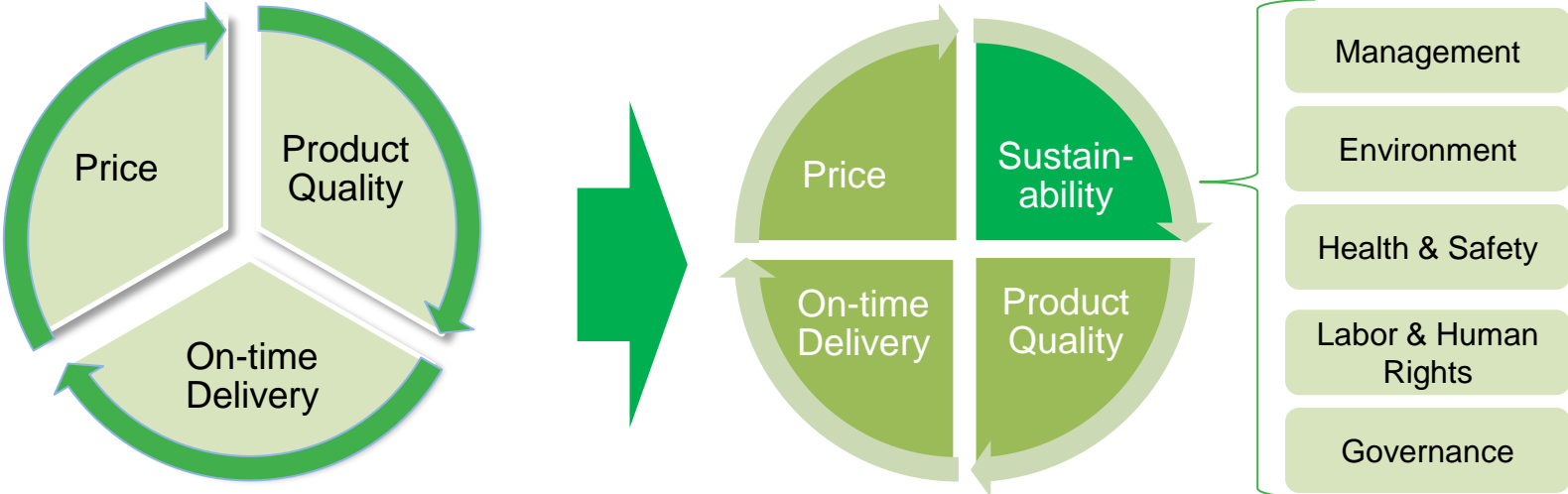
**“An audit for one is an audit for all”**

**Together for Sustainability** complements the focus of supply chain organizations with sustainable sourcing



*Supply Chain focus from...*

*...to*

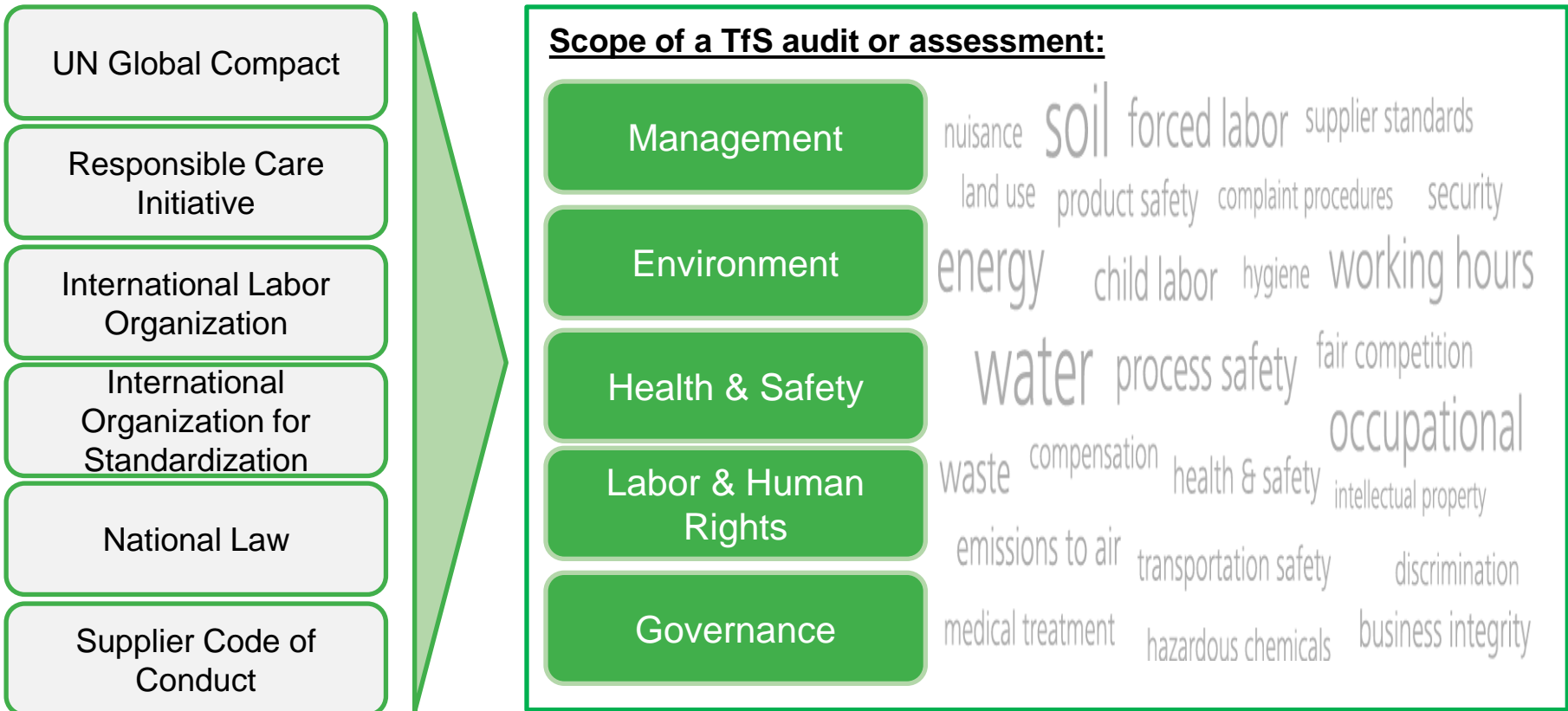


***Sustainable sourcing:***

- Suppliers are no longer assessed purely on the basis of price, quality and on-time delivery
- Sustainability topics such as health & safety, labor and environmental issues are additional business criteria

# TfS set of sustainability criteria

A supplier's sustainability performance is verified against a pre-defined set of criteria, based upon internationally recognized frameworks and tailored to the requirements of the Chemical Industry



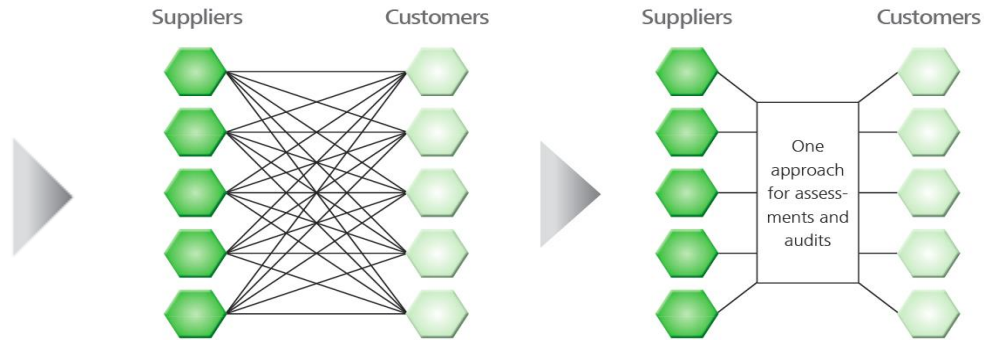


*TfS aims to build the industry's benchmark for sustainable supply chains*



## Expected benefits for TfS members, users and suppliers

**“An audit for one is an audit for all”**



- **DO IT ONCE:** avoid double CR-assessments or -audits by all TfS members, ratings/reports can be used for other customers
- **REDUCE COST:** (one time payment for participation in assessment or audit, assessment rebate vs. normal conditions)
- **IMPROVE RELATIONSHIP:** (between supplier and TfS-members, chances for optimization of CR-topics)
- **ATTRACT OTHER CUSTOMERS:** (option to share CR-results within EcoVadis database, more than 100 industries!)
- **BENCHMARK YOURSELF:** against all other companies of the specific industry sector present at the EcoVadis platform
- **COMMUNICATE:** use audit reports or EcoVadis assessment report for own CR-reporting
- **IMPROVE YOURSELF CONTINUOUSLY:** (demonstrate your sustainability improvements, rising custom requirements)

## Together for Sustainability

Achievements until 2015 are impressive ...



**7300+** assessments initiated

**300+** third party audits conducted \* = initial & follow-up audits

**32** main audit criteria defined

**8** service providers engaged

**110+** Auditors qualified



Status: April 2015

Brand protected in EU, US, CN, BR, IN

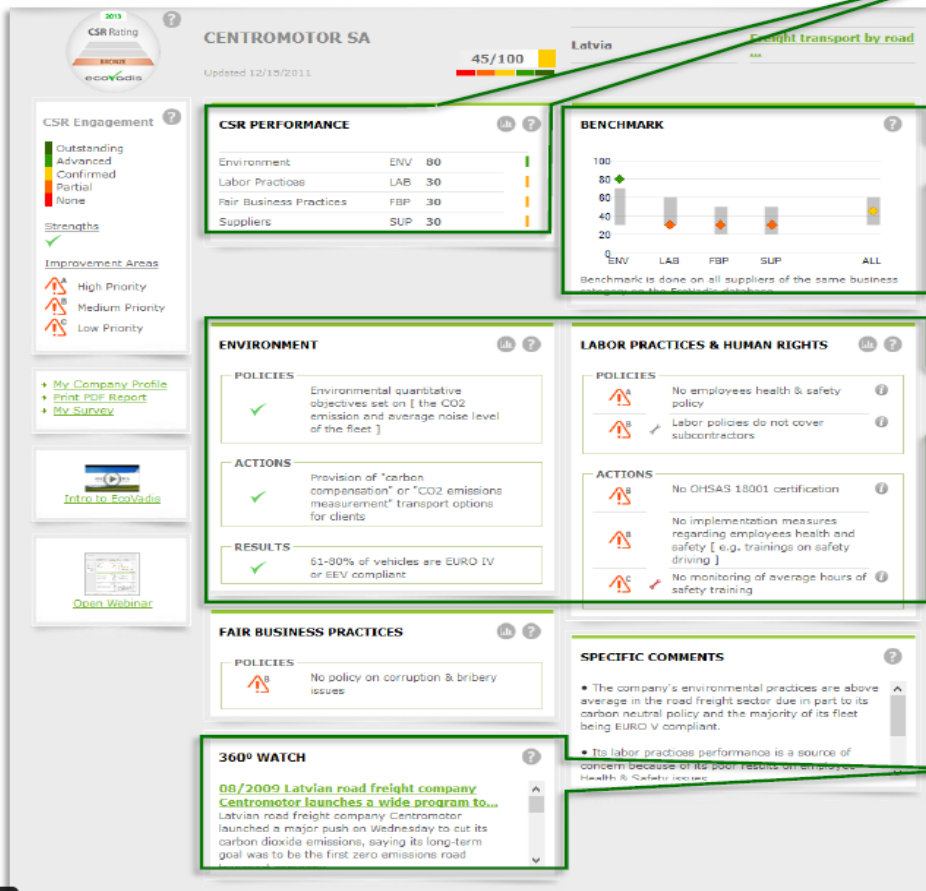


# TfS and Ecovadis partnership



Ecovadis has been contracted as platform partner for the TfS assessment program

## Platform & Service Features: The Scorecard



**CSR Performance**  
Rating by theme of your CSR performance, (Environment, Social, Ethics, Suppliers) on a scoring scale out of 100

**Benchmark\***  
Allows you to compare your performance with other companies in your industry sector

**Strengths and Improvement Areas**  
Detailed presentation of your strong CSR practices and your improvement areas. They are divided into 4 categories that are the four themes used in the CSR rating (environment, social, suppliers and ethics)

**360° Watch\***  
Keep an eye on information from up to 500 stakeholders (NGOs, Trade unions...) concerning your company

\* P

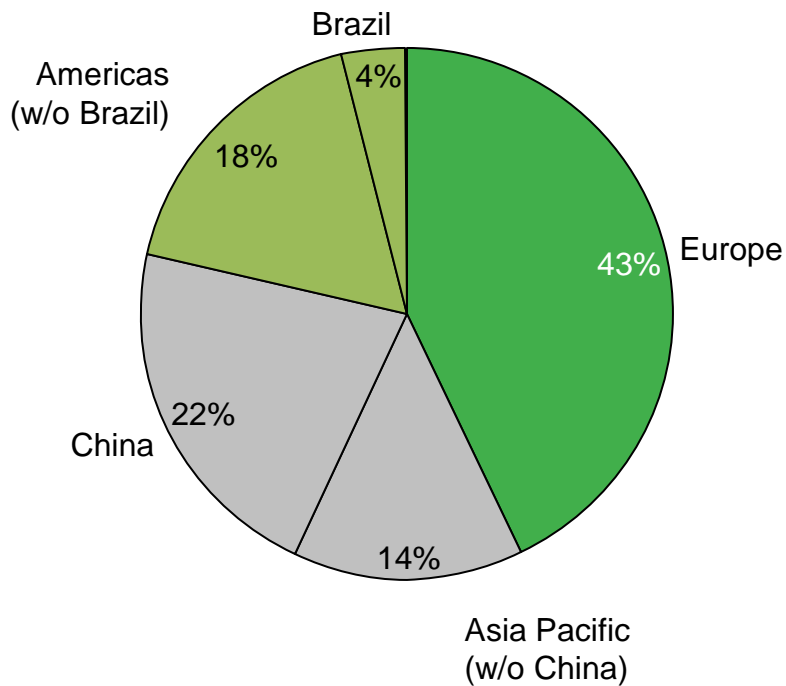
## TfS and EcoVadis assessments are successful

# Geographical distribution of suppliers who have improved

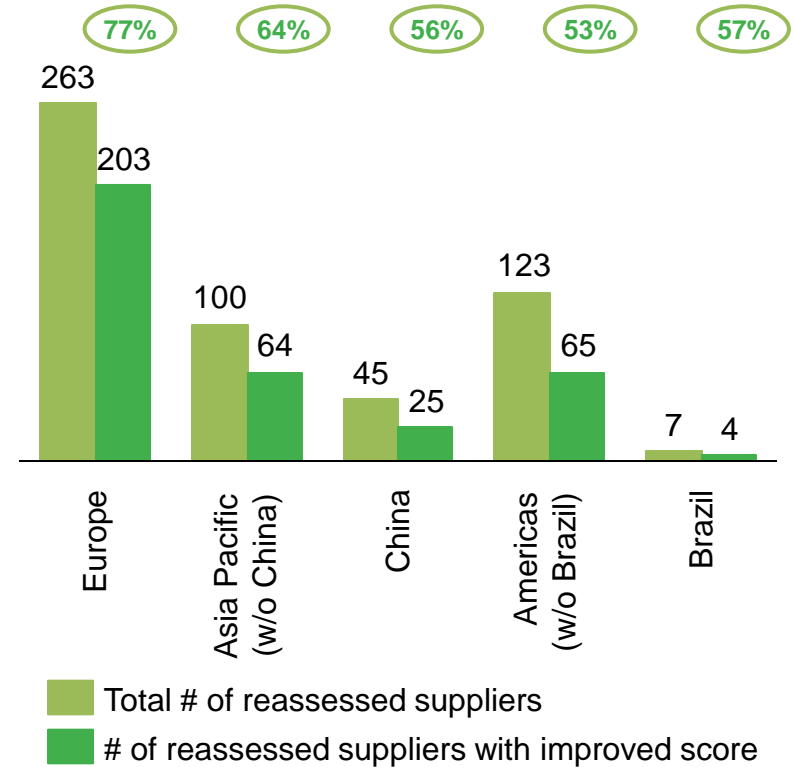
(percentage of improved suppliers)

### Distribution of TfS scorecards

Total number of scorecards: 3033 (as of April 2015)



### Reassessments by region



## Together for Sustainability and EcoVadis

SMEs can achieve the same or better results, as large companies



- As a result, **62% SMEs achieve at least Bronze medal** whereas **only 59% Large companies achieve Bronze medal**
- Average of SMEs (41/100)** is comparable to average of **Large Companies (42/100)**

|       | Gold | Silver | Bronze | None | Average |
|-------|------|--------|--------|------|---------|
| Large | 9%   | 27%    | 23%    | 41%  | 42      |
| SMEs  | 2%   | 29%    | 31%    | 38%  | 41      |

Based on a sample of 5000 assessments in 2013 and 2014

- Large companies have started on CSR earlier (more external pressure). With time, SMEs will catch up.**
- Variety of performances across countries**

| SMEs   | UK  | Germany | China | Russia |
|--|-----|---------|-------|--------|
| Average (1/100)  | 47  | 41      | 35    | 34     |
| % of suppliers w. score $\geq$ 46 Silver or Gold Medal | 63% | 26%     | 7%    | 8%     |

Based on a sample of 5000 assessments in 2013 and 2014

*TfS intends to build a strong partnership with CEFIC*

Since April 1<sup>st</sup> TfS is a partner of Cefic



## A strong partnership between TfS and Cefic will

1. Actively contribute to Cefic's future targets
2. Enable alignment with today's and future Cefic principles and policies
3. Add value to existing Cefic initiatives like SQAS and Responsible Care
4. Break new ground for a unified sustainability standard for the global chemical industry
5. Enable TfS to leverage Cefic's structure, networks and experience to support TfS in its growth
6. Allow both Cefic and TfS to publically leverage Cefic's endorsement of TfS in the public domain

***Thank You.***  
***I welcome your questions!***

***Visit us @ [www.tfs-initiative.com](http://www.tfs-initiative.com)***

Norbert Merklein

CPO

Head of Group Procurement

Clariant International Ltd

***Member of the TfS Steering Committee***

## Backup

- ◆ Membership Criteria
- ◆ Responsible Care

# Membership Criteria

## Approval of the TfS assessment and audit program



- A TfS audit is an on-site examination of a company's business sites and practice
- The scope of a TfS audit typically covers a single or combined business location such as a production site, a warehouse, or an office building
- Within the TfS audit process the supplier's sustainability performance is verified against a defined set of audit criteria on management, environment, health & safety, labor & human rights, and governance issues
- To comply with TfS standards audits must be conducted by pre-approved audit companies. The list of pre-approved audit firms is available on the TfS webpage
- The audit reports are shared between the audited supplier and all TfS member companies, if agreed by the supplier. The auditors will send the audit report to the TfS Office to be uploaded to a web-based platform accessible to all TfS members
- At a more detailed level the TfS audits are based on 32 audit criteria
- The TfS audit will be performed by sustainability auditors out of a pre-approved auditor pool of professional and independent audit companies



# Responsible Care

## Update Usage Responsible Care Logo



- ◆ TfS supports Responsible Care by raising suppliers' awareness concerning the international requirements and principles of the initiative in the area of its influence.
- ◆ Whilst one of the membership criteria of the TfS AISBL is a commitment to RC for itself the focus of TfS as an association is to develop the upstream supply chain to also fulfil these principles.
- ◆ With its office to be soon installed in Brussels at the CEFIC premises TfS is highlighting its partnership with CEFIC and aims at joining forces to spread the Responsible Care program throughout the entire supply chain from sourcing of raw materials until delivery of products at customers' premises, including transport safety and waste disposal.
- ◆ The logo with accompanying text is shown beneath:



Responsible Care-  
a contribution to Supply Chain Sustainability  
through TfS – Together for Sustainability